



## AGENDA

### CITY COUNCIL REGULAR MEETING

**APRIL 19, 2022 @ 7:00 PM**

Notice is hereby given the City Council for the City of Parker will meet on Tuesday, April 19, 2022, at 7:00 P.M. at the Parker City Hall, 5700 E. Parker Road, Parker, Texas, 75002. The City Council meeting will be open to the public and live streamed.

Pursuant to Texas Government Code § 551.127, notice is given that it is the intent of the City Council that a quorum of the Council will be physically present for the above-referenced meeting at Parker City Hall, 5700 E. Parker Road, Parker Texas. Some council members or City employees may participate in this meeting remotely by means of video conference call in compliance with state law.

#### **CALL TO ORDER – Roll Call and Determination of a Quorum**

#### **PLEDGE OF ALLEGIANCE**

AMERICAN PLEDGE: I pledge allegiance to the flag of the United States of America; and to the republic for which it stands, one nation under God, indivisible with liberty and justice for all.

TEXAS PLEDGE: Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

**PUBLIC COMMENTS** The City Council invites any person with business before the Council to speak to the Council. No formal action may be taken on these items at this meeting. Please keep comments to 3 minutes.

#### **ITEMS OF COMMUNITY INTEREST**

i. REMINDER – HOME HAZARDOUS WASTE - <http://www.parkertexas.us/416/Home-Hazardous-Waste>

COMPREHENSIVE PLAN (COMP) COMMITTEE - WEDNESDAY, APRIL 20, 2022, 6 PM

CANDIDATES NIGHT – THURSDAY, APRIL 21, 2022, 7 PM – VICTORY CHURCH

NATIONAL PRESCRIPTION DRUG TAKE BACK - SATURDAY, APRIL 30, 2022, 10AM-2PM

**REMINDER – MAY 7, 2022 – GENERAL ELECTION (EV AND ED INFO)**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Apr 24	Apr 25 Early Voting 8am to 5pm	Apr 26 Early Voting 8am to 5pm	Apr 27 Early Voting 8am to 5pm	Apr 28 Early Voting 8am to 5pm	Apr. 29 Early Voting 8am to 5pm	Apr. 30 Early Voting 8am to 5pm
May 1	May 2 Early Voting 7am to 7pm	May 3 Early Voting 7am to 7pm	May 4	May 5	May 6	May 7 Election Day 7am to 7pm

PARKS AND RECREATION COMMISSION (P&R) – WEDNESDAY, May 11, 2022, **4 PM**

**CITY COUNCIL MEETING - TUESDAY, MAY 17, 2022, 7 PM – RELOCATED TO THE FIRE DEPARTMENT**

**PRIMARY RUNOFF ELECTION – TUESDAY, MAY 24, 2022**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
15-May	16-May Early Voting 7am-7pm	17-May Early Voting 7am-7pm	18-May Early Voting 7am-7pm	19-May Early Voting 7am-7pm	20-May Early Voting 7am-7pm	21-May

22-May	23-May	24-May Election Day 7am-7pm	25-May	26-May	27-May	28-May
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**CONSENT AGENDA** Routine Council business. Consent Agenda is approved by a single majority vote. Items may be removed for open discussion by a request from a Councilmember or member of staff.

1. APPROVAL OF MEETING MINUTES FOR APRIL 5, 2022.
2. CONSIDERATION AND/OR ANY APPROPRIATE ACTION CANCELING THE MAY 3, 2022, REGULAR MEETING DUE TO MAY 7, 2022, GENERAL AND SPECIAL ELECTION EARLY VOTING, 7AM-7PM.

### INDIVIDUAL CONSIDERATION ITEMS

3. CONSIDERATION, DISCUSSION, AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2022-688 ON THE 2021-2022 INVESTMENT POLICY. [*This item was originally on the December 7, 2021, City Council agenda.*]
4. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2022-695, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE MASTER EQUITY LEASE AGREEMENT AND RELATED DOCUMENTS WITH ENTERPRISE FLEET MANAGEMENT.
5. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2022-696, REGARDING NOMINATION OF A BOARD OF DIRECTOR POSITION FOR THE COLLIN COUNTY CENTRAL APPRAISAL DISTRICT.
6. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ACCEPTING AN ONGOING DONATION IN AN AMOUNT EXCEEDING \$500, NOT EXPECTED TO EXCEED \$2,500 FROM MUSLIMS GIVING BACK.

### ROUTINE ITEMS

#### 7. UPDATE(S):

ANY COMMITTEE UPDATES, AS NEEDED.

MONTHLY/QUARTERLY REPORTS (Links below.)

[Mar 2022 - Building Permit/Code Report](#)

[Mar 2022 - Court Report](#)

[Mar 2022 – Finance \(monthly financials\) Report](#)

[Investment 1st Qtr. Report 2022](#)

[Mar 2022 – Police Report](#)

[Mar 2022 – Republic Services Inc., dba Allied Waste Services of Plan](#)

[Mar 2022 – Website \(PIWIK\) Report](#)

ACCEPTANCE OF DONATION(S) FOR POLICE, FIRE, AND CITY STAFF DUE TO FOR THE RECORD (Each valued at between \$0 - \$500).

James & Cindy Henderson/Anthony Cordova donated snacks values at \$120.00

### FUTURE AGENDA ITEMS

#### 8. FUTURE AGENDA ITEMS

### WORKSHOP

## 9. WORKSHOP ITEMS

Review Fee Schedule

Clarify Email Policy

**EXECUTIVE SESSION START TO FINISH** - Pursuant to the provisions of Chapter 551, Texas Government Code the City Council may hold a closed meeting.

RECESS TO CLOSED EXECUTIVE SESSION IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN:

Government Code Section 551.074 Personnel—To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

Government Code Section 551.071(1)—Consultation with City Attorney concerning Pending or Contemplated Litigation.

Government Code Section 551.071(2) – Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly conflicts with this chapter (Open Meetings Act).

RECONVENE REGULAR MEETING.

ANY APPROPRIATE DELIBERATION AND/OR ACTION ON ANY OF THE EXECUTIVE SESSION SUBJECTS LISTED ABOVE.

## **ADJOURN**

In addition to any specifically identified Executive Sessions, Council may convene into Executive Session at any point during the open meeting to discuss any item posted on this Agenda. The Open Meetings Act provides specific exceptions that require that a meeting be open. Should Council elect to convene into Executive Session, those exceptions will be specifically identified and announced. Any subsequent action, as a result of this Executive Session, will be taken and recorded in open session.

I certify that this Notice of Meeting was posted on or before March 14, 2022, by 5:00 p.m. at the Parker City Hall, and as a courtesy, this Agenda is also posted to the City of Parker Website at [www.parkertexas.us](http://www.parkertexas.us).

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Date Notice Removed

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Patti Scott Grey

City Secretary

The Parker City Hall is Wheelchair accessible. Sign interpretations or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Secretary's Office at 972 442 6811.



## Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: Council
Fund Balance-before expenditure:	Prepared by: ACA/CS Scott Grey
Estimated Cost:	Date Prepared: April 7, 2022
Exhibits:	<u>None</u>

### AGENDA SUBJECT

REMINDER – HOME HAZARDOUS WASTE - <http://www.parkertexas.us/416/Home-Hazardous-Waste>

COMPREHENSIVE PLAN (COMP) COMMITTEE - WEDNESDAY, APRIL 20, 2022, 6 PM

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22-May	23-May	24-May Election Day 7am-7pm	25-May	26-May	27-May	28-May

### SUMMARY

Please review information provided.

## Inter – Office Use

<b>Approved by:</b>	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	04/142022
City Attorney:	<i>Trey Lansford</i>	Date:	04/142022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022



## Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: City Secretary
Fund Balance-before expenditure:	Prepared by: ACA/CS Scott Grey
Estimated Cost:	Date Prepared: April 6, 2022
Exhibits:	<ul style="list-style-type: none"> <li>• <a href="#">Proposed Minutes</a></li> </ul>

### AGENDA SUBJECT

APPROVAL OF MEETING MINUTES FOR APRIL 5, 2022.

### SUMMARY

Please review the attached minutes. If you have any questions, comments, and/or corrections, please contact the City Secretary at [PGrey@parkertexas.us](mailto:PGrey@parkertexas.us) prior to the City Council meeting.

### POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
<b>Approved by:</b>	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	04/14/2022
City Attorney:	<i>Trey Lansford</i>	Date:	04/14/2022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022



**MINUTES**  
**CITY COUNCIL MEETING**  
**APRIL 5, 2022**

**CALL TO ORDER – Roll Call and Determination of a Quorum**

The Parker City Council met in a regular meeting on the above date at Parker City Hall, 5700 E. Parker Road, Parker, Texas, 75002.

Mayor Lee Pettie called the meeting to order at 7:00 p.m. Mayor Pro Tem Cindy Meyer and Councilmembers Diana M. Abraham, Terry Lynch, Jim Reed, and Michael Slaughter were present.

Staff Present: City Administrator Luke Olson, Asst. City Administrator/City Secretary Patti Scott Grey, Finance/Human Resources Director Grant Savage, City Attorney Trey Lansford, Public Works Director Gary Machado (arrived at 7:05 p.m.), City Engineer John Birkhoff, P.E. (arrived at 7:05 p.m.), and Police Captain Kenneth Price

**PLEDGE OF ALLEGIANCE**

AMERICAN PLEDGE: Rick Debus led the pledge.

TEXAS PLEDGE: Linda Nelson led the pledge.

**PUBLIC COMMENTS** The City Council invites any person with business before the Council to speak. No formal action may be taken on these items at this meeting. Please keep comments to 3 minutes.

Richard Williams, 5105 Englenook Drive, voiced concern regarding an April 2, 2022, email from Mayor Lee Pettie. [**See Exhibit 1 – Richard Williams’ comments, dated April 5, 2022.**]

Stephen Brooks, CEO Grand Homes, spoke, stating he hoped Council would vote in favor of item #7, CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON KINGS CROSSING PHASE 3 FINAL PLAT, so the City can start issuing building permits.

Lynnette Ammar, 6903 Audubon Drive, voiced concern regarding an April 2, 2022, email from Mayor Lee Pettie.

Susan Medrano, 4406 Dover Drive, future Kings Crossing Phase 3 and Parker resident, expressed concern regarding the development moving forward.

Jon Kerr, 6308 Warwick Way, spoke, regarding Lewis Lane and other Parker road conditions, as well as Kings Crossing Phase 3 drainage issues.

Patricia Harrison, 4400 Pecan Orchard, voiced concern regarding an April 2, 2022, email from Mayor Lee Pettie.

Elvis Nelson, 5802 Corinth Chapel, expressed his appreciation for the Parker Fire Department and Emergency Medical Technicians (EMTs) for saving his life January 2022 and voiced concern regarding an April 2, 2022, email from Mayor Lee Pettie. [**See Exhibit 2 – Elvis Nelson’s comments, dated April 5, 2022.**]

Donna Reed, 4703 Boulder Drive, voiced concern regarding an April 2, 2022, email from Mayor Lee Pettie.

Jeff Harrison, 4400 Pecan Orchard, voiced concern regarding an April 2, 2022, email from Mayor Lee Pettie.

Ellis "Skip" Cave, 4407 Springhill Estates Drive, voiced concern regarding an April 2, 2022, email from Mayor Lee Pettie.

Jim Douglas, 5005 Hackberry Lane, voiced concern regarding an April 2, 2022, email from Mayor Lee Pettie.

Ed Standridge, 3607 Hogge Drive, expressed concern regarding an April 2, 2022, email from Mayor Lee Pettie.

Joe Cordina, 4302 Boulder Drive, voiced concern regarding an April 2, 2022, email from Mayor Lee Pettie.

Krunal Kapadia, 5801 Laila Drive, expressed concern regarding impact of FM 2551 construction on the residential lots in his neighborhood.

Jennifer Schmitt, 6000 Dumont, was unable to attend tonight's meeting and asked that her email be included. [**See Exhibit 3 – Jennifer Schmitt's comments, dated April 5, 2022.**]

**EXECUTIVE SESSION** - Pursuant to the provisions of Chapter 551, Texas Government Code, Vernon's Texas Codes Annotated the City Council may hold a closed meeting.

RECESS TO CLOSED EXECUTIVE SESSION IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN:

Government Code Section 551.074 Personnel—To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

Government Code Section 551.071(1)—Consultation with City Attorney concerning Pending or Contemplated Litigation.

Mayor Lee Pettie recessed the regular meeting to Executive Session at 7:34 p.m.

RECONVENE REGULAR MEETING.

Mayor Lee Pettie reconvened the meeting at 8:21 p.m.

ANY APPROPRIATE DELIBERATION AND/OR ACTION ON ANY OF THE EXECUTIVE SESSION SUBJECTS LISTED ABOVE.

Councilmember Slaughter stated, in accordance with what was deliberated, Council would like to direct staff to draft a resolution to outline the fact that all city business must be conducted by city email, all elected officials, employees of the City of Parker, etc., who have a City email must use that email for all City communication. Council agreed, 5-0.

## ITEMS OF COMMUNITY INTEREST

Mayor Pettie read each of the Items of Community Interest, as follows:

- REMINDER – HOME HAZARDOUS WASTE - <http://www.parkertexas.us/416/Home-Hazardous-Waste>
- THURSDAY, APRIL 7, 2022 - LAST DAY TO REGISTER TO VOTE FOR THE MAY 7, 2022, GE
- PARKS AND RECREATION COMMISSION (P&R) – WEDNESDAY, APRIL 13, 2022, 4 PM
- COMPREHENSIVE PLAN (COMP) COMMITTEE - WEDNESDAY, APRIL 20, 2022, 6 PM
- CANDIDATES NIGHT – THURSDAY, APRIL 21, 2022, 7 PM – VICTORY CHURCH  
Councilmember Slaughter noted the **League of Women Voters** would be handling this event.
- NATIONAL PRESCRIPTION DRUG TAKE BACK - SATURDAY, APRIL 30, 2022, 10AM-2PM
- **REMINDER – MAY 7, 2022 – GENERAL ELECTION (EV AND ED INFO)**

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May 1	May 2 Early Voting 7am to 7pm	May 3 Early Voting 7am to 7pm	May 4	May 5	May 6	May 7 Election Day 7am to 7pm

- **PRIMARY RUNOFF ELECTION – TUESDAY, MAY 24, 2022**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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22-May	23-May	24-May Election Day 7am-7pm	25-May	26-May	27-May	28-May

**CONSENT AGENDA** Routine Council business. Consent Agenda is approved by a single majority vote. Items may be removed for open discussion by a request from a Councilmember or member of staff.

1. APPROVAL OF MEETING MINUTES FOR MARCH 11, 2022.

MOTION: Councilmember Lynch moved to approve item 1, the March 11, 2022, City Council meeting minutes, of the consent agenda, removing item 2 for further discussion. Councilmember Slaughter seconded with Councilmembers Abraham, Lynch, Meyer, Reed, and Slaughter voting for the motion. Motion carried 5-0.

**INDIVIDUAL CONSIDERATION ITEMS**

Item 2 of the consent agenda was moved to Individual Consideration Items.

2. APPROVAL OF MEETING MINUTES FOR MARCH 15, 2022.

MOTION: Councilmember Slaughter moved to approve item 2 of the consent agenda, as amended, as follows:

7. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON KINGS CROSSING PHASE 3 FINAL PLAT.

MOTION: Councilmember Lynch moved to approve Kings Crossing Phase 3 Final Plat, subject to the ~~ten (10)~~ outstanding items in City Engineer John W. Birkhoff, P.E.'s letter, dated March 3, 2022, being completed, plus correcting the acreage chart on the plat. There was no second. The motion died for lack of a second.

Councilmember Reed seconded with Councilmembers Abraham, Lynch, Meyer, Reed, and Slaughter voting for the motion. Motion carried 5-0.

3. DISCUSSION AND/OR APPROPRIATE ACTION REGARDING APPROVAL OF DONATED PARKS AND RECREATION (P&R) PRESERVE SIGNAGE.

City Administrator Olson presented the item, stating P&R Commission met March 9, 2022, and recommended the donation of the P&R Preserve signage. P&R Place 4 Commissioner Frank DaCosta and former P&R Alternate Rick Debus were in attendance in support of the signage and noted Boy Scout Logan Donahue built the billboard replacement board for the sign.

Mayor Pettie noted the Great American Cleanup held Saturday, April 2, 2022, 9AM-11AM was a success and thanked P&R and volunteers.

MOTION: Councilmember Slaughter moved to approve the donation of the Parks and Recreation (P&R) signage. Councilmember Abraham seconded with Councilmembers Abraham, Lynch, Meyer, Reed, and Slaughter voting for the motion. Motion carried 5-0.

4. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON KINGS CROSSING PHASE 3 FINAL PLAT. [*This item was originally on the March 15, 2022, City Council agenda.*]

City Attorney Lansford advised Council Kings Crossing Phase 3 Final Plat would need to be approved, approved subject to certain conditions, or denied, due to the 30-day statute clock.

Developer Preston Walhood provided Kings Crossing Phase 3 Final Plat photos. [**See Exhibit 4 – Developer Preston Walhood's photos, dated April 5, 2022.**]

MOTION: Councilmember Reed moved to approve the plat, based on *Texas Commission on Environmental Quality (TCEQ)* responsibility and with the stipulations the developers, honor what they say, correcting erosion and/or any problems that arise prior to the home builder coming in or taking over. Councilmember Slaughter seconded.

The motion was restated.

MOTION: Councilmember Reed moved to have the developer abide by their TCEQ obligations to continue to maintain the drainage until released at a state level. Mayor Pro Tem asked that the motion be more specific to state the four (4) uncompleted items on City Engineer John W. Birkhoff, P.E.'s letter, dated March 3, 2022.

Councilmember Reed withdrew the motion and/or restated it.

Councilmember Abraham asked the Builder Stephen Brooks, CEO Grand Homes, if he is ready to take responsibility. Mr. Brooks agreed for the record.

MOTION: Councilmember Reed moved to accept Kings Crossing Phase 3 Final Plat with the stipulation that the three (3) items (Items 6, 9 & 10) discussed by City Engineer Birkhoff are addressed and the TCEQ responsibilities are met and under compliance until handed off to the builder. Councilmember Slaughter seconded with Councilmembers Abraham, Lynch, Meyer, Reed, and Slaughter voting for the motion. Motion carried 5-0.

## **ROUTINE ITEMS**

### 5. UPDATE(S):

ANY COMMITTEE UPDATES, AS NEEDED.  
COMP PLAN

## **FUTURE AGENDA ITEMS**

### 6. FUTURE AGENDA ITEMS

Mayor Pettie asked if there were any items to be added to the future agenda.

Hearing no requests, she encouraged everyone to email her any requests. She noted the next regularly scheduled meeting would be Tuesday, April 19, 2022.

**EXECUTIVE SESSION** - Pursuant to the provisions of Chapter 551, Texas Government Code, Vernon's Texas Codes Annotated the City Council may hold a closed meeting.

RECESS TO CLOSED EXECUTIVE SESSION IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN:

Government Code Section 551.074 Personnel—To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

Government Code Section 551.071(1)—Consultation with City Attorney concerning Pending or Contemplated Litigation.

Government Code Section 551.071(2) – Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly conflicts with this chapter (Open Meetings Act).

Mayor Lee Pettie recessed the regular meeting to Executive Session at 9:40 p.m.

RECONVENE REGULAR MEETING.

Mayor Lee Pettie reconvened the meeting at 10:23 p.m.

ANY APPROPRIATE DELIBERATION AND/OR ACTION ON ANY OF THE EXECUTIVE SESSION SUBJECTS LISTED ABOVE.

No action was taken.

## **ADJOURN**

Mayor Lee Pettie adjourned the meeting at 10:23 p.m.

APPROVED:

\_\_\_\_\_  
Mayor Lee Pettle

ATTESTED:

Approved on the 19th day  
of April, 2022.

\_\_\_\_\_  
Patti Scott Grey, City Secretary

Good evening council members. My name is Richard Williams and I live at 5105 Englenook Dr. This past Saturday I received an Email from Mayor Lee Pettie from her AOL account and as we all know she uses extensively for all her city of Parker Business. It was marked Confidential Do not Distribute. I have copies for each of you if you desire to see it. It was addressed to Candidate Edwin Smith. In this email you will see over 30 Parker Residents listed with commentary beside each name. The comments on Parker Residents included what people did, Residents Spouses, What Party they are members of how long people lived here, Accusation of who finances people, who is whose friend, And the most egregious thing, talking about People Kids and grandkids and their medical issues, Which could be a violation of the HIPPA Act. I am also concerned that the City Attorney was included since he is supposed to be Impartial in all matters and SHOULD NOT BE POLITICIZED! This is not a Republican, Democrat or Independent issue. It is a privacy issue.

I find this act of sharing residents of Parkers personal information with a specific candidate by the Mayor Reprehensible. Especially after she had reassured Council Members Lynch and Slaughter as well as many in the community that she was taking no sides. You can clearly see This is not the case. She lied to the council members but more importantly violated the trust of the Citizens of Parker.

Mayor, you had no right or authority to share mine or any others information with Candidate Smith. And Mr. Smith you do not have my permission to use that in any shape way form or fashion. If you choose to do so I will take legal action against you. What is most disturbing to me is the Sharing of Minors and their medical conditions to Mr. Smith. You have absolutely no right to be doing that.

I am concerned that any information I have requested in my FOI Request will be deleted and outside of a subpoena from the DA or Texas AG to AOL those records will be lost. The council Should force the mayor at minimum to use the Parker emails and servers so that we have control of all that information on our servers instead of her and AOL and her ability to delete files without the City's knowledge. I have contacted the DAs office and AGs office in this matter and have begun turning over documents to them for investigation into the mayors' activities and possible criminal activity. I have requested via FOI communications with Mr. Smith and when received I will share them with the Council, DA, AG and the residents of Parker. We all have a right to know if the mayor is systematically targeting citizens and sharing unauthorized private and personal information for Political purposes and other possible criminal activity. What other Lists are you keeping on Parker Citizens Mayor? What other things have been going on we

do not know about? You speak of Transparency Mayor this is the Exact opposite.

Mayor Pettie, I am not interested in apologies at this point the damage is done, besides I cannot trust what you are saying. I am calling for you to resign as Mayor immediately and withdraw from the mayor's race. You have broken the public's trust. You have outright lied to Council Members. You have lied to Citizens. As Mayor you should be representing ALL Parker citizens. This email clearly demonstrates that is not the case and your actions are a reflection on you and the City of Parker.

This is squarely on your shoulders. If you love Parker, you will resign and allow the city to begin restoring the city's reputation and Trust. It will be your choice if this gets worse or we begin to heal from this violation.

Day / Date: **Tuesday, April 5, 2022**

Attention: **City Council, Mayor, and City Administrator**

Subject: **Conduct of City Leadership**

Hello everyone,

My name is Elvis J. Nelson. I reside at 5802 Corinth Chapel Road in Parker Village. I have lived in Parker since 2009, a total of 13 years.

I want to express my appreciation to the Parker Fire Department and their very capable EMT team who saved my life in January of this year with their rapid response.

As I continue to recover from Long Term Covid Pneumonia, I often reflect on my Father - - also named Elvis Nelson. He did not go past 3<sup>rd</sup> grade with his education. He said the same thing in private as he said in public. He was a man of his word. He was a man of integrity.

For public officials at all levels of government - - whether the topic is the municipal building or campaign elections or candidates - - it is a non-negotiable expectation that City Leadership would act with integrity in all their dealings which is a higher standard than simply what the law might allow. Acting with integrity includes holding the same point of view in public as in private.

I encourage City Council to review recent actions by the Mayor to determine how best to move Parker forward.

I ask that my comments be included in the Council minutes.

Best regards,



Elvis Nelson

**Patti Grey**

**From:** Michael Slaughter  
**Sent:** Tuesday, April 5, 2022 10:12 PM  
**To:** Patti Grey; Luke Olson; Trey Lansford  
**Subject:** Fwd: FYI: April 5th City Council Meeting - Parker Resident Comment

Michael Slaughter  
Parker City Council

Begin forwarded message:

**From:** Jennifer Schmitt < >  
**Date:** April 5, 2022 at 7:01:06 PM CDT  
**To:** Cindy Meyer <CMeyer@parkertexas.us>, Terry Lynch <tlynch@parkertexas.us>, Jim Reed <jreed@parkertexas.us>, Diana Abraham <dabraham@parkertexas.us>  
**Cc:** Lee Pettie <LPettie@parkertexas.us>, Michael Slaughter <mslaughter@parkertexas.us>  
**Subject:** FYI: April 5th City Council Meeting - Parker Resident Comment

Please submit my comment, below, for official record in the April 5<sup>th</sup> Parker City Council Meeting.

Thank you,

Jennifer Schmitt

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**From:** Jennifer Schmitt  
**Sent:** Tuesday, April 5, 2022 6:57 PM  
**To:** mslaughter@parkertexas.us  
**Subject:** April 5th City Council Meeting - Comment  
**Importance:** High

Dear Michael,

It was brought to my attention that Lee Pettie utilized information about Parker residents that she obtained in her public role as mayor and then shared privately with a candidate vying for public office. I have also been made aware that if she had not accidentally copied the Parker Residents that this would not have been brought to light as she was using her personal email address to distribute this personal information. These are both questionable activities in local government.

With all of the recent discrepancies in election integrity this is very concerning. Whether her intention was nefarious or not, the appearance of wrong doing is there and should be addressed. It brings into question what other information has she shared or actions has she taken that have been unethical and biased to certain political factions or individuals? Public officials are in place to represent the citizens in their district and should be held accountable for their actions. I don't believe Lee Pettie's actions are in keeping with someone I want to represent me and would like to see her step down from the office of Mayor for the City of Parker. I am not able to be at the council meeting tonight and could not find a place on the website to share my comment for the meeting. Please share my thoughts on my behalf.

Very respectfully,

*Jennifer*

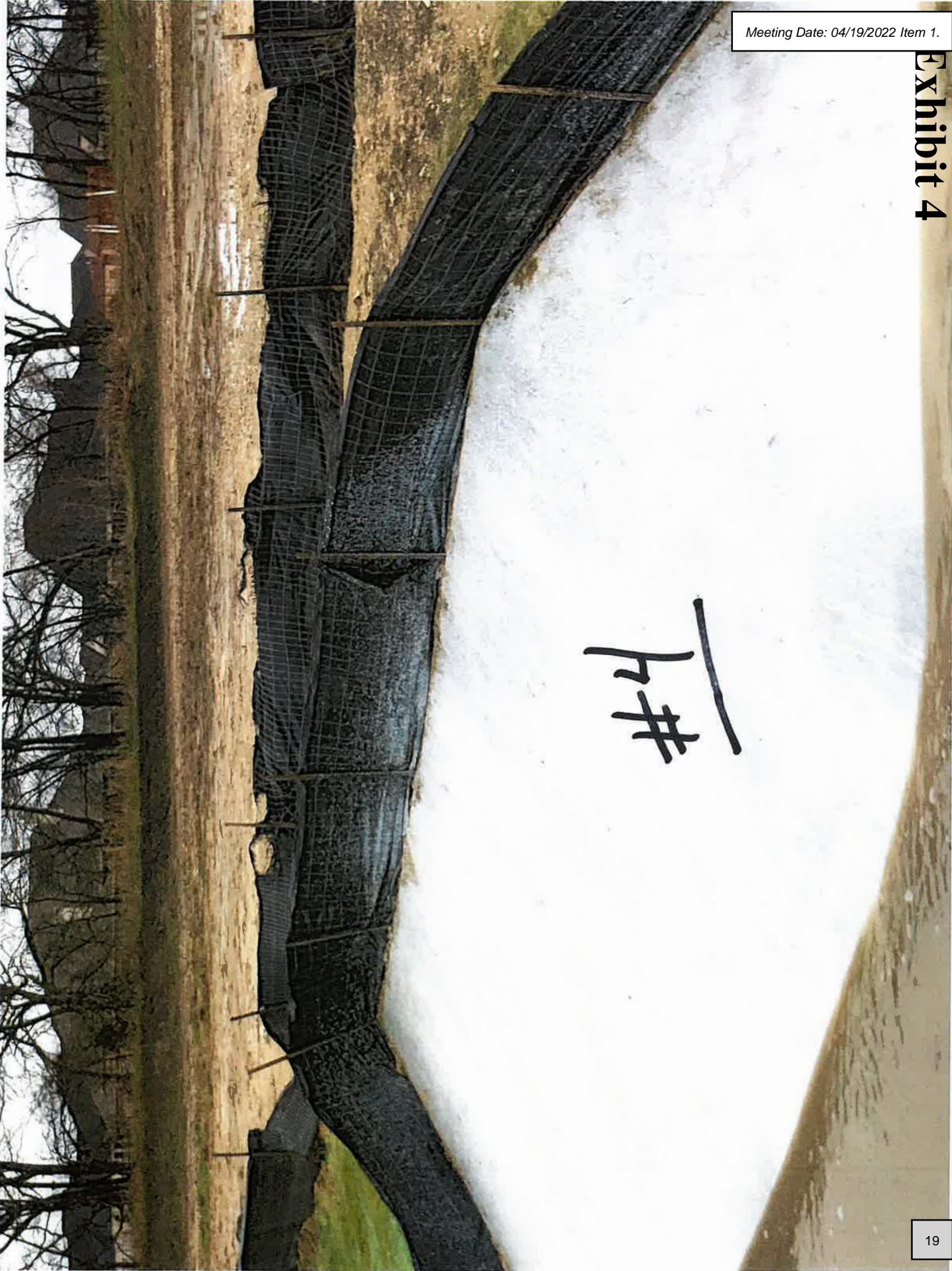
Jennifer Schmitt  
6000 Dumont Ct.

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# Exhibit 4

1-H#











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# POST RAIN





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## Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: City Secretary
Fund Balance-before expenditure:	Prepared by: ACA/CS Scott Grey
Estimated Cost:	Date Prepared: April 6, 2022
Exhibits:	<a href="#">None</a>

### AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION CANCELING THE MAY 3, 2022, REGULAR MEETING DUE TO MAY 7, 2022, GENERAL AND SPECIAL ELECTION EARLY VOTING, 7AM-7PM.

### SUMMARY

Please note the May 7, 2022, General and Special Election Early Voting will be conducted in the City Council Chambers on Tuesday, May 3, 2022, the 7am – 7pm.

### REMINDER – MAY 7, 2022 – GENERAL ELECTION (EV AND ED INFO)

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Apr 24	Apr 25 Early Voting 8am to 5pm	Apr 26 Early Voting 8am to 5pm	Apr 27 Early Voting 8am to 5pm	Apr 28 Early Voting 8am to 5pm	Apr. 29 Early Voting 8am to 5pm	Apr. 30 Early Voting 8am to 5pm
May 1	May 2 Early Voting 7am to 7pm	May 3 Early Voting 7am to 7pm	May 4	May 5	May 6	May 7 Election Day 7am to 7pm

### POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	04/14/2022
City Attorney:	<i>Trey Lansford</i>	Date:	04/14/2022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022



## Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: Administration
Fund Balance-before expenditure:	Prepared by: Finance/HR Director Savage
Estimated Cost:	Date Prepared: April 15, 2022
Exhibits:	<ol style="list-style-type: none"> <li>1. <a href="#">Proposed Resolution</a></li> <li>2. <a href="#">Investment Policy 2021-2022 Revisions</a></li> <li>3. <a href="#">Investment Policy 2021-2022</a></li> </ol>

### AGENDA SUBJECT

CONSIDERATION, DISCUSSION, AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2022-688 ON THE 2021-2022 INVESTMENT POLICY. [*This item was originally on the December 7, 2021, City Council agenda.*]

### SUMMARY

Please review the Investment Policy. The Investment Committee met on February 9, 2022, and April 13, 2022, to review the current policy. Several changes were proposed and have been highlighted in the Investment Policy 2021-2022 Revisions.

### POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	04/14/2022
City Attorney:	<i>Trey Lansford</i>	Date:	04/14/2022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022

**RESOLUTION NO. 2022-688**  
**(2021-2022 Investment Policy)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW AND REVISION OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE CITY; ADOPTING THE 2021-2022 INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT "A"; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, in accordance with the Public Funds Investment Act, Chapter 2256.005, Texas Government Code, the City Council of the City of Parker, Texas by resolution adopted an investment policy; and

**WHEREAS**, Section 2256.005, Texas Government Code requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS AS FOLLOWS:**

**SECTION 1.** The City Council of the City of Parker has completed its review of the investment policies and investment strategies. The changes to be made are as indicated in the attached redline of the 2021-2022 Investment Policy, attached as Exhibit "A" hereto. A clean version of the updated 2021-2022 Investment Policy is attached hereto as Exhibit "B."

**SECTION 2.** The City of Parker 2021-2022 Investment Policy attached hereto as Exhibit "B" is hereby adopted and shall govern the investment policies and investment strategies for the City, and shall define the authority of the Investment Officers and any additional Investment Committee members from and after the effective date of this resolution.

**SECTION 3.** All provisions of the resolutions of the City of Parker, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

**SECTION 4.** Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

**SECTION 5.** This resolution shall become effective immediately from and after its passage.

RESOLUTION 2022 -688  
(2021-2022 Investment Policy)

Page 1

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Parker, Texas, on this the 19<sup>th</sup> day of April, 2022.

**CITY OF PARKER:**

\_\_\_\_\_  
Lee Pettie, Mayor

**ATTEST:**

**APPROVED AS TO LEGAL FORM:**

\_\_\_\_\_  
Patti Scott Grey, City Secretary

\_\_\_\_\_  
Larence M. Lansford, III, City Attorney

## City of Parker

### 2021-2022 Investment Policy

#### ARTICLE I PURPOSE AND NEED FOR POLICY

Chapter 2256 of the Government Code, as amended from time to time by the Texas State Legislature (“Public Funds Investment Act”) requires each city to adopt rules governing its investment practices and to define the authority of the Investment Officer and any additional Investment Committee members. The 2021-2022 Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and prudent fiscal management of the City of Parker, Collin County, Texas funds.

#### ARTICLE II SCOPE

The Investment Policy applies to the investment and management of all funds under direct authority of the City of Parker, Collin County, Texas.

- A. These funds are accounted for in the City’s Annual Financial Report and include the following:
- (1) General Fund;
  - (2) Special Revenue Funds;
  - (3) Capital Project Funds;
  - (4) Enterprise Funds;
  - (5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
  - (6) Debt Service Funds, including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately; and
  - (7) Any new fund created by the City unless specifically exempted from this policy by the City or by law.

This investment policy shall apply to all transactions involving the financial assets and related activity of all the foregoing funds.

- B. This policy ~~excludes:~~ shall not govern funds which are managed under separate investment programs in accordance with Section 2256.004 of the Public Fund Investment Act. Such funds currently include the Other Post-Employment Funds and the Deferred Compensation Funds.

- ~~(1) Employee Retirement and Pension Funds administered or sponsored by the City.~~
- ~~(2) Defeased bond funds held in trust escrow accounts.~~

### C. Review and Amendment

The City Council is required by state statute and by this investment policy to review this investment policy and investment strategies not less than annually and to adopt a resolution stating the review has been completed and recording any changes made to either the policy or strategy statements.

## ARTICLE III PRUDENCE

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an Investment Officer Official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- (2) whether the investment decision was consistent with the written investment policy of the City.

All participants in the investment program will seek to act responsibly as custodians of the public trust. Investment Officers Officials will avoid any transaction that might impair public confidence in the City's ability to govern effectively. Investment Officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public trust. Nevertheless, the City recognizes that in a marketable, diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment rate of return.

Investment Officials, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for market price changes, provided that these deviations from expectations are reported immediately to the Mayor and the City Council of the City of Parker, and that appropriate action is taken by the Finance Director Investment Officer to control adverse developments.

## ARTICLE IV OBJECTIVES

### A. Preservation and Safety of Principal

Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value.

### B. Liquidity

The City's investment portfolio will remain liquid to enable the City to meet all operating requirements, which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

### C. Yield

The investment portfolio of the City shall be designed to meet or exceed the average rate of return on 91-day U.S. treasury bills throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio. Legal constraints on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment **Officers** **Officials** will seek to maximize the yield of these funds in the same manner as all other City funds. However, if the yield achieved by the City is higher than the arbitrage yield, positive arbitrage income will be averaged over a five-year period, netted against any negative arbitrage income and the net amount shall be rebated to the federal government as required by federal regulations.

## ARTICLE V RESPONSIBILITY AND CONTROL

### A. Delegation - Investment Officers; **Investment Committee**

**Management responsibility for the investment program is hereby delegated to the Finance Director. The City Administrator and Finance Director are hereby designated as "Investment Officers" pursuant to the Public Fund Investment Act Section 2256.005 subsection f.**

~~Management responsibility to establish written procedures for the operation of the investment program consistent with this investment policy has been assigned to the Investment Officer, who shall be appointed by the City Council. The appointment is for a term of one year, and until a successor is qualified and appointed by the Council. Appointments are to be made for the Investment Officer, and the Investment Committee within June of each year, or as soon thereafter as possible. The review of this investment policy shall also take place in June of each year, as noted in Article IIC, above. Such procedures shall include explicit delegation of authority to persons responsible for the daily~~

cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. The Investment Officer shall be the chair of the Investment Committee and may delegate the daily investment responsibilities to either an internal Investment Official or an external investment advisor in combination with an internal Investment Official. The Investment Officer and/or his or her representative(s) will be limited by conformance with all federal regulations, ordinances, and the statements of investment strategy. The Investment Officer and members of the Investment Committee are collectively referred to as "Investment Officials." The Mayor is a non-voting member and the City Administrator is a full member of the Investment Committee.

#### B. Subordinates

No person shall engage in an investment transaction except as provided under the terms of this policy, the procedures established by the City Council and the explicit authorization by the Finance Director Investment Officer, with approval of the City Council, to withdraw, transfer, deposit and invest the City's funds. The City Council, by resolution, has authorized and appointed these individuals. The Finance Director Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates. Investment Officials, if any are appointed by the City Council.

#### C. Internal Controls

Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by Investment Officials. Controls deemed most important would include: control of collusion, separation of duties, third-party custodial safekeeping, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized Investment Officials, and documentation of and rationale for investment transactions.

In conjunction with the annual independent audit, a compliance audit of management controls on investments and adherence to the Investment Policy and the Investment Strategy shall be performed by the City's independent auditor.

#### D. Ethics and Conflicts of Interest

Any Investment Official of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. Investment Officials An investment officer who are is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship with the Texas Ethics Commission and the City Council. For purposes of this section, an Investment Official has a personal business relationship with a business organization if:

- (1) the Investment Official owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the Investment Officer investment officer from the business organization exceed 10 percent of the Investment Officer's investment officer's gross income for the previous year; or
- (3) the Investment Official has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Official.

Investment Officials of the City shall refrain from personal and business activities involving any of the City's custodians, depositories, broker/dealers or investment advisors, which may influence the official's officer's ability to conduct his duties in an unbiased manner. Investment Officials will not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the City's business for personal investment decisions, will in all respects subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchase and sales and will keep all investment advice obtained on behalf of the City and all transactions contemplated and completed by the City confidential, except when disclosure is required by law.

#### E. Investment Training Requirements

The Investment Officer, and all members of the Investment Committee as may be required, or prudent, shall attend at least one ten-hour training session relating to their investment responsibilities within 12 months after assuming their duties. In addition to this ten-hour requirement, all members of the Investment Committee should receive not less than eight hours of instruction in their investment responsibilities at least once in every two-year period that begins on the first day of the fiscal year. This training is optional but preferred as long as the City continues to invest in interest-bearing deposit accounts or certificates of deposit only. The investment training session shall be provided by an independent source approved by the investment committee. 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 City of Parker may engage in an investment transaction. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the Texas State Public Funds Investment Act. A list will be maintained of the number of hours and conferences attended for each Investment Official and a report of such information will be provided to the City Council. Investment "officials" include the Mayor, City Administrator, Finance Director, two Council Members appointed by resolution, or staff selected by the Investment Committee. Investment "officials" includes the Investment Officers and may include the Mayor or other member(s) of the City Council, or staff selected by the City Council as alternate Budget or Investment Officer(s).

## ARTICLE VI INVESTMENT STRATEGY STATEMENTS

The City of Parker portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value among asset groups shall be analyzed and pursued as part of the investment program within the restrictions set forth by the investment policy.

The City of Parker maintains portfolios, which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

### A. Operating Funds

**Suitability** - All investments authorized in the Investment Policy are suitable for Operating Funds.

**Preservation and Safety of Principal** - All investments shall be high quality securities with no perceived default risk.

**Liquidity** - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less. Constant \$1 NAV investment pools and money market mutual funds shall be an integral component in maintaining daily liquidity. Investments for these funds shall not exceed an 18-month period from date of purchase.

**Marketability** - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

**Diversification** - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

**Yield** - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91-day Treasury bill.

### B. Reserve and Deposit Funds

**Suitability** - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.

**Preservation and Safety of Principal** - All investments shall be high quality securities with no perceived default risk.

**Liquidity** - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve

fund from investments with a low degree of volatility. Except as may be required by the bond ordinance, specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

**Marketability** - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

**Diversification** - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

**Yield** - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Reserve and Deposit Funds shall be the 91-day Treasury bill.

**C. Bond and Certificate Capital Project Funds and Special Purpose Funds**

**Suitability** - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.

**Preservation and Safety of Principal** - All investments shall be high quality securities with no perceived default risk.

**Liquidity** - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than five years. The dollar-weighted average maturity of bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

**Marketability** - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

**Diversification** - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

**Yield** - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate Capital Project Funds and Special Purpose Funds shall be the 91-day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

**D. Debt Service Funds**

**Suitability** - All investments authorized in the Investment Policy are suitable for Debt Service Funds.

**Preservation and Safety of Principal** - All investments shall be high quality securities with no perceived default risk.

**Liquidity** - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less.

**Marketability** - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

**Diversification** - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

**Yield** - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the 91-day Treasury bill.

## **ARTICLE VII AUTHORIZED INVESTMENTS**

- A. Obligations of the United States or its agencies and instrumentalities.
- B. Direct obligations of the State of Texas or its agencies and instrumentalities.
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, or the United States or its instrumentalities.
- D. Obligations of states, agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent.
- E. Joint Investment Pools of political subdivisions in the State of Texas, which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas:
  - (1) and such Certificates of Deposit are:

- a. Guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their successors; or
    - b. Secured by obligations described in Article VI, sections A through D above.
  - (2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.
  - G. Fully collateralized repurchase or reverse repurchase agreements, including flexible repurchase agreements (flex repo), with a defined termination date secured by obligations of the United States or its agencies and instrumentalities pledged to the City held in the City's name by a third party selected by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The securities received for repurchase agreements must have a market value greater than or equal to 103 percent at the time funds are disbursed. All transactions shall be governed by a Master Repurchase Agreement between the City and the primary government securities dealer or financial institution initiating Repurchase Agreement transactions.
- The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.
- H. No-load money market mutual funds if the mutual fund:
    - (1) Is registered with and regulated by the Securities and Exchange Commission;
    - (2) Has a dollar-weighted average stated maturity of 90 days or fewer; and
    - (3) Includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.
  - I. Investments in compliance with Texas Government Code section 2256.010(b), generally known as the CDAR's program. ~~(Resolution 2008-245 amendment to Investment Policy)~~
  - J. Investment instruments not authorized for purchase by the City of Parker include the following:
    - (1) Bankers Acceptances;
    - (2) "Bond" Mutual Funds;
    - (3) Collateralized Mortgage Obligations of any type; and
    - (4) Commercial Paper, except that the City can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.

## **ARTICLE VIII**

### **PORTFOLIO AND INVESTMENT ASSET PARAMETERS**

#### **A. Bidding Process for Investments**

It is the policy of the City to require competitive bidding for all investment transactions (securities and bank C.D.s) except for:

- (1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and
- (2) treasury and agency securities purchased at issue through an approved broker/dealer.

At least three bids or offers must be solicited for all other investment transactions. In a situation where the exact security being offered is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price of the security. Security swaps are allowed as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

#### **B. Maximum Maturities**

The City of Parker will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase.

#### **C. Maximum Dollar-Weighted Average Maturity**

Under most market conditions, the composite portfolio will be managed to achieve a one-year or less dollar-weighted average maturity. However, under certain market conditions. Investment Officials may need to shorten or lengthen the average life or duration of the portfolio to protect the City. The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City shall be three years.

#### **D. Diversification**

The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy and the securities markets. In establishing specific diversification strategies, the following general policies and constraints shall apply.

- (1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.
- (2) To attain sufficient liquidity, the City shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

- (3) The following maximum limits, by instrument, are established for the City's total portfolio:
- U.S Treasury Notes/Bills ..... 100%
  - U.S. Government Agencies & Instrumentalities..... 100%
  - U.S. Treasury & U.S. Agency Callables..... 25%
  - Certificates of Deposit ..... 25%
  - Repurchase Agreements (*See D. (4) below*)..... 50%
  - Money Market Mutual Funds (*See D.(5) below*)..... 100%
  - Local Government Investment Pools (*See D.(5) below*)..... 100%
  - State of Texas Obligations & Agencies ..... 25%
  - Obligations of states, agencies, cities and other political subdivisions of any state .....25%
  - CDARS ..... 100%
- (4) The City shall not invest more than 50% of the investment portfolio in repurchase agreements, excluding bond proceeds and reserves.
- (5) The City shall not invest more than 90% of the investment portfolio in any individual money market mutual fund or government investment pool. **(Revised per Resolution No. 2018-588)**
- (6) The investment committee shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government Obligations. The investment committee shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

## ARTICLE IX AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS

- A. **The Investment Committee** **Investment Officials** will maintain a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to provide investment services to the City. These firms may include:

- (1) all primary government securities dealers; and
- (2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15C3-1(uniform net capital rule), and who meet other financial credit criteria standards in the industry.

The Investment **Committee** **Officials** may select up to six firms from the approved list to conduct a portion of the daily City investment business. These firms will be selected based on their competitiveness, participation in agency selling groups and the experience and background of the salesperson handling the account. The approved broker/dealer list will

be reviewed and approved along with this investment policy at least annually by the investment committee **if applicable.**

- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment **Officers Officials** with the following:
- (1) Audited financial statements;
  - (2) Proof of National Association of Securities Dealers (N.A.S.D.) certification, unless it is a bank;
  - (3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City; and
  - (4) An executed written instrument, by the qualified representative, in a form acceptable to the City and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the City and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

## ARTICLE X SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS

All security transactions, including collateral for repurchase agreements entered into by the City shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exceptions to DVP settlement shall be wire transactions for money market funds and government investment pools. The safekeeping or custody bank is responsible for matching up instructions from the City's Investment **Officers Officials** on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities will be held by a third-party custodian designated by the Investment **Committee Officials** and evidenced by safekeeping receipts or statements. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place, which clearly defines the responsibilities of the safekeeping bank.

## ARTICLE XI COLLATERAL

The City's depository bank shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required in the City's bank depository contract.

A. Market Value

The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An **Investment Officer** ~~authorized City representative~~ will approve and release all pledged collateral. The securities comprising the collateral will be marked to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the City will be sent reports monthly.

B. Collateral Substitution

Collateralized investments often require substitution of collateral. The Safekeeping bank must contact **an Investment Officer** ~~the City~~ for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.

C. Collateral Reduction

Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from **an Investment Officer** ~~the City~~ to reduce Collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.

D. Holding Period

The City intends to match the holding periods of investment funds with liquidity needs of the City. In no case will the average maturity of investments of the City's operating funds exceed one year. The maximum final stated maturity of any investment shall not exceed five years. Investments in all funds shall be managed in such a way that the market price losses resulting from interest rate volatility would be offset by coupon income and current income received from the volume of the portfolio during a twelve-month period.

E. Insurance or Collateral

All deposits and investments of City funds other than direct purchases of U.S. Treasuries or Agencies shall be secured by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC or FSLIC. Evidence of the pledged collateral shall be maintained by the Finance Director or a third-party financial institution. Repurchase agreements shall be documented by a specific agreement noting the collateral pledge in each agreement. Collateral shall be reviewed weekly to assure that the market value of the pledged securities is adequate.

## ARTICLE XII INVESTMENT REPORTS

### A. Reporting Requirements

The Finance Director Investment Officials shall prepare a quarterly investment report in compliance with section 2256.023 of the Public Funds Investment Act of the State of Texas. The report shall be submitted to the City Council and the Investment Committee within 60 45 days following the end of the quarter.

### B. Investment Records

The Finance Director Investment Officer shall handle inquiries relating to the investment records, be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by an accountant. Information to maintain the investment program and the reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers, financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.

### C. Auditor Review

The City's independent external auditor must formally review the quarterly investment reports annually to ensure insure compliance with the State of Texas Public Funds Investment Act and any other applicable State Statutes. To protect and ensure the independent nature of the audit the Finance Director shall be the sole point of contact for the external auditor.

## ARTICLE XIII INVESTMENT COMMITTEE

### A. Members

An Investment Committee, consisting of the Mayor, City Administrator, Finance Director, and two other Council Members appointed by resolution, The Investment Committee, consisting of the Mayor or his or her designee, the City Administrator, and the Investment Officer, and any other designated Investment Officials, if any, shall review the City's investment strategies and monitor the results of the investment program at least quarterly. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be authorized to invite other advisors to attend meetings as needed.

### B. Scope

The Investment Committee shall include in its deliberations such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the City's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, review and approval of training providers and compliance with the investment policy. The Investment Committee will also advise the City Council of any future amendments to the investment policy that are deemed necessary or recommended.

C. Procedures

The investment policy shall require the Investment Committee to provide minutes of investment information discussed at any meetings held. The committee should meet at least annually to discuss the investment program and policies.

## GLOSSARY of COMMON TREASURY TERMS

**Agencies:** Federal agency securities.

**Asked:** The price at which securities are offered.

**Bid:** The price offered for securities.

**Bankers' Acceptance (BA):** A draft of bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Broker:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

**CDARS:** Certificate of Deposit Account Registry Service – A program that allows a depositor to deposit funds at one bank in excess of the FDIC insured limit, with the excess funds being divided and deposited in other banks in the CDARS program. The purpose of CDARS is to help depositors who invest in money market accounts or certificate of deposits (CD's) to stay below FDIC insurance limits at any given bank. Usually, to avoid exceeding FDIC limits at a single bank, consumers deposit their money in different banks. CDARS is a program that eliminates the need to go from bank to bank in order to deposit money and is comprised of a network of banks.

**Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

**Collateral:** Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Comprehensive Annual Financial Report (CAFR):** The official annual report for the City includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

**Coupon:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**Debenture:** A bond secured only by the general credit of the issuer.

**Delivery versus Payment (DVP):** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (DVR) (also called free). Delivery versus payment means delivery of securities with an exchange of money for the securities. Delivery versus receipt means delivery of securities with an exchange of a signed receipt for the securities.

**Discount:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Discount Securities:** Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, for example, U.S. Treasury bills.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns.

**Federal Credit Agencies:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, for example, S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**Federal Funds Rate (the “Fed Rate”):** The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**Federal Home Loan Banks (FHLB):** The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks in relation to member commercial banks.

**Federal National Mortgage Association (FNMA or Fannie Mae):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and secondary loans in addition to fixed rate mortgages. FNMA's securities are highly liquid and widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**Federal Open Market Committee (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The president of the New York Federal Reserve Bank is a permanent member while the other presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines

regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

**Federal Reserve System:** The central bank of the United States **was** created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., twelve (12) regional banks, and **numerous** **about 5,700** commercial banks that are members of the system.

**Finance Director:** Shall reference the head of the Finance Department which position may be titled Finance Manager.

**Government National Mortgage Association (GNMA or Ginnie Mae):** Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. The security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

**Investment Committee:** Consists of the Mayor, City Administrator, Finance Director, and two other Council Members appointed by resolution.

**Investment Officer:** Consists of the City Administrator and Finance Director.

**Investment Official:** Consists of the Mayor, City Administrator, Finance Director, two other Council Members appointed by resolution, or staff selected by the Investment Committee.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable quantities can be purchased at those quotes.

**Local Government Investment Pool (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

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

**Master Repurchase Agreement:** To protect investors, many public investors will request that repurchase agreements be preceded by a master repurchase agreement between the investor and the financial institution or dealer. The master agreement should define the nature of the transaction, identify the relationship between the parties, establish normal practices regarding ownership and custody of the collateral securities during the term of the investment, provide remedies in the case of default by either party, and clarify issues of ownership. The master repurchase agreement protects the investor by eliminating the

uncertainty of ownership and hence, allows investors to liquidate collateral if a bank or dealer defaults during the term of the agreement.

**Maturity:** The date on which the principal or stated value of an investment becomes due and payable.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**Offer:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

**Open Market Operations:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A primary dealer is made up of a group of government securities dealers that submits daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and is subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

**Prudent Person Rule:** An investment standard. 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 their capital as well as the probable income to be derived.

**Qualified Public Depositories:** A financial institution that does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, and that has segregated for the benefit of the Public Deposit Protection Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the commission to hold public deposits.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (RP or REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance

their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SEC Rule 15C3-1:** See Uniform Net Capital Rule.

**Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities & Exchange Commission (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Structured Notes:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**Treasury Bills (T Bills):** A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bond:** Long-term U.S. Treasury securities having initial maturities of more than ten years.

**Treasury Notes:** Intermediate-term, coupon-bearing U.S. Treasury securities having initial maturities from one to ten years.

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. (a) **Income Yield** is obtained by dividing the current dollar income by the current market price of the security. (b) **Net Yield** or **Yield to Maturity** is the current income yield minus any premium above par.

## City of Parker

### 2021-2022 Investment Policy

#### ARTICLE I PURPOSE AND NEED FOR POLICY

Chapter 2256 of the Government Code, as amended from time to time by the Texas State Legislature (“Public Funds Investment Act”) requires each city to adopt rules governing its investment practices and to define the authority of the Investment Officer and any additional Investment Committee members. The 2021-2022 Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and prudent fiscal management of the City of Parker, Collin County, Texas funds.

#### ARTICLE II SCOPE

The Investment Policy applies to the investment and management of all funds under direct authority of the City of Parker, Collin County, Texas.

- A. These funds are accounted for in the City’s Annual Financial Report and include the following:
- (1) General Fund;
  - (2) Special Revenue Funds;
  - (3) Capital Project Funds;
  - (4) Enterprise Funds;
  - (5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
  - (6) Debt Service Funds, including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately; and
  - (7) Any new fund created by the City unless specifically exempted from this policy by the City or by law.

This investment policy shall apply to all transactions involving the financial assets and related activity of all the foregoing funds.

- B. This policy shall not govern funds which are managed under separate investment programs in accordance with Section 2256.004 of the Public Fund Investment Act. Such funds currently include the Other Post-Employment Funds and the Deferred Compensation Funds.

### C. Review and Amendment

The City Council is required by state statute and by this investment policy to review this investment policy and investment strategies not less than annually and to adopt a resolution stating the review has been completed and recording any changes made to either the policy or strategy statements.

## **ARTICLE III PRUDENCE**

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- (2) whether the investment decision was consistent with the written investment policy of the City.

All participants in the investment program will seek to act responsibly as custodians of the public trust. Investment Officers will avoid any transaction that might impair public confidence in the City's ability to govern effectively. Investment Officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public trust. Nevertheless, the City recognizes that in a marketable, diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment rate of return.

Investment Officials, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for market price changes, provided that these deviations from expectations are reported immediately to the Mayor and the City Council of the City of Parker, and that appropriate action is taken by the Finance Director to control adverse developments.

## **ARTICLE IV OBJECTIVES**

### **A. Preservation and Safety of Principal**

Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value.

### **B. Liquidity**

The City's investment portfolio will remain liquid to enable the City to meet all operating requirements, which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

### **C. Yield**

The investment portfolio of the City shall be designed to meet or exceed the average rate of return on 91-day U.S. treasury bills throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio. Legal constraints on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment Officers will seek to maximize the yield of these funds in the same manner as all other City funds. However, if the yield achieved by the City is higher than the arbitrage yield, positive arbitrage income will be averaged over a five-year period, netted against any negative arbitrage income and the net amount shall be rebated to the federal government as required by federal regulations.

## **ARTICLE V RESPONSIBILITY AND CONTROL**

### **A. Delegation - Investment Officers**

Management responsibility for the investment program is hereby delegated to the Finance Director. The City Administrator and Finance Director are hereby designated as "Investment Officers" pursuant to the Public Fund Investment Act Section 2256.005 subsection f.

### **B. Subordinates**

No person shall engage in an investment transaction except as provided under the terms of this policy, the procedures established by the City Council and the explicit authorization by the Finance Director to withdraw, transfer, deposit and invest the City's funds. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates

### C. Internal Controls

Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by Investment Officials. Controls deemed most important would include: control of collusion, separation of duties, third-party custodial safekeeping, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized Investment Officials, and documentation of and rationale for investment transactions.

In conjunction with the annual independent audit, a compliance audit of management controls on investments and adherence to the Investment Policy and the Investment Strategy shall be performed by the City's independent auditor.

### D. Ethics and Conflicts of Interest

Any Investment Official of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. Investment Officials who are related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship with the Texas Ethics Commission and the City Council. For purposes of this section, an Investment Official has a personal business relationship with a business organization if:

- (1) the Investment Official owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year; or
- (3) the Investment Official has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Official.

Investment Officials of the City shall refrain from personal and business activities involving any of the City's custodians, depositories, broker/dealers or investment advisors, which may influence the official's ability to conduct his duties in an unbiased manner. Investment Officials will not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the City's business for personal investment decisions, will in all respects subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchase and sales and will keep all investment advice obtained on behalf of the City and all transactions contemplated and completed by the City confidential, except when disclosure is required by law.

### E. Investment Training Requirements

The Investment Officers, and all members of the Investment Committee as may be required, or prudent, shall attend at least one ten-hour training session relating to their

investment responsibilities within 12 months after assuming their duties. In addition to this ten-hour requirement, all members of the Investment Committee should receive not less than eight hours of instruction in their investment responsibilities at least once in every two-year period that begins on the first day of the fiscal year. This training is optional but preferred as long as the City continues to invest in interest-bearing deposit accounts or certificates of deposit only. The investment training session shall be provided by an independent source approved by the investment committee. 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 City of Parker may engage in an investment transaction. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the Texas State Public Funds Investment Act. Investment “officials” include the Mayor, City Administrator, Finance Director, two Council Members appointed by resolution, or staff selected by the Investment Committee.

## **ARTICLE VI**

### **INVESTMENT STRATEGY STATEMENTS**

The City of Parker portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value among asset groups shall be analyzed and pursued as part of the investment program within the restrictions set forth by the investment policy.

The City of Parker maintains portfolios, which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

#### **A. Operating Funds**

**Suitability** - All investments authorized in the Investment Policy are suitable for Operating Funds.

**Preservation and Safety of Principal** - All investments shall be high quality securities with no perceived default risk.

**Liquidity** - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less. Constant \$1 NAV investment pools and money market mutual funds shall be an integral component in maintaining daily liquidity. Investments for these funds shall not exceed an 18-month period from date of purchase.

**Marketability** - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91-day Treasury bill.

**B. Reserve and Deposit Funds**

Suitability - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund from investments with a low degree of volatility. Except as may be required by the bond ordinance, specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Reserve and Deposit Funds shall be the 91-day Treasury bill.

**C. Bond and Certificate Capital Project Funds and Special Purpose Funds**

Suitability - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than five years. The dollar-weighted average maturity of

bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate Capital Project Funds and Special Purpose Funds shall be the 91-day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

#### D. Debt Service Funds

Suitability - All investments authorized in the Investment Policy are suitable for Debt Service Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the 91-day Treasury bill.

## **ARTICLE VII AUTHORIZED INVESTMENTS**

#### A. Obligations of the United States or its agencies and instrumentalities.

- B. Direct obligations of the State of Texas or its agencies and instrumentalities.
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, or the United States or its instrumentalities.
- D. Obligations of states, agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent.
- E. Joint Investment Pools of political subdivisions in the State of Texas, which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas:

(1) and such Certificates of Deposit are:

- a. Guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their successors; or
- b. Secured by obligations described in Article VI, sections A through D above.

(2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

- G. Fully collateralized repurchase or reverse repurchase agreements, including flexible repurchase agreements (flex repo), with a defined termination date secured by obligations of the United States or its agencies and instrumentalities pledged to the City held in the City’s name by a third party selected by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The securities received for repurchase agreements must have a market value greater than or equal to 103 percent at the time funds are disbursed. All transactions shall be governed by a Master Repurchase Agreement between the City and the primary government securities dealer or financial institution initiating Repurchase Agreement transactions.

The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

- H. No-load money market mutual funds if the mutual fund:

(1) Is registered with and regulated by the Securities and Exchange Commission;

- (2) Has a dollar-weighted average stated maturity of 90 days or fewer; and
  - (3) Includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.
- I. Investments in compliance with Texas Government Code section 2256.010(b), generally known as the CDAR's program.
- J. Investment instruments not authorized for purchase by the City of Parker include the following:
  - (1) Bankers Acceptances;
  - (2) "Bond" Mutual Funds;
  - (3) Collateralized Mortgage Obligations of any type; and
  - (4) Commercial Paper, except that the City can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.

## ARTICLE VIII

### PORTFOLIO AND INVESTMENT ASSET PARAMETERS

#### A. Bidding Process for Investments

It is the policy of the City to require competitive bidding for all investment transactions (securities and bank C.D.s) except for:

- (1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and
- (2) treasury and agency securities purchased at issue through an approved broker/dealer.

At least three bids or offers must be solicited for all other investment transactions. In a situation where the exact security being offered is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price of the security. Security swaps are allowed as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

#### B. Maximum Maturities

The City of Parker will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase.

#### C. Maximum Dollar-Weighted Average Maturity

Under most market conditions, the composite portfolio will be managed to achieve a one-year or less dollar-weighted average maturity. However, under certain market conditions.

Investment Officials may need to shorten or lengthen the average life or duration of the portfolio to protect the City. The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City shall be three years.

D. Diversification

The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy and the securities markets. In establishing specific diversification strategies, the following general policies and constraints shall apply.

- (1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.
- (2) To attain sufficient liquidity, the City shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.
- (3) The following maximum limits, by instrument, are established for the City’s total portfolio:
  - U.S Treasury Notes/Bills ..... 100%
  - U.S. Government Agencies & Instrumentalities..... 100%
  - U.S. Treasury & U.S. Agency Callables..... 25%
  - Certificates of Deposit ..... 25%
  - Repurchase Agreements (See D. (4) below)..... 50%
  - Money Market Mutual Funds (See D. (5) below) ..... 100%
  - Local Government Investment Pools (See D. (5) below).... 100%
  - State of Texas Obligations & Agencies ..... 25%
  - Obligations of states, agencies, cities and other political subdivisions of any state .....25%
  - CDARS ..... 100%
- (4) The City shall not invest more than 50% of the investment portfolio in repurchase agreements, excluding bond proceeds and reserves.
- (5) The City shall not invest more than 90% of the investment portfolio in any individual money market mutual fund or government investment pool.
- (6) The investment committee shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government Obligations. The investment committee shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

## **ARTICLE IX AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS**

A. The Investment Committee will maintain a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to provide investment services to the City. These firms may include:

- (1) all primary government securities dealers; and
- (2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15C3-1(uniform net capital rule), and who meet other financial credit criteria standards in the industry.

The Investment Committee may select up to six firms from the approved list to conduct a portion of the daily City investment business. These firms will be selected based on their competitiveness, participation in agency selling groups and the experience and background of the salesperson handling the account. The approved broker/dealer list will be reviewed and approved along with this investment policy at least annually by the investment committee if applicable.

B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officers with the following:

- (1) Audited financial statements;
- (2) Proof of National Association of Securities Dealers (N.A.S.D.) certification, unless it is a bank;
- (3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City; and
- (4) An executed written instrument, by the qualified representative, in a form acceptable to the City and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the City and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

## **ARTICLE X SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS**

All security transactions, including collateral for repurchase agreements entered into by the City shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exceptions to DVP settlement shall be wire transactions for money market funds

and government investment pools. The safekeeping or custody bank is responsible for matching up instructions from the City's Investment Officers on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities will be held by a third-party custodian designated by the Investment Committee and evidenced by safekeeping receipts or statements. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place, which clearly defines the responsibilities of the safekeeping bank.

## **ARTICLE XI COLLATERAL**

The City's depository bank shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required in the City's bank depository contract.

### **A. Market Value**

The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An Investment Officer will approve and release all pledged collateral. The securities comprising the collateral will be marked to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the City will be sent reports monthly.

### **B. Collateral Substitution**

Collateralized investments often require substitution of collateral. The Safekeeping bank must contact an Investment Officer for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.

### **C. Collateral Reduction**

Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from an Investment Officer to reduce Collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.

### **D. Holding Period**

The City intends to match the holding periods of investment funds with liquidity needs of the City. In no case will the average maturity of investments of the City's operating funds exceed one year. The maximum final stated maturity of any investment shall not exceed five years. Investments in all funds shall be managed in such a way that the market price

losses resulting from interest rate volatility would be offset by coupon income and current income received from the volume of the portfolio during a twelve-month period.

E. Insurance or Collateral

All deposits and investments of City funds other than direct purchases of U.S. Treasuries or Agencies shall be secured by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC or FSLIC. Evidence of the pledged collateral shall be maintained by the Finance Director or a third-party financial institution. Repurchase agreements shall be documented by a specific agreement noting the collateral pledge in each agreement. Collateral shall be reviewed weekly to assure that the market value of the pledged securities is adequate.

## **ARTICLE XII INVESTMENT REPORTS**

A. Reporting Requirements

The Finance Director shall prepare a quarterly investment report in compliance with section 2256.023 of the Public Funds Investment Act of the State of Texas. The report shall be submitted to the City Council and the Investment Committee within 60 days following the end of the quarter.

B. Investment Records

The Finance Director shall handle inquiries relating to the investment records, be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by an accountant. Information to maintain the investment program and the reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers, financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.

C. Auditor Review

The City's independent external auditor must formally review the quarterly investment reports annually to ensure compliance with the State of Texas Public Funds Investment Act and any other applicable State Statutes. To protect and ensure the independent nature of the audit the Finance Director shall be the sole point of contact for the external auditor.

### **ARTICLE XIII INVESTMENT COMMITTEE**

#### **A. Members**

An Investment Committee, consisting of the Mayor, City Administrator, Finance Director, and two other Council Members appointed by resolution, shall review the City's investment strategies and monitor the results of the investment program at least quarterly. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be authorized to invite other advisors to attend meetings as needed.

#### **B. Scope**

The Investment Committee shall include in its deliberations such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the City's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, review and approval of training providers and compliance with the investment policy. The Investment Committee will also advise the City Council of any future amendments to the investment policy that are deemed necessary or recommended.

#### **C. Procedures**

The investment policy shall require the Investment Committee to provide minutes of investment information discussed at any meetings held. The committee should meet at least annually to discuss the investment program and policies.

## GLOSSARY of COMMON TREASURY TERMS

**Agencies:** Federal agency securities.

**Asked:** The price at which securities are offered.

**Bid:** The price offered for securities.

**Bankers' Acceptance (BA):** A draft of bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Broker:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

**CDARS:** Certificate of Deposit Account Registry Service – A program that allows a depositor to deposit funds at one bank in excess of the FDIC insured limit, with the excess funds being divided and deposited in other banks in the CDARS program. The purpose of CDARS is to help depositors who invest in money market accounts or certificate of deposits (CD's) to stay below FDIC insurance limits at any given bank. Usually, to avoid exceeding FDIC limits at a single bank, consumers deposit their money in different banks. CDARS is a program that eliminates the need to go from bank to bank in order to deposit money and is comprised of a network of banks.

**Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

**Collateral:** Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Comprehensive Annual Financial Report (CAFR):** The official annual report for the City includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

**Coupon:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**Debenture:** A bond secured only by the general credit of the issuer.

**Delivery versus Payment (DVP):** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (DVR) (also called free). Delivery versus payment means delivery of securities with an exchange of money for the securities. Delivery versus receipt means delivery of securities with an exchange of a signed receipt for the securities.

**Discount:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Discount Securities:** Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, for example, U.S. Treasury bills.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns.

**Federal Credit Agencies:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, for example, S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**Federal Funds Rate (the “Fed Rate”):** The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**Federal Home Loan Banks (FHLB):** The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks in relation to member commercial banks.

**Federal National Mortgage Association (FNMA or Fannie Mae):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and secondary loans in addition to fixed rate mortgages. FNMA's securities are highly liquid and widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**Federal Open Market Committee (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The president of the New York Federal Reserve Bank is a permanent member while the other presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines

regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

**Federal Reserve System:** The central bank of the United States was created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., twelve (12) regional banks, and numerous commercial banks that are members of the system.

**Finance Director:** Shall reference the head of the Finance Department which position may be titled Finance Manager.

**Government National Mortgage Association (GNMA or Ginnie Mae):** Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. The security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

**Investment Committee:** Consists of the Mayor, City Administrator, Finance Director, and two other Council Members appointed by resolution.

**Investment Officer:** Consists of the City Administrator and Finance Director.

**Investment Official:** Consists of the Mayor, City Administrator, Finance Director, two other Council Members appointed by resolution, or staff selected by the Investment Committee.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable quantities can be purchased at those quotes.

**Local Government Investment Pool (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

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

**Master Repurchase Agreement:** To protect investors, many public investors will request that repurchase agreements be preceded by a master repurchase agreement between the investor and the financial institution or dealer. The master agreement should define the nature of the transaction, identify the relationship between the parties, establish normal practices regarding ownership and custody of the collateral securities during the term of the investment, provide remedies in the case of default by either party, and clarify issues of ownership. The master repurchase agreement protects the investor by eliminating the uncertainty of ownership and hence, allows investors to liquidate collateral if a bank or dealer defaults during the term of the agreement.

**Maturity:** The date on which the principal or stated value of an investment becomes due and payable.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**Offer:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

**Open Market Operations:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A primary dealer is made up of a group of government securities dealers that submits daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and is subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

**Prudent Person Rule:** An investment standard. 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 their capital as well as the probable income to be derived.

**Qualified Public Depositories:** A financial institution that does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, and that has segregated for the benefit of the Public Deposit Protection Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the commission to hold public deposits.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (RP or REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SEC Rule 15C3-1:** See Uniform Net Capital Rule.

**Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities & Exchange Commission (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Structured Notes:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**Treasury Bills (T Bills):** A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bond:** Long-term U.S. Treasury securities having initial maturities of more than ten years.

**Treasury Notes:** Intermediate-term, coupon-bearing U.S. Treasury securities having initial maturities from one to ten years.

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. (a) **Income Yield** is obtained by dividing the current dollar income by the current market price of the security. (b) **Net Yield** or **Yield to Maturity** is the current income yield minus any premium above par.



## Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: Council
Fund Balance-before expenditure:	Prepared by: City Administrator Olson
Estimated Cost:	Date Prepared: April 8, 2022
Exhibits:	<ul style="list-style-type: none"> <li>• <a href="#"><u>Proposed Resolution w/ Contract Exhibits:</u></a></li> </ul>

### AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2022-695, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE MASTER EQUITY LEASE AGREEMENT AND RELATED DOCUMENTS WITH ENTERPRISE FLEET MANAGEMENT.

### SUMMARY

Enterprise Fleet Management presented a proposal to Council on March 7, 2022, for fleet management services. During the workshop, Council directed staff to continue discussions with Enterprise Fleet Management regarding the proposal. Enterprise has presented the City with the attached Master Equity Lease and related documents governing the program.

### POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:			
City Attorney:	<i>Trey Lansford</i>	Date:	04/14/2022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022

**RESOLUTION NO. 2022-695**  
**(Enterprise Fleet Management Program)**

**A RESOLUTION OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS APPROVING AND AUTHORIZING THE MAYOR TO ACT ON THE CITY'S BEHALF IN EXECUTING THE MASTER EQUITY LEASE AGREEMENT AND RELATED DOCUMENTS WITH ENTERPRISE FLEET MANAGEMENT.**

**WHEREAS**, the City Council of the City of Parker, Texas (the City Council) desires to approve and authorize the engagement of Enterprise Fleet Management for the lease of city vehicles and fleet maintenance services described in the attached Master Equity Lease Agreement and Amendment thereto, attached hereto as Exhibits 1 and 2, respectively, and incorporated herein as if set forth in full; and

**WHEREAS**, the City Council has determined that the services of Enterprise Fleet Management will benefit the City by improving the City's ability to budget for future fleet replacements, reduce maintenance and fuel costs, and provide fixed maintenance costs for non-emergency vehicles; and

**WHEREAS**, Enterprise Fleet Management has prepared the Master Equity Lease Agreement, Amendment, and related supplementary agreements for fleet management services including the following:

- (i) Full Maintenance Agreement, attached as Exhibit 3;
- (ii) Amendment to Full Maintenance Agreement, attached as Exhibit 4;
- (iii) Maintenance Management and Fleet Rental Agreement, attached as Exhibit 5;
- (iv) Amendment to Maintenance Management and Fleet Rental Agreement, attached as Exhibit 6;
- (v) Company Owned Vehicle Service Agreement, attached as Exhibit 7;
- (vi) Telematics Services Agreement, attached as Exhibit 8; and
- (vii) Authorized Signer Form, attached as Exhibit 9; and

**WHEREAS**, the City Council recognizes that the Agreement between the City and Enterprise Fleet Management, along with the supplemental documents, be approved and the Mayor's execution of same should be authorized and approved, as set forth herein;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, THAT:**

**Section 1. Recitals Incorporated.**

The recitals set forth above are incorporated herein for all purposes as if set forth in full for all purposes.

**Section 2. Approval and Authorization of the Agreement.**

The City Council hereby approves the Agreement and supplemental agreements attached hereto

as Exhibits 1, 2, 3, 4, 5, 6, 7, 8, and 9, and authorizes, ratifies, and approves the Mayor's execution of same. The Mayor is hereby authorized to execute all documents and to take all other actions necessary to finalize, act under, and enforce the Agreements.

**Section 3. Effective Date.**

This Resolution shall become effective immediately upon its passage and approval.

**DULY RESOLVED BY THE CITY COUNCIL OF PARKER, COLLIN COUNTY, TEXAS,  
THIS 19th DAY OF April, 2022.**

\_\_\_\_\_  
Lee Pettie, Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
Patti Scott Grey, City Secretary

\_\_\_\_\_  
Larence M. Lansford, III, City Attorney



## MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

**1. LEASE OF VEHICLES:** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

**2. TERM:** The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

### 3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

Initials: EFM\_\_\_\_\_ Customer\_\_\_\_\_

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

**4. USE AND SURRENDER OF VEHICLES:** Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

**5. COSTS, EXPENSES, FEES AND CHARGES:** Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

**6. LICENSE AND CHARGES:** Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

**7. REGISTRATION PLATES, ETC.:** Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

**8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:**

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

**9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:**

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

**10. RISK OF LOSS:** Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

#### 11. INSURANCE:

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$500 per occurrence - Collision and \$250 per occurrence - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered

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Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

**12. INDEMNITY:** To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

**13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS:** Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

**14. DEFAULT; REMEDIES:** The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

**15. ASSIGNMENTS:** Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue

at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

**16. MISCELLANEOUS:** This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

**17. SUCCESSORS AND ASSIGNS; GOVERNING LAW:** Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

**18. NON-PETITION:** Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

**19. NON-APPROPRIATION:** Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

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

Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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

LESSOR: Enterprise FM Trust  
 By: Enterprise Fleet Management, Inc. its attorney in fact

Signature: \_\_\_\_\_

By: \_\_\_\_\_

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

Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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

Initials: EFM\_\_\_\_\_ Customer\_\_\_\_\_



**FLEET MANAGEMENT**

AMENDMENT TO MASTER EQUITY LEASE AGREEMENT

THIS AMENDMENT ("Amendment") dated this \_\_\_\_ day of March, 2022 is attached to, and made a part of, the MASTER EQUITY LEASE AGREEMENT entered into on the \_\_\_\_ day of March, 2022 ("Agreement") by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor") and City of Parker, Texas ("Lessee"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 3(c) of the Master Equity Lease Agreement is amended to read as follows:

Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term, subject to Lessor's right to recoup any amounts Lessor would owe to Lessee under this Section 3(c) against any obligations of Lessee to Lessor under this Agreement. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the reasonable judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

Section 10 of the Master Equity Lease Agreement is amended to read as follows:

After acceptance of the Vehicles leased under this Agreement, and until such Vehicles are returned to Lessor, Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

Section 11(a), ii of the Master Equity Lease Agreement is amended to read as follows:

Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$1,000 per occurrence - Collision and \$1,000 per occurrence - Comprehensive).

Section 12 of the Master Equity Lease Agreement is amended to read as follows:

**INDEMNITY:** Lessee is a unit of local government of the State of Texas and is subject to, and must comply with, the applicable provisions of the Texas Tort Claims Act, as set out in Civil Practices and Remedies Code, Section 101.001 et. seq. and the remedies authorized therein regarding claims or causes of action that may be asserted by breach of this Agreement. To the extent permitted by Texas law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to Texas law.



**FLEET MANAGEMENT**

Section 14 of the Master Equity Lease Agreement is amended to add the following paragraph:

**Termination:** Lessee reserves the right to cancel this Agreement for any reason at all upon thirty (30) days prior written notice to Lessor. In the event of such termination, Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination in accordance with Section 3(b) and 3(c) of the Master Equity Lease Agreement. Additionally, termination should not affect Lessee's obligation to pay any indemnities under this Agreement.

Section 16 of the Master Equity Lease Agreement is amended to read as follows:

This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective three (3) days after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

Section 17 of the Master Equity Lease Agreement is amended to read as follows:

Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Texas (determined without reference to conflict of law principles).

Section 19 of the Master Equity Lease Agreement is amended to read as follows:

**NON-APPROPRIATION:** Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal Corporation, and being a unit of government, is precluded by the Texas State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds by the County or State. The parties further agree that should the Lessee fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, the parties agree that Lessor may recover the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

Additional Section 20 is added to the Master Equity Lease Agreement and reads as follows:

**No Boycotting Israel.** As required by Chapter 2271, Texas Government Code, Lessor hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

**Lessor Certification regarding Business with Certain Countries and Organizations.** Pursuant to Subchapter F, Chapter 2252, *Texas Government Code*, Lessor certifies Lessor is not engaged in business with Iran, Sudan, or a foreign terrorist organization.



**LESSOR VERIFICATION REGARDING DISCRIMINATION AGAINST FIREARM ENTITIES OR TRADE ASSOCIATIONS.** If applicable, for contracts or purchase orders over \$100,000. Pursuant to Chapter 2274, Texas Government Code (enacted by SB 19, 87th Texas Legislature, Regular Session (2021)), Lessor verifies (1) it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (2) it will not discriminate during the term of this Agreement against a firearm entity or firearm trade association, but does not include an action made for ordinary business purposes.

**LESSOR VERIFICATION REGARDING BOYCOTTING ENERGY COMPANIES.** If applicable, for contracts or purchase orders over \$100,000. Pursuant to Chapter 2274, Texas Government Code (enacted by SB 13, 87th Texas Legislature, Regular Session (2021)), Lessor verifies (1) it does not boycott energy companies and (2) it will not boycott energy companies during the term of this Agreement, but does not include an action made for ordinary business purposes.

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment to Master Equity Lease Agreement as of the day and year first above written.

\_\_\_\_\_  
City of Parker, Texas (Lessee)

By \_\_\_\_\_

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

\_\_\_\_\_  
Enterprise FM Trust (Lessor)  
By: Enterprise Fleet Management, Inc., its attorney in fact

By \_\_\_\_\_

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



## FULL MAINTENANCE AGREEMENT

This Full Maintenance Agreement (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, by Enterprise Fleet Management, Inc., a Missouri corporation ("EFM"), and \_\_\_\_\_ ("Lessee").

WITNESSETH

**1. LEASE.** Reference is hereby made to that certain Master Lease Agreement dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Enterprise FM Trust, a Delaware statutory trust, as lessor ("Lessor"), and Lessee, as lessee (as the same may from time to time be amended, modified, extended, renewed, supplemented or restated, the "Lease"). All capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Lease.

**2. COVERED VEHICLES.** This Agreement shall only apply to those vehicles leased by Lessor to Lessee pursuant to the Lease to the extent Section 4 of the Schedule for such vehicle includes a charge for maintenance (the "Covered Vehicle(s)").

**3. TERM AND TERMINATION.** The term of this Agreement ("Term") for each Covered Vehicle shall begin on the Delivery Date of such Covered Vehicle and shall continue until the last day of the "Term" (as defined in the Lease) for such Covered Vehicle unless earlier terminated as set forth below. Each of EFM and Lessee shall each have the right to terminate this Agreement effective as of the last day of any calendar month with respect to any or all of the Covered Vehicles upon not less than sixty (60) days prior written notice to the other party. The termination of this Agreement with respect to any or all of the Covered Vehicles shall not affect any rights or obligations under this Agreement which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to termination, and such rights and obligations shall continue to be governed by the terms of this Agreement.

**4. VEHICLE REPAIRS AND SERVICE.** EFM agrees that, during the Term for the applicable Covered Vehicle and subject to the terms and conditions of this Agreement, it will pay for, or reimburse Lessee for its payment of, all costs and expenses incurred in connection with the maintenance or repair of a Covered Vehicle. This Agreement does not cover, and Lessee will remain responsible for and pay for, (a) fuel, (b) oil and other fluids between changes, (c) tire or brake repair and replacement beyond what is allocated within the Lease Schedule, (d) washing, (e) repair of damage due to lack of maintenance or neglect by Lessee between scheduled services (including, without limitation, failure to maintain fluid levels), (f) maintenance or repair of, or damage caused by, any alterations, upgrades, upfitting, additions, improvements (collectively, "Alterations") or unauthorized replacement parts added to a Covered Vehicle or of any after-market components (this Agreement covers maintenance and repair only of the Covered Vehicles themselves and any factory-installed components and does not cover maintenance or repair of chassis alterations, add-on bodies (including, without limitation, step vans), software or other equipment (including, without limitation, lift gates, autonomous or automated vehicle equipment, components, parts or products, and PTO controls) which is installed or modified by a dealer, body shop, upfitter or anyone else other than the manufacturer of the Covered Vehicle, (g) any service and/or damage resulting from, related to or arising out of (1) an accident, a collision, theft, fire, freezing, vandalism, riot, explosion, other Acts of God, an object striking the Covered Vehicle, improper use of the Covered Vehicle (including, without limitation, driving over curbs, overloading, racing or other competition) or (2) Lessee's failure to maintain or use the Covered Vehicle as required by and in compliance with, (A) the Lease, (B) all laws, statutes, rules, regulations and ordinances (including without limitation such applicable federal, state and local laws, statutes, rules, regulations, ordinances, guidance and professional standards governing autonomous vehicles and automated driving systems and any parts, components and products related thereto) and (C) the provisions of all insurance policies affecting or covering the Covered Vehicles or their use or operation, (h) roadside assistance or towing for routine vehicle maintenance purposes unless the vehicle is inoperable, (i) mobile services, (j) the cost of loaner or rental vehicles beyond what is allocated within the Lease Schedule or (k) if the Covered Vehicle is a Vehicle with a manual transmission, such manual transmission clutch adjustment or replacement. Whenever it is necessary to have a Covered Vehicle serviced, Lessee agrees to have the necessary work performed by an authorized dealer of such Covered Vehicle or by a service facility acceptable to EFM. In every case, if the cost of such service will exceed \$125.00, which may change from time to time based on market conditions, Lessee or service provider must notify EFM and obtain EFM's authorization for such service and EFM's instructions as to where such service shall be made and the extent of service to be obtained. Lessee agrees to furnish an invoice for all service to a Covered Vehicle, accompanied by a copy of the shop or service order (odometer mileage must be shown on each shop or service order). EFM will not be obligated to pay for any unauthorized charges or those exceeding \$125.00, which may change from time to time based on market conditions, for one service on any Covered Vehicle unless Lessee has complied with the above terms and conditions. EFM will not have any responsibility to pay for any services in excess of the services recommended by the manufacturer, unless otherwise agreed to by EFM. Notwithstanding any other provision of this Agreement to the contrary, (a) all service performed within one hundred twenty (120) days prior to the last day of the scheduled "Term" (as defined in the Lease) for the applicable Covered Vehicle must be authorized by and have the prior consent and approval of EFM and any service not so authorized will be the responsibility of and be paid for by Lessee and (b) EFM is not required to provide or pay for any service to any Covered Vehicle beyond the contract mileage not to exceed 120,000 miles.

**5. ENTERPRISE CARDS:** EFM may, at its option, provide Lessee with an authorization card (the "EFM Card"), which is an electronic card located on the Efleets mobile app and the e fleets.com client website, for use in authorizing the payment of charges incurred in connection with the maintenance of the Covered Vehicles. Lessee agrees to be liable to EFM for, and upon receipt of a monthly or other statement from EFM, Lessee agrees to promptly pay to EFM, all charges made by or for the account of Lessee with the EFM Card (other than any charges which are the responsibility of EFM under the terms of this Agreement). EFM reserves the right to change the terms and conditions for the use of the EFM Card at any time. The EFM Card remains the property of EFM and EFM may revoke Lessee's right to possess or use the EFM Card at any time. Upon the termination of this Agreement or upon the demand of EFM, Lessee shall immediately cease using or accessing the EFM Card. The EFM Card is non-transferable.

Initials: EFM\_\_\_\_\_ Customer\_\_\_\_\_

**6. PAYMENT TERMS.** The amount of the monthly maintenance fee will be listed on the applicable Schedule and will be due and payable in advance on the first day of each month. If the first day of the Term for a Covered Vehicle is other than the first day of a calendar month, Lessee will pay EFM, on the first day of the Term for such Covered Vehicle, a pro-rated maintenance fee for the number of days that the Delivery Date precedes the first monthly maintenance fee payment date. Any monthly maintenance fee or other amount owed by Lessee to EFM under this Agreement which is not paid within twenty (20) days after its due date will accrue interest, payable upon demand of EFM, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate allowed by applicable law. The monthly maintenance fee set forth on each applicable Schedule allows the number of miles per month as set forth in such Schedule. Lessee agrees to pay EFM at the end of the applicable Term (whether by reason of termination of this Agreement or otherwise) an overmileage maintenance fee for any miles in excess of this average amount per month at the rate set forth in the applicable Schedule. EFM may, at its option, permit Lessor, as an agent for EFM, to bill and collect amounts due to EFM under this Agreement from Lessee on behalf of EFM.

**7. NO WARRANTIES.** Lessee acknowledges that EFM does not perform maintenance or repair services on the Covered Vehicles but rather EFM arranges for maintenance and/or repair services on the Covered Vehicles to be performed by third parties. EFM MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER OF ANY KIND, EXPRESS OR IMPLIED, WHETHER ARISING BY COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE WITH RESPECT TO ANY EQUIPMENT, PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE OR QUALITY. ANY DEFECT IN THE PERFORMANCE OF ANY PRODUCT, REPAIR OR SERVICE WILL NOT RELIEVE LESSEE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING THE PAYMENT TO EFM OF THE MONTHLY MAINTENANCE FEES AND OTHER CHARGES DUE UNDER THIS AGREEMENT.

In no event shall EFM or its agents or their respective affiliates be liable for consequential, indirect, incidental, special, exemplary, punitive or enhanced damages, lost profits or revenues or diminution in value, arising out of or relating to this agreement, including, without limitation, any breach or performance of this agreement, regardless of (i) whether such damages were foreseeable, (ii) whether or not EFM or its agents or their respective affiliates were advised of the possibility of such damages and/or (iii) the legal or equitable theory (contract, tort or otherwise) upon which a claim, action, cause of action, demand, lawsuit, arbitration, inquiry, proceeding or litigation is based, and notwithstanding the failure of any agreed or other remedy of its essential purpose.

**8. LESSOR NOT A PARTY.** Lessor is not a party to, and shall have no rights, obligations or duties under or in respect of, this Agreement.

**9. NOTICES.** Any notice or other communication under this Agreement shall be in writing and delivered in person, electronic mail or mailed postage prepaid by registered or certified mail or sent by express overnight delivery service with a nationally recognized carrier, to the applicable party at its address set forth on the signature page of this Agreement, or at such other address as any party hereto may designate as its address for communications under this Agreement by notice so given. Any such notice or communication sent by mail will be effective and deemed received three (3) days after deposit in the United States mail, duly addressed to the address for the Party set forth below, with registered or certified mail postage prepaid. Any such notice or communication sent by express overnight delivery service with a nationally recognized carrier will be effective and deemed received one (1) day after deposit with such delivery service, duly addressed, with delivery fees prepaid. The Company shall promptly notify EFM of any change in the Company's address.

**10. MISCELLANEOUS.** This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Missouri (without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and Lessee have executed this Full Maintenance Agreement as of the day and year first above written.

LESSEE: \_\_\_\_\_

EFM: Enterprise Fleet Management, Inc.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

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

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

Address: \_\_\_\_\_

Address: \_\_\_\_\_

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

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

Initials: EFM \_\_\_\_\_ Customer \_\_\_\_\_



### AMENDMENT TO FULL MAINTENANCE AGREEMENT

THIS AMENDMENT ("Amendment") dated this \_\_\_\_ day of March, 2022 is attached to, and made a part of, the FULL MAINTENANCE AGREEMENT entered into on the \_\_\_\_ day of March, 2022 ("Agreement") by and between Enterprise Fleet Management Inc., a Missouri corporation ("EFM") and City of Parker, Texas ("Lessee"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 10 of the Full Maintenance Agreement is amended to read as follows:

This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Texas (without reference to conflict of law principles).

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, EFM and Lessee have executed this Amendment to Full Maintenance Agreement as of the day and year first above written.

\_\_\_\_\_  
City of Parker, Texas (Lessee)

By \_\_\_\_\_

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

Date Signed: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
ENTERPRISE FLEET MANAGEMENT, INC.

By \_\_\_\_\_

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

Date Signed: \_\_\_\_\_, \_\_\_\_\_



## MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

This Agreement is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, by and between Enterprise Fleet Management, Inc., a Missouri corporation, doing business as "Enterprise Fleet Management" ("EFM"), and \_\_\_\_\_ (the "Company").

**1. ENTERPRISE CARDS:** EFM will provide the Company with an EFM Card for each vehicle, which EFM Card is an electronic card and is located on the Efleets mobile app and the efleets.com client website, for use in authorizing the payment of charges incurred in connection with the vehicle maintenance program (the "Program") for a vehicle. The Company agrees to be and shall be liable to EFM for all charges made by or for the account of the Company with the EFM Card (other than any charges which are the responsibility of EFM under the terms of this Agreement). EFM will invoice the Company for all such charges, and the Company agrees to and shall pay to EFM all invoiced amounts in accordance with the terms of this Maintenance Management and Fleet Rental Agreement (Agreement). EFM reserves the right, and the Company agrees and acknowledges that EFM shall have the right, to change the terms and conditions as set forth in this Agreement for the use of the EFM Card at any time. The EFM Card is and shall remain at all times the property of EFM, and EFM may revoke the Company's right to possess, access, or use the EFM Card at any time and for any reason. The EFM Card is non-transferable. EFM will provide a driver information packet (the "Packet") outlining the Maintenance Management Program. The Parties agree that the Maintenance Management Program is subject to the terms and conditions of the Packet.

**2. VEHICLE REPAIRS AND SERVICE:** EFM will provide purchase order control by telephone, electronic mail, or in writing authorizing charges for service, maintenance, or repairs exceeding \$125.00, which may change from time to time based on market conditions, or such other amount as may be established by EFM, in its sole discretion, from time to time under the Program. All charges for service, maintenance or repairs will be invoiced to EFM. Invoices will be reviewed by EFM for accuracy, proper application of any applicable manufacturer's warranty, application of potential discounts and unnecessary, unauthorized repairs.

Notwithstanding the above, in the event the repairs and service are the result of damage from an accident or other non-maintenance related cause (including glass claims), these matters will be referred to the Company's Fleet Manager. If the Company prefers that EFM handle the damage repair, the Company agrees to assign the administration of the matter to EFM. EFM will administer such claims in its discretion. The fees for this service will be up to \$125.00 per claim and the Company agrees to reimburse for repairs as outlined in this agreement. If the Company desires the assistance of EFM in recovering damage amounts from at fault third parties, a Vehicle Risk Management Agreement must be on file for the Company.

**3. BILLING AND PAYMENT:** All audited invoices paid by EFM on behalf of the Company will be consolidated and submitted to the Company on a single monthly invoice for the entire Company fleet covered under this Agreement. The Company is liable for, and will pay EFM within twenty (20) days after receipt of an invoice or statement for, all purchases invoiced to the Company by EFM, which were paid by EFM for or on behalf of the Company. EFM will be entitled to retain for its own account, and treat as being paid by EFM for purposes of this Agreement, any discounts it receives from a supplier with respect to such purchases which are based on the overall volume of business EFM provides to such supplier and not solely the Company's business.

**4. RENTAL VEHICLES:** The EFM Card allows the Company the option to arrange for a rental vehicle at a discounted rate with a subsidiary or affiliate of Enterprise Holdings, Inc. ("EHI") for a maximum of two (2) days without prior authorization from EFM. Extensions beyond two (2) days must be approved by EFM. The Company shall be fully responsible for all obligations under any rental agreement with a subsidiary or affiliate of EHI pursuant to this Agreement. All drivers of a rental vehicle must be at least twenty one (21) years of age unless otherwise required by law, hold a valid driver's license, be an employee of the Company and authorized by the Company through established reservation procedures and meet all other applicable requirements of the applicable subsidiary or affiliate of EHI. The Company will be provided a specific telephone number for use in arranging a rental vehicle described in this Section.

**5. NO WARRANTY:** The Company acknowledges that EFM does not perform maintenance or repair services on the Company's vehicles or any rental vehicles and any maintenance or repair services are to be performed by third parties. EFM MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER OF ANY KIND, EXPRESS OR IMPLIED, WHETHER ARISING BY COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE WITH RESPECT TO PRODUCTS, REPAIRS OR SERVICES PROVIDED IN CONNECTION WITH THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE, QUALITY OR FITNESS FOR USE. Any defect in the performance of any product, repair or service will not relieve the Company from its obligations under this Agreement, including without limitation the payment to EFM of monthly invoices.

**6. CANCELLATION:** Either party may cancel any Card under this Agreement or this Agreement in its entirety at any time by giving thirty (30) days written notice to the other party. The cancellation of any Card or termination of this Agreement will not affect any rights or obligations under this Agreement, which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to such cancellation or termination. Upon such cancellation or termination, the Company shall immediately cease using or accessing the EFM Card. Notice to EFM regarding the cancellation of any Card shall specify the Card number and identify the Company's representative. EFM will exercise due care to prevent additional charges from being incurred once the Company has notified EFM of its desire to cancel any outstanding Card under this Agreement.

Initials: EFM\_\_\_\_\_ Company\_\_\_\_\_

**7. NOTICES:** Any notice or other communication under this Agreement shall be in writing and delivered in person, electronic mail or mailed postage prepaid by registered or certified mail or sent by express overnight delivery service with a nationally recognized carrier, to the applicable party at its address set forth on the signature page of this Agreement, or at such other address as any party hereto may designate as its address for communications under this Agreement by notice so given. Any such notice or communication sent by mail will be effective and deemed received three (3) days after deposit in the United States mail, duly addressed to the address for the Party set forth below, with registered or certified mail postage prepaid. Any such notice or communication sent by express overnight delivery service with a nationally recognized carrier will be effective and deemed received one (1) day after deposit with such delivery service, duly addressed, with delivery fees prepaid. The Company shall promptly notify EFM of any change in the Company's address.

**8. FEES:** EFM will charge the Company for the service under this Agreement \$\_\_\_\_\_ per month per Card.

**9. MISCELLANEOUS:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Company may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement is governed by the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and the Company have executed this Maintenance Management and Fleet Rental Agreement as of the day and year first above written.

COMPANY: \_\_\_\_\_

EFM: Enterprise Fleet Management, Inc.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

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

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

Address: \_\_\_\_\_

Address: \_\_\_\_\_

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

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

Initials: EFM\_\_\_\_\_ Company\_\_\_\_\_



### AMENDMENT TO MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

THIS AMENDMENT ("Amendment") dated this \_\_\_\_ day of March, 2022 is attached to, and made a part of, the MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT entered into on the \_\_\_\_ day of March, 2022 ("Agreement") by and between Enterprise Fleet Management Inc., a Missouri corporation ("EFM") and City of Parker, Texas ("Company"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 9 of the Maintenance Management and Fleet Rental Agreement is amended to read as follows:

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement is governed by the substantive laws of the State of Texas (determined without reference to conflict of law principles).

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Company and EFM have executed this Amendment to Maintenance Management and Fleet Rental Agreement as of the day and year first above written.

\_\_\_\_\_  
City of Parker, Texas (Company)

By \_\_\_\_\_

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

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

\_\_\_\_\_  
ENTERPRISE FLEET MANAGEMENT, INC.

By \_\_\_\_\_

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

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



### COMPANY OWNED VEHICLE SERVICE AGREEMENT

**THIS COMPANY OWNED VEHICLE SERVICE AGREEMENT** (this “**Agreement**”) is made and entered into as of the \_\_\_\_ day of April, 2022, by and between Enterprise Fleet Management, Inc. (“**EFM**”), a Missouri corporation, d/b/a Enterprise Fleet Management, and the company whose name and address is set forth on the signature page below (“**Company**”). Each of EFM and the Company is a “**Party**,” and collectively, the “**Parties**.”

#### **WITNESSETH:**

**WHEREAS**, EFM desires to offer to the Company certain services, including the Maintenance Program (as defined herein), the Maintenance Management Program (as defined herein), and/or the License Administration Program (as defined herein, together with the Maintenance Program and the Maintenance Management Program, collectively, the “**Services**,” with each of the Services sometimes being individually referred to herein as a “**Service**”) for the Covered Vehicles (as defined herein), and enter into this Agreement regarding same; and

**WHEREAS**, the Company desires to obtain certain services from EFM, including the Maintenance Program, the Maintenance Management Program, and/or the License Administration Program, for the Covered Vehicles, and enter into this Agreement regarding same.

**NOW, THEREFORE**, in consideration of the premises, the mutual covenants, promises, and conditions set forth herein, the Parties agree as follows:

1. **COVERED VEHICLES:** Upon request from the Company to EFM, and in exchange for consideration as set forth in this Agreement, EFM will provide all or certain of the Services to the Company for certain vehicles owned by the Company (individually each is a “**Covered Vehicle**,” and collectively the “**Covered Vehicles**”), which Covered Vehicles shall only be operated and/or used by an authorized representative of the Company or the Company’s subsidiaries or affiliates. Each Service requested to be provided by EFM to the Company shall be set forth on a schedule (individually each is a “**Schedule**,” and collectively the “**Schedules**”) to this Agreement which shall identify the applicable Covered Vehicle and each requested Service for the Covered Vehicle. Each Covered Vehicle will have an individual Schedule. EFM will send the Company a Schedule for each Covered Vehicle, which Schedule will include, but not necessarily be limited to, a description of the Covered Vehicle, the Service or Services requested for the Covered Vehicle, and the recurring charges due from the Company to EFM with respect to each Service requested by the Company. Should a Service being provided for a Covered Vehicle be terminated, EFM will provide to the Company a revised Schedule for the Covered Vehicle which shall supersede the original Schedule for the Covered Vehicle. The Parties agree and acknowledge that each Schedule shall be subject to the terms and conditions of this Agreement, expressly made a part of this Agreement, and deemed completely integrated herein. References to this Agreement shall include all Schedules and exhibits to this Agreement, including, without limitation, the Packet (as defined herein) if applicable.
2. **TERM AND TERMINATION:** The term of this Agreement (the “**Term**”) for each Covered Vehicle shall begin on the first day of the month listed on the applicable Schedule and shall continue for month to month thereafter until terminated as set forth in this Agreement. EFM and the Company shall each have the right to terminate this Agreement with respect to any Covered Vehicle effective as of the last day of any month upon not less than sixty (60) days prior written notice to the other Party. The termination of this Agreement, with respect to any Covered Vehicle or the entirety of this Agreement, shall not affect any rights or obligations under this Agreement which previously arose and were accrued or thereafter arise and accrue, and such rights and obligations shall continue to be governed by the terms of this Agreement. In the event that the Term for each Covered Vehicle has been terminated, either Party may terminate this Agreement in its entirety upon written notice to the other Party.



**FLEET MANAGEMENT**

3. **ADDITIONAL DOCUMENTATION:** Whether at the request of EFM or another, the Company shall execute and deliver any and all additional documents and instruments as well as do such further acts and things as may be necessary or required to carry out the intent and purpose of this Agreement, including executing or delivering any document or instrument required and/or necessary to comply with any applicable federal, state or local law, rule, regulation or ordinance and/or effect the provision of any Service, including any document or instrument necessary to appoint EFM as the Company's agent and provide EFM with power of attorney on behalf of the Company as contemplated by this Agreement.
4. **COVERED VEHICLE FEE:** EFM will charge the Company, and the Company will pay EFM in accordance with the terms of this Agreement, a transaction fee and/or monthly fee as listed on the attached Company Owned Vehicle Service Agreement Services Pricing Sheet.
5. **PAYMENT TERMS:** Any amount owed by the Company to EFM under this Agreement which is not paid within twenty (20) days after its due date will accrue interest, payable upon demand of EFM, at a rate per annum equal to the lesser of (a) Eighteen Percent (18%) per annum, or (b) the highest rate allowed by applicable law, from the due date until paid in full.
6. **BILLING:** All fees, costs, expenses, fees, charges, fines, tickets, penalties, taxes, or any other amounts paid by EFM and for which the Company is responsible and liable for under this Agreement will be submitted to the Company on an invoice. The Company agrees to and shall pay to EFM all invoiced amounts in accordance with the terms of this Agreement. EFM is entitled to retain for its own account, without any benefit being provided to the Company, and treat as being paid by EFM for purposes of this Agreement, any discounts that EFM receives from a third party which are based on the overall volume of business EFM provides to such third party and not solely based upon the Company's business.
7. **VARIOUS COSTS, EXPENSES, FEES, AND CHARGES.** The Company agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties, taxes (other than federal and state income taxes on the income of EFM), or any other amounts incurred by EFM during the Term in connection with the Services and/or the titling, licensing, registration, maintenance, delivery, purchase, sale, rental, use or operation of any Covered Vehicle. If EFM incurs any such costs, expenses, fees, charges, fines, tickets, penalties, taxes, or other amounts, EFM will invoice the Company, and the Company agrees to and shall pay to EFM all invoiced amounts in accordance with the terms of this Agreement.
8. **LICENSE ADMINISTRATION PROGRAM:** If the License Administration Program is requested by the Company, and are provided by EFM, the following terms shall apply:
  - a. EFM agrees to obtain all initial and renewal registration stickers and registration plates required by any state in which a Covered Vehicle is registered where the presence of the Covered Vehicle is not required for issuance of initial and/or renewal registration stickers and registration plates. The Company agrees that it shall not permit a Covered Vehicle to be located in a location, whether a state or country, other than the state in which the Covered Vehicle is then titled and/or registered for any continuous period of time that would result in the Covered Vehicle being subject to the titling and/or registration laws, rules, regulations, or ordinances of such other state or country without providing at least thirty (30) days advance written notice of same to EFM. The Company shall be responsible and liable for any fees, costs, expenses, charges, fines, tickets, penalties, taxes, or any other amounts which are incurred as a result of the Company's failure to provide the advance written notice as set forth in this Section.
  - b. Each Covered Vehicle shall be titled and licensed in the Company's name at the Company's expense. If necessary, EFM will assist the Company with such titling and licensing. The Company shall be liable and responsible for any fees, costs, expenses, charges, fines, tickets, penalties, taxes, or any other amounts related to the titling and licensing of a Covered Vehicle.

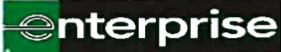


**FLEET MANAGEMENT**

- c. The services described in this Section are collectively referred to as the “**License Administration Program**.”

**9. MAINTENANCE PROGRAM:** If the Maintenance Program is requested by the Company and provided by EFM, the following terms shall apply:

- a. EFM will provide the Company with an authorization card (the “**EFM Card**”) for each Covered Vehicle, which EFM Card may or may not be a physical card, for use in authorizing the payment of charges incurred in connection with the Maintenance Program for a Covered Vehicle. The Company agrees to be and shall be liable to EFM for all charges made by or for the account of the Company with the EFM Card (other than any charges which are the responsibility of EFM under the terms of this Agreement). EFM will invoice the Company for all such charges, and the Company agrees to and shall pay to EFM all invoiced amounts in accordance with the terms of this Agreement. EFM reserves the right, and the Company agrees and acknowledges that EFM shall have the right, to change the terms and conditions as set forth in this Agreement for the use of the EFM Card at any time without providing advance notice to the Company. The EFM Card is and shall remain at all times the property of EFM, and EFM may revoke the Company’s right to possess, access, or use the EFM Card at any time and for any reason. Upon the termination of this Agreement or upon the demand of EFM, the Company shall immediately cease using or accessing and/or return the EFM Card to EFM. The EFM Card is non-transferable.
- b. EFM agrees that, during the Term for a Covered Vehicle and subject to the terms and conditions of this Agreement, EFM will pay for, or reimburse the Company for its payment of, all reasonable and documented costs and expenses incurred in connection with the service, maintenance, or repair of the Covered Vehicle to the extent same is included on the applicable Schedule for a Covered Vehicle. Unless otherwise agreed to in writing by the Parties and set forth on the Schedule for a Covered Vehicle, neither this Agreement nor the Maintenance Program cover and the Company shall remain solely liable and responsible for and pay for (a) fuel, (b) oil and other fluids between changes, (c) tire repair and replacement, (d) washing, (e) maintenance or repair of, or damage caused by, any alteration, upgrade, upfitting, addition, improvement, or unauthorized replacement part added to a Covered Vehicle or by and of any after-market component (this Agreement covers maintenance and repair only of the Covered Vehicles themselves and any factory-installed components and does not cover maintenance or repair of chassis alterations, add-on bodies (including, without limitations, step vans), software, or other equipment (including, without limitation, lift gates, autonomous or automated vehicle equipment, components, parts or products, and PTO controls) which is installed or modified by the Company, a dealer, a body shop, an upfitter, or anyone else other than the manufacturer of the Covered Vehicle), (f) any service, maintenance, repair, and/or damage resulting from, due to, related to, or arising out of (i) an accident, a collision, theft, fire, freezing, vandalism, riot, explosion, other acts of god, an object striking or colliding with a Covered Vehicle, improper use or abuse of a Covered Vehicle (including, without limitation, driving over curbs, overloading, and racing or other competition), (ii) lack of maintenance, service, or repair by the Company between scheduled services (including, without limitation, failure to maintain manufacturer recommended fluid levels); or (iii) the Company’s failure to maintain a Covered Vehicle as recommended by the manufacturer, or as required by and in compliance with (1) all laws, statutes, rules, regulations and ordinances (including without limitation such applicable federal, state and local laws, statutes, rules, regulations, ordinances, guidance and professional standards governing autonomous vehicles and automated driving systems and any parts, components and products related thereto), and (2) the provisions of all insurance policies affecting or covering the Covered Vehicle or its use or operation, (g) roadside assistance or towing for vehicle service, maintenance, or repair purposes, (h) mobile services, (i) the cost of a loaner or rental vehicle, or (j) if the Covered Vehicle is a vehicle with a 1 ton classification or greater, any (i) manual transmission clutch adjustment or replacement, (ii) brake adjustment or



**FLEET MANAGEMENT**

replacement or (iii) front axle alignment. Whenever it is necessary to have a Covered Vehicle serviced, maintained or repaired, the Company agrees to have the necessary work performed by a service, maintenance, or repair facility authorized in advance in writing by EFM. In every case, if the cost of any such service, maintenance, or repair is estimated to or does exceed fifty dollars (\$50.00), the Company shall notify EFM in advance of such service, maintenance, or repair being performed and obtain EFM's authorization and approval for such service, maintenance, or repair and abide by EFM's instructions as to where such service, maintenance, or repair shall be made and the extent of service, maintenance, or repair to be obtained. The Company agrees to furnish EFM with an invoice for all service, maintenance, or repair to a Covered Vehicle, which invoice shall be accompanied by a copy of the shop or service order (odometer mileage must be shown on each shop or service order). EFM shall not be, and is not, obligated to pay for any unauthorized charges or those exceeding fifty dollars (\$50.00) for any one service, maintenance, or repair on any Covered Vehicle unless the Company has complied with the terms and conditions of this Agreement and followed all of EFM's instructions. EFM shall not, and does not, have any responsibility to pay for any service, maintenance, or repair in excess of the service, maintenance, or repair recommended by the manufacturer, unless otherwise agreed to in writing by EFM. Notwithstanding any other provision of this Agreement to the contrary, EFM shall not be, and is not, required to provide or pay for any service, maintenance, or repair to any Covered Vehicle after the odometer mileage reaches one hundred thousand (100,000) miles. The Maintenance Program for a Covered Vehicle shall be automatically terminated and no longer provided by EFM to the Company after the odometer mileage for a Covered Vehicle reaches one hundred thousand (100,000) miles.

- c. EFM will charge the Company, and the Company agrees to pay to EFM, a monthly maintenance fee for the Maintenance Program for each Covered Vehicle. The monthly maintenance fee for each Covered Vehicle will be listed on the Schedule for the Covered Vehicle and will be due and payable by the Company to EFM in advance on the first day of each month.
- d. The services described in this Section are collectively referred to as the **"Maintenance Program."**

**10. MAINTENANCE MANAGEMENT PROGRAM:** If the Maintenance Management Program is requested by the Company and provided by EFM, the following terms shall apply:

- a. EFM will provide the Company with an EFM Card for each Covered Vehicle, which EFM Card may or may not be a physical card, for use in authorizing the payment of charges incurred in connection with the Maintenance Management Program for a Covered Vehicle. The Company agrees to be and shall be liable to EFM for all charges made by or for the account of the Company with the EFM Card (other than any charges which are the responsibility of EFM under the terms of this Agreement). EFM will invoice the Company for all such charges, and the Company agrees to and shall pay to EFM all invoiced amounts in accordance with the terms of this Agreement. EFM reserves the right, and the Company agrees and acknowledges that EFM shall have the right, to change the terms and conditions as set forth in this Agreement for the use of the EFM Card at any time without providing advance notice to the Company. The EFM Card is and shall remain at all times the property of EFM, and EFM may revoke the Company's right to possess, access, or use the EFM Card at any time and for any reason. Upon the termination of this Agreement or upon the demand of EFM, the Company shall immediately cease using or accessing and/or return the EFM Card to EFM. The EFM Card is non-transferable.
- b. EFM will provide a driver information packet (the **"Packet"**) outlining the Maintenance Management Program. The Parties agree that the Maintenance Management Program is subject to the terms and conditions of the Packet.



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- c. EFM will provide purchase order control by telephone, electronic mail, or in writing authorizing charges for service, maintenance, or repairs for a Covered Vehicle which are estimated to or do exceed seventy five dollars (\$75.00), or such other amount as may be established by EFM, in its sole discretion from time to time under the Maintenance Management Program. All charges for service, maintenance, or repair for a Covered Vehicle under the Maintenance Management Program will be invoiced to EFM. Invoices will be reviewed by EFM for accuracy, proper application of any applicable manufacturer's warranty, application of potential discounts, and unnecessary, unauthorized repairs. After the invoices are audited, EFM shall pay for the amount of the audited invoice. EFM will provide to the Company the audited invoices (the "**Audited Invoices**") upon written request of Company to EFM.
- d. Notwithstanding the above, in the event the service, maintenance, or repair are the result of or are related to damage from an accident or other non-maintenance related cause (including glass claims), these matters will be referred to EFM. If the Company prefers that EFM handle the damage service, maintenance, or repair, the Company agrees to assign the administration of the matter to EFM. EFM will administer such claims in its discretion. The fees for this administration service will be up to one hundred twenty five dollars (\$125.00) per claim, and the Company agrees to pay EFM for those fees and reimburse EFM for the damage service, maintenance, and repair as set forth in this Agreement (the "**Administrative and Repair Fees**"). If the Company desires the assistance of EFM in recovering damage amounts from at fault third parties, a Vehicle Risk Management Agreement must be on file with EFM for the Company.
- e. The Company shall pay to EFM the amounts paid for by EFM under this Section and in conjunction with the Maintenance Management Program, including, without limitation, as set forth on the Audited Invoices as well as for the Administrative and Repair Fees in accordance with the terms of this Agreement.
- f. If the Maintenance Management Program is requested by the Company and provided by EFM, the EFM Card will authorize the Company to arrange for a rental vehicle at a discounted rate with a subsidiary or affiliate of Enterprise Holdings, Inc. ("**EHI**") for a maximum of two (2) days without prior authorization from EFM. Extensions beyond two (2) days must be approved by EFM. The Company shall be fully responsible for all obligations under any rental agreement with a subsidiary or affiliate of EHI pursuant to this Agreement. All drivers of a rental vehicle must be at least twenty one (21) years of age unless otherwise required by law, hold a valid driver's license, be an employee of the Company and authorized by the Company through established reservation procedures and meet all other applicable requirements of the applicable subsidiary or affiliate of EHI. The Company will be provided a specific telephone number for use in arranging a rental vehicle described in this Section.

The services described in this Section are collectively referred to as the "**Maintenance Management Program**."

- 11. **ODOMETER:** Neither EFM nor EHI or any of its subsidiaries or affiliates assume responsibility for or shall be responsible or liable for the correctness of the odometer reading on any Covered Vehicle unless that inaccuracy is caused by the action of EFM or EHI or any of its subsidiaries or affiliates.
- 12. **INSURANCE:** During the term of this Agreement, the Company shall pay for and maintain in full force and effect the insurance outlined herein for coverages at not less than the prescribed minimum limits of liability, covering the Company, its authorized representatives, agents, employees, subsidiaries, affiliates, and all subcontractors, or anyone directly or indirectly employed by any of them, or any for whose acts any of them may be liable: Automobile Liability Insurance covering liability arising out of maintenance, use or operation by the Company, or its employee, authorized representative, or agent of any auto (owned, hired and non-owned) with limits of not less than One Million Dollars (\$1,000,000)



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per occurrence for bodily injury and property damage. EFM and its subsidiaries and affiliates are to be named as Additional Insureds. All insurance shall be written through companies having an A.M. Best's rating of at least A VII or with such other companies as may reasonably be approved by EFM. All such liability insurance maintained by the Company shall include the condition that it is primary and that any such insurance maintained by EFM or any other additional insured is excess and non-contributory. Certificates of Insurance evidencing such coverages shall be furnished to EFM prior to commencement of this Agreement and at each subsequent policy renewal date. The Certificates shall provide for not less than thirty (30) days written notice to EFM prior to policy cancellation, non-renewal or material change.

13. **NO WARRANTY:** The Company acknowledges that EFM does not perform maintenance, service, or repairs on any Covered Vehicle or any rental vehicle and any maintenance, service, or repair is to be performed by third parties. EFM MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER OF ANY KIND, EXPRESS OR IMPLIED, WHETHER ARISING BY COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE WITH RESPECT TO PRODUCTS, MAINTENANCE, REPAIRS, OR SERVICES PROVIDED IN CONNECTION WITH THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE, QUALITY OR FITNESS FOR USE. Any defect in the performance of any product, service, maintenance, or repair will not relieve the Company from its obligations under this Agreement, including, without limitation, the payment to EFM of all amounts for which the Company is responsible and liable for under this Agreement.
14. **NOTICES:** All notices of cancellation or termination or other communications under this Agreement shall be mailed postage prepaid by registered or certified mail or sent by express overnight delivery service with a nationally recognized carrier, to the other Party at its address set forth on the signature page of this Agreement or at such other address as such party may provide in writing from time to time. Any such notice or communication sent by mail will be effective and deemed received three (3) days after deposit in the United States mail, duly addressed to the address for the Party set forth below, with registered or certified mail postage prepaid. Any such notice or communication sent by express overnight delivery service with a nationally recognized carrier will be effective and deemed received one (1) day after deposit with such delivery service, duly addressed, with delivery fees prepaid. The Company shall promptly notify EFM of any change in the Company's address.
15. **MISCELLANEOUS:**
  - a. Other than as specifically set forth in this Agreement, this Agreement may be amended only by an agreement in writing signed by EFM and the Company.
  - b. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction.
  - c. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, except that the Company may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM.
  - d. This Agreement is governed by the substantive laws of the State of Texas (determined without reference to conflict of law principles).
  - e. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.



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- f. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. This instrument shall be a valid and binding agreement when each Party has executed a counterpart. This Agreement may be signed and transmitted electronically or by facsimile machine or telecopier; the signature of any person on an electronically or facsimile transmitted copy hereof shall be considered an original signature and shall have the same binding effect as an original signature on an original document. The Parties agree that the electronic signature of any Party is intended to authenticate this Agreement, shall be considered an original signature, and have the same force and effect as a manual signature.
- g. Whenever the context of this Agreement requires, references to the singular shall include the plural, and the plural shall include the singular, where appropriate; and words denoting gender shall be construed to include the masculine and feminine, where appropriate.
- h. The Parties agree that all agreements and understandings between the Parties related to this Agreement are expressed and embodied herein; and in entering into this Agreement the Parties have not relied upon any statement or representation other than those expressly set forth herein.
- i. Except as specifically set forth in this Agreement, the Company does not have any express or implied right or authority to assume or create any obligations on behalf of or in the name of EFM or to bind EFM to any contract, agreement or undertaking with any third party.
- j. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- k. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either Party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available hereunder, at law, in equity, by statute, in any other agreement between the Parties or otherwise.

#### **16. LIMITATION OF LIABILITY:**

- a. NONE OF EFM, ITS AGENTS, OR EHI'S OR ITS AGENT'S RESPECTIVE AFFILIATES OR SUBSIDIARIES WILL BE LIABLE TO THE COMPANY FOR ANY LIABILITY, OBLIGATION, CLAIM, LOSS, PENALTY, FINE, COST, DAMAGE OR EXPENSE OF ANY KIND OR NATURE, CAUSED DIRECTLY OR INDIRECTLY, BY ANY COVERED VEHICLE OR RENTAL VEHICLE, OR ANY INADEQUACY OF ANY COVERED VEHICLE OR RENTAL VEHICLE FOR ANY PURPOSE OR ANY DEFECT (LATENT OR PATENT) IN ANY COVERED VEHICLE OR RENTAL VEHICLE, OR THE USE OR MAINTENANCE OF ANY COVERED VEHICLE OR RENTAL VEHICLE, OR ANY REPAIR, SERVICING OR ADJUSTMENT OF OR TO ANY COVERED VEHICLE OR RENTAL VEHICLE, OR ANY PROVISION OF ANY OF THE SERVICES FOR OR TO ANY COVERED VEHICLE, OR ANY DELAY IN SCHEDULING, ARRANGING, REIMBURSING OR PAYING FOR SERVICING, MAINTENANCE OR REPAIR OF OR TO ANY COVERED VEHICLE OR RENTAL VEHICLE, OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE OF ANY COVERED VEHICLE OR RENTAL VEHICLE, OR ANY LOSS OF BUSINESS OR ANY DAMAGE WHATSOEVER AND HOWEVER CAUSED, OR ANY ACTION TAKEN BY EFM UNDER A POWER OF ATTORNEY PURSUANT TO THIS AGREEMENT.



**FLEET MANAGEMENT**

- b. IN NO EVENT SHALL EFM, ITS AGENTS OR EHI'S OR ITS AGENT'S RESPECTIVE AFFILIATES OR SUBSIDIARIES BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY BREACH OR PERFORMANCE OF THIS AGREEMENT, REGARDLESS OF (I) WHETHER SUCH DAMAGES WERE FORESEEABLE, (II) WHETHER OR NOT EFM, ITS AGENTS OR EFM'S OR ITS AGENT'S RESPECTIVE AFFILIATES WERE ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND/OR (III) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH A CLAIM, ACTION, CAUSE OF ACTION, DEMAND, LAWSUIT, ARBITRATION, INQUIRY, PROCEEDING OR LITIGATION IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

#### 17. INDEMNITY:

- a. To the extent permitted by Texas law, the Company agrees to defend, indemnify and hold harmless EFM, its agents, and EFM's or its Agent's respective affiliates, subsidiaries, successors and assigns (collectively, the "**Indemnified Parties**" with each being an "**Indemnified Party**") from and against any and all losses, damages, liabilities, actions, suits, claims, demands, penalties, fines, costs (including, without limitation, litigation costs) and expenses (including, without limitation, reasonable fees of counsel and experts) the Indemnified Parties may incur arising out of or resulting from any claim of a third party relating to: (a) the Company's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, (b) any loss, bodily injury, death of any person, theft or destruction of or damage to real or tangible personal property related to or arising out of the acts or omissions of the Company and its agents, employees, representatives, or drivers, including without limitation, the use, operation or condition of any Covered Vehicle or rental vehicle, (c) negligence or more culpable act or omission of the Company or any of its agents, employees, representatives, or drivers (including any recklessness or willful misconduct) in connection with the Company's performance under this Agreement, (d) the Company's failure to comply with, and failure to cause its agents, employees, representatives, or drivers to comply with, all laws, statutes, rules, regulations and ordinances (including without limitation such applicable federal, state and local laws, statutes, rules, regulations, ordinances, guidance and professional standards governing autonomous vehicles and automated driving systems and any parts, components and products related thereto) and the provisions of all insurance policies affecting or covering any Covered Vehicle or rental vehicle or their use or operation, (e) any repair, maintenance, alteration, upgrade, upfit, addition, replacement, or improvement to a Covered Vehicle, (f) any assertion of the infringement of patent, trade secret, trademark, copyright, or other intellectual property rights of third parties, (g) the inaccuracy of the odometer reading on any Covered Vehicle or any odometer statement for any Covered Vehicle, or (h) actions taken by any of the Indemnified Parties while acting as an agent of the Company or under a power of attorney given by the Company. Nothing in this Agreement shall be deemed to affect the rights, privileges, and immunities of Company, and no indemnity provision set forth in this Agreement is intended to be a waiver of any sovereign or governmental immunity afforded to Company pursuant to Texas law; provided however, this provision is not intended to shift and does not shift liability from Company to Enterprise concerning claims or actions by third parties.
- b. In the event of a third party claim, suit, action or proceeding giving rise to the indemnification rights and obligations set forth in this Section, the Indemnified Parties (or its designee) shall be entitled to control the defense of such claim, suit, action or proceeding and to the extent permitted by Texas law, the Company shall indemnify the Indemnified Parties from and against any fees, costs and expenses (including, without limitation, reasonable fees of counsel and experts) incurred by any of the Indemnified Parties in defending such third party claim;



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provided that the Company shall have the right to participate in the defense of any third party claim with counsel selected by it at the Company's expense. The indemnifying party shall not enter into a settlement of any such claim, suit, action, or proceeding without the applicable Indemnified Party's prior consent, which consent shall not be unreasonably withheld. Nothing in this Agreement shall be deemed to affect the rights, privileges, and immunities of Company, and no indemnity provision set forth in this Agreement is intended to be a waiver of any sovereign or governmental immunity afforded to Company pursuant to Texas law; provided however, this provision is not intended to shift and does not shift liability from Company to Enterprise concerning claims or actions by third parties.

c. The provisions of this Section shall survive any expiration or termination of this Agreement.

**18. SIGNATORY WARRANTY:** Each Party represents and warrants that it has read and fully understands all of the terms of this Agreement, that it has consulted with its legal counsel and understands the legal ramifications of this Agreement, that it intends the respective Party on whose behalf he or she is affixing his or her signature to be legally bound, and he or she is fully and duly authorized to enter into and execute this Agreement on behalf of the respective Party on whose behalf he or she is affixing his or her signature.

**19. SCHEDULES, ADDENDA, AND EXHIBITS:** All Schedules and exhibits referenced in and/or attached to this Agreement, including, without limitation, the Packet if applicable, are hereby expressly made a part of this Agreement and deemed completely integrated herein.

**20. POWER OF ATTORNEY:** The Company does hereby constitute and appoint EFM as its agent and true and lawful attorney-in-fact (a) to execute, acknowledge, and deliver on behalf of the Company all instruments, documents, agreements, or assurances as may be required for EFM to provide to the Company the License Administration Program, (b) to take any and all actions EFM deems necessary to effectuate the License Administration Program, and (c) do and perform any and every act required, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the Company might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The Company ratifies and confirms all actions that the attorneys-in-fact or any of them, lawfully do or cause to be done by virtue of this power of attorney. This power of attorney, unless earlier revoked by the Company, shall remain in effect until this Agreement is terminated in its entirety.

**21. REPRESENTATIONS AND WARRANTIES:** The Company represents and warrants that:

- a. The Company is duly organized, validly existing and in good standing in the jurisdiction of its incorporation, organization or formation, as applicable.
- b. The Company is duly qualified to do business and is in good standing in every jurisdiction in which such qualification is required for purposes of this Agreement.
- c. This Agreement, when executed by the Company (assuming due authorization, execution and delivery by EFM) will be a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms and conditions, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally.
- d. The execution and delivery of this Agreement by the Company and the performance by the Company of its obligations hereunder do not and will not violate or cause a breach of any other agreements or obligations to which the Company is a party or by which it is bound.



**enterprise**  
**FLEET MANAGEMENT**

- e. The Company shall comply with all applicable laws and regulations in connection with the exercise of its rights and performance of its obligations hereunder.

**22. SURVIVAL:** Subject to the limitations and other provisions of this Agreement, Section 2 (Term and Termination), Section 3 (Additional Documentation), Section 5 (Payment Terms), Section 6 (Billing), Section 7 (Various Costs, Expenses, Fees, and Charges), Section 11 (Odometer), Section 13 (No Warranty), Section 15 (Miscellaneous), Section 16 (Limitation of Liability), Section 17 (Indemnity), Section 20 (Power of Attorney), Section 21 (Representations and Warranties), and Section 22 (Survival) shall survive the expiration or termination of this Agreement, as well as any other Section or provision that, in order to give proper effect to its intent should survive such expiration or termination, shall survive the expiration or earlier termination of this Agreement.

**IN WITNESS WHEREOF**, EFM and the Company have executed this Agreement as of the day and year first above written.

**Company:** City of Parker, Texas

**EFM:** Enterprise Fleet Management, Inc.

By: \_\_\_\_\_

Name:

Title:

Address:

By: \_\_\_\_\_

Name:

Title:

Address:



**FLEET MANAGEMENT**

**TELEMATICS SERVICES AGREEMENT**

As of this \_\_\_\_\_ day of April, 2022, (the "Effective Date") the parties below have agreed to the following Telematics Services Agreement (the "Agreement"), to be effective upon the later of the Effective Date of this Agreement and the effective dates of the following agreement(s) between the parties.

*[select any or all that apply]*

☒ Master Equity Lease Agreement (with schedules), dated April \_\_\_\_, 2022.

☐ Master Walkaway Lease Agreement (with schedules), dated \_\_\_\_\_

WHEREAS, Enterprise Fleet Management, Inc. ("EFM") offers in-vehicle Telematics Device(s) (as defined below) from select partners and EFM is willing to make the Telematics Device available for purchase, installation and use by Customer, as defined below, consistent with the terms of this Agreement; and

WHEREAS, the undersigned (the "Customer") desires to purchase, have installed and use the Telematics Device in accordance with the terms of this Agreement;

WHEREAS, in connection with the Telematics Device, Customer will have to obtain wireless services and software services from third party service providers other than EFM; and

NOW THEREFORE, in consideration for the mutual promises contained herein, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the following.

**1. Telematics Device Acknowledgement and Release.** The Telematics Device(s) shall mean any systems, hardware, software and/or other components and services that enable the collection, generation and/or transmission of information about the condition and/or operation of the Vehicle (as defined below), driving activities or actions of the Vehicle driver, Vehicle locations traveled and mileage driven and/or other Vehicle mechanical and operational data (the "Telematics Data" or "Data"). Customer acknowledges that the functionality of Telematics Devices and types of Data generated or available may change. By its signature below, Customer acknowledges that the Telematic Device may include systems which utilize cellular telephone and/or radio signals to transmit Data and communication and, therefore, privacy of such Data cannot be guaranteed and is specifically disclaimed as a condition of this Agreement and as a condition to receiving the Telematics Device. **CUSTOMER RELEASES EFM AND ITS PARENT COMPANY AND AFFILIATES, THE OPERATOR OF THE TELEMATICS SYSTEM, THE APPLICABLE SOFTWARE PROVIDER(S), THE WIRELESS CARRIER(S) AND OTHER SUPPLIERS OF COMPONENTS AND/OR SERVICES AND THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS AND AGENTS FROM ANY DAMAGE (INCLUDING INCIDENTAL AND/OR CONSEQUENTIAL DAMAGES) TO PERSONS (INCLUDING WITHOUT LIMITATION CUSTOMER AND ANY DRIVER OR PASSENGER OF THE VEHICLE) OR PROPERTY ARISING FROM (I) THE INSTALLATION AND USE OF THE TELEMATICS DEVICE AND/OR (II) ANY FAILURE OF THE TELEMATICS DEVICE TO OPERATE PROPERLY.** Third party service providers are not agents or employees of EFM, and EFM shall have no liability or responsibility with respect to the acts or omissions of those parties.

**2 Use, Access, Ownership and Storage of Telematics Data.** Customer acknowledges that the Telematics Data may be collected, generated and transmitted and that Customer shall be entitled to access, use and disclose such Data in its sole discretion. Customer shall be considered the owner of all such Data. Customer retains ultimate and sole responsibility with regard to (i) the selection of categories of Data and establishment of parameters and criteria Customer wishes to receive through its utilization of a Telematics Device, (ii) the types of reports Customer wishes to receive based on the categories of Data and criteria and parameters Customer has selected, and (iii) the monitoring, usage and disclosure of such Data. By way of example, EFM may provide Customer a driver safety scorecard based on categories of Data and safety criteria and an overall scoring methodology selected by Customer; EFM will provide Customer reports strictly based on Customer's criteria and Customer will be solely responsible for interpreting and drawing conclusions from the reports, including whether, based on Customer's criteria, a driver is actually a safe



**FLEET MANAGEMENT**

driver or not, and Customer will be solely responsible for deciding what action, if any, should be taken regarding any particular drivers.

EFM's responsibility to Customer with respect to the Data shall be limited as follows: (i) to arrange for the storage of the Data, which may be stored in EFM's environment, an EFM affiliate's environment and/or in an unaffiliated third party subcontractor's environment; (ii) to provide access to the Data to Customer; and (iii) to provide reports to the Customer solely based on categories of Data and parameters identified and selected by Customer.

Customer agrees that EFM and its parent company and affiliates may:

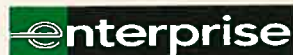
- (A) Collect, access, use and/or disclose the Data for the following purposes: (a) to provide services to Customer; (b) to provide or offer additional products and services to Customer; (c) to check, maintain, diagnose, update or repair Customer's Vehicles; (d) to assist or support Customer with managing its vehicle fleet (e) to comply with any other request from Customer; and/or (f) to disclose the Data to a third party as is necessary to accomplish (a) through (e). If additional services are required, the parties may need to enter into a separate agreement;
- (B) Collect, access, use and/or disclose the Data to comply with the request or order of a governmental or law enforcement authority; and
- (C) Collect, access, use and/or disclose aggregated and anonymized Data for any purposes.

For clarity, no access and/or use of the Data by EFM or its parent company or affiliates shall impose on EFM, its parent company or affiliates any responsibility to monitor the Data or Customer's drivers and/or fleet for any purpose, including without limitation, for safety purposes, and Customer hereby releases and holds harmless EFM from any liability, claims or damages relating thereto. For purposes hereof, "monitor" means the process of reviewing, checking and/or evaluating the Data, whether over a period of time, as part of a regular review or otherwise.

**3. Compliance with Privacy Laws; Notices and Consents.** Customer agrees to comply with any and all federal, state and local laws, rules, and regulations pertaining to the collection, storage, protection, sharing and use of, and access to, the Telematics Data ("Laws"). Customer will also (a) provide notice to employees/drivers of a Vehicle equipped with a Telematics Device that such Vehicle is so equipped, resulting in the collection, use, sharing and storage of Data, and that such collection, use, sharing and/or storage may be undertaken by Customer, EFM or a third party; and (b) obtain driver consent to the collection, use, sharing and storage of such Data as described in this Agreement.

**4. Vehicles.** This Agreement shall only apply to those vehicles (i) leased to Customer by EFM or an affiliate of EFM in which EFM is servicer under such lease or (ii) owned by Customer, provided that Customer has a valid Master Walkaway or Equity Lease Agreement (with schedules) in force with EFM or an affiliate of EFM ((i) or (ii), a "Vehicle").

**5. Purchase, Activation and Warranty.** Customer shall pay EFM the standard price as set by EFM for each Telematics Device. Warranty terms and other terms and conditions shall be those as provided by the hardware and equipment manufacturer(s) and software licensor(s) at the time of installation. Customer acknowledges that EFM does not provide the software or hardware for the telematics services on the Vehicles, but rather EFM arranges for provision of the same by third parties. **EFM MAKES NO, AND EXPRESSLY DISCLAIMS EVERY, REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS, REPAIRS OR SERVICES (INCLUDING ANY TELEMATICS SERVICES) PROVIDED FOR UNDER THIS AGREEMENT BY EFM OR THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, COMPLIANCE WITH SPECIFICATIONS, AVAILABILITY, OPERATION, CONDITION, SUITABILITY, PERFORMANCE OR QUALITY. FURTHERMORE, EFM MAKES NO, AND EXPRESSLY DISCLAIMS EVERY, REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, THAT THE TELEMATICS DEVICE(S) WILL NOT BE SUBJECT TO EAVESDROPPERS, HACKERS, ATTACKS, VIRUS, INTERCEPTORS OR ANY SIMILAR THREAT. ANY DEFECT IN THE PERFORMANCE OF ANY PRODUCT, REPAIR OR SERVICE WILL NOT RELIEVE CUSTOMER OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING THE PAYMENT TO EFM OF ANY CHARGES DUE UNDER THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN THE PARTIES AND THEIR AFFILIATES.**



## FLEET MANAGEMENT

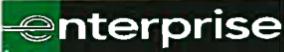
**6. Training.** The third party service provider shall provide Customer and its employees with training and support materials on the functionality and use of the Telematics Device(s). At all times, Customer shall utilize commercially reasonable efforts to adhere to the training and maintain the Telematics Device(s) in a good and safe operating condition (normal wear and tear excepted).

**7. Wireless Service Provider and Agreement; Software Agreement; Termination.** Customer shall execute a Wireless Service Agreement with a telecommunications carrier identified by EFM as a condition to the purchase and installation of the Telematics Devices. Customer shall also execute an on-line End User Software Agreement with a third party vendor identified by EFM that licenses to Customer the software necessary to support the use of the Telematics Devices. Customer acknowledges and agrees that EFM will have no liability or obligation with respect to any third party vendor or telecommunications carrier or any services provided by either, including, without limitation, any costs or expenses relating to any delay, failure or disruption of wireless services or software. Customer acknowledges that the Wireless Services Agreement and/or End User Software Agreement will provide for an ongoing, regular monthly charge, payable by Customer, for the use of the wireless services and software associated with the Telematics Devices by Customer. EFM shall not be a party to such Wireless Services Agreement or End User Software Agreements but termination of the same (for any reason) shall terminate this Agreement, unless otherwise agreed in writing by EFM. Termination of the agreement(s), as described above, with respect to the Vehicles and termination of this Agreement may terminate Customer's Wireless Services Agreement. Early termination of the Wireless Services Agreement may require Customer to pay an early termination fee or other charges. Customer agrees to provide EFM with prompt and complete notice of any termination of its Wireless Service Agreement and any other modifications to the same. This Agreement will terminate upon the earlier to occur of (i) written notice by EFM to Customer, and (ii) upon expiration or termination of all leases between Customer and EFM or an affiliate of EFM.

**8. Indemnification.** Customer is a unit of local government of the State of Texas and is subject to, and must comply with, the applicable provisions of the Texas Tort Claims Act, as set out in Civil Practices and Remedies Code, Section 101.001 et. seq. and the remedies authorized therein regarding claims or causes of action that may be asserted by breach of this Agreement. To the extent permitted by Texas law, Customer warrants, represents, and agrees to defend, indemnify and hold EFM, its parent company, and its affiliates and their employees, officers, directors and managers ("EFM Indemnified Persons") harmless from and against any and all losses, damages, liabilities, suits, claims, demands, causes of action, government investigations, fines, penalties, costs and expenses (including, without limitation, attorneys' fees and expenses) ("Losses") which an EFM Indemnified Person(s) may incur by reason of the following: (a) Customer's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement or its Wireless Services Agreement or End User Software Agreement; (b) as a result of any loss, claim, damage, theft or destruction of any hardware or software, or related to or arising out of or in connection with the use, operation or condition of any of the Telematics Device(s) or Telematics Data; (c) any failure by Customer to provide any requisite disclosures or notice, or to obtain any consent or opt-out relating to the use of a Telematics Device or the collection and use of the Telematics Data pursuant to Section 3 of this Agreement or as may be required by applicable law; (d) any failure by Customer and/or its designated agents to properly access, monitor, use, secure or safeguard any Data; (e) any deliberate attack, interception, hack or interference with the Telematics Device(s) by any person, the result of which may allow such person to gain control of the Vehicle or unauthorized access to Data; and (f) any allegation or claim that an EFM Indemnified Person has or had a duty to monitor the Vehicles or Telematics Device(s) or duty to warn Customer or any other person, company or governmental authority with respect to Data obtained by the Telematics Device(s) or any similar claim. EFM agrees to defend, indemnify and hold Customer harmless from and against any and all Losses which Customer may incur by reason of the following: (a) EFM's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement; and (b) any failure by EFM to comply with Laws applicable to EFM and the services provided by EFM to Customer under this Agreement. Nothing in this Section 8 shall be deemed to affect the rights, privileges, and immunities of Customer, and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Customer pursuant to Texas law.

The provisions of this Section 8 shall survive any expiration or termination of this Agreement.

**9. Limitation of Liability.** IN NO EVENT SHALL EFM, ITS PARENT COMPANY OR ANY OF THEIR AFFILIATES BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, LOSS OF DATA, LOST PROFITS OR REVENUES OR



**FLEET MANAGEMENT**

**DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT IT WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.**

**10. Miscellaneous.** All terms and conditions of the agreement(s) otherwise referenced herein shall continue in full force and effect and are hereby ratified and confirmed by the parties. The parties agree that this Agreement is the full and complete agreement between the parties with respect to the Telematics Device described herein and shall only be modified upon written agreement of both parties hereto. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Customer may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM, which shall be in EFM's sole discretion. Any provision of this Agreement may be amended, but only if such amendment is in writing and is signed by Customer and EFM. EFM may provide additional services related to this Agreement in the future, and the parties agree that if Customer elects such additional services, the parties will amend this Agreement related to such services.

This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Texas (without reference to conflict of law principles).

IN WITNESS, the parties have executed this Agreement, as of the dates respectively provided below.

**ENTERPRISE FLEET MANAGEMENT, INC.**

**CUSTOMER:** City of Parker, Texas

\_\_\_\_\_  
By:  
Title:  
Address:  
Date:

\_\_\_\_\_  
By:  
Title:  
Address:  
Date:



## AUTHORIZED SIGNER

### AUTHORIZED SIGNERS FOR MOTOR VEHICLE LEASE(S)

RESOLVED, The undersigned hereby certifies (i) that he/she is the duly appointed \_\_\_\_\_ (Title) for \_\_\_\_\_ (Entity legal name) hereafter known as "The Entity", (ii) that he/she is authorized by The Entity to execute and deliver on behalf of The Entity to Enterprise Fleet Management, hereafter known as "Enterprise" ("Lessor") and the Master Lease Agreement between Enterprise and the Entity ) the ("Lessee"), and (iii) that the following individuals are authorized and empowered on behalf of and in the name of The Entity to execute and deliver to Enterprise Schedules to the Lease for individual motor vehicles, together with any other necessary documents in connection with those Schedules:

RESOLVED FURTHER, that:

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

Bond Rating: \_\_\_\_\_ Rating Agency: \_\_\_\_\_ Federal ID#: \_\_\_\_\_

RESOLVED FURTHER, that EFM is authorized to act upon this authorization until written notice of its revocation is received by EFM.

I do hereby certify that I am an authorized representative of this Company and have been given the authority to sign this agreement on behalf of the Company.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Date

## Fleet Analysis for City of Parker

Current Fleet		16		Fleet Growth		25.00%		Proposed Fleet		20	
Current Avg. Cycle		6		Annual Miles		10,251		Proposed Cycle		3	
Est. Current Maint.		\$222		Cost of Fuel		\$3.00		Est. New Vehicle Fuel Economy		18	
Current Fuel Economy		13		Percentage of Idle Time		6%		Est. New Vehicle Maint		\$42	
Fleet Mix						Fleet Cost				Annual	
Fiscal Year Start	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease/Finance*	Upfront Capital & Equipment	Est. Maintenance & Fuel	Equity	Fleet Budget	Net Difference
Current	16	2.5	16	0	103,291		26,053	87,547		216,890	0
2022	20	15	5	15		146,128	51,375	69,815	-159,925	107,394	109,497
2023	20	8	4	16		155,764	10,000	64,334	-59,925	170,173	46,717
2024	20	8	3	17		165,400	10,000	59,102	-59,925	174,577	42,313
2025	20	9	1	19		184,671	20,000	50,702	-69,925	185,448	31,442
2026	20	9	1	19		184,671	7,375	50,702	-69,732	173,016	43,874
2027	20	13	1	19		184,671	44,000	50,702	-141,690	137,683	79,207
2028	20	8	1	19		184,671	10,000	50,702	-61,423	183,950	32,940
2029	20	8	1	19		184,671	10,000	50,702	-61,423	183,950	32,940
2030	20	11	1	19		184,671	27,375	50,702	-92,728	170,020	46,870
2031	20	7	1	19		184,671	0	50,702	-49,925	185,448	31,442
EST. TOTAL 10-YEAR SAVINGS											\$497,244

\* Lease Rates are conservative estimates

\*\*Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

\*\*\*Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity

## Fleet Analysis for City of Parker

Current Fleet	16		Fleet Growth	0.00%	Proposed Fleet	16					
Current Avg. Cycle	6		Annual Miles	10,314	Proposed Cycle	3					
Est. Current Maint.	\$278		Cost of Fuel	\$3.00	Est. New Vehicle Fuel Economy	17					
Current Fuel Economy	16		Percentage of Idle Time	6%	Est. New Vehicle Maint	\$43					
Fleet Mix			Fleet Cost			Annual					
Fiscal Year Start	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease/Finance*	Upfront Capital & Equipment	Est. Maintenance & Fuel	Equity	Fleet Budget	Net Difference
Current	16	2.5	16	0	103,291		26,053	87,547		216,890	0
2022	16	11	5	11		108,320	34,375	59,361	-140,793	61,263	155,627
2023	16	7	4	12		117,956	10,000	54,833	-40,793	141,996	74,894
2024	16	7	3	13		127,591	10,000	50,629	-40,793	147,427	69,463
2025	16	8	1	15		146,862	20,000	43,913	-50,793	159,983	56,907
2026	16	7	1	15		146,862	2,375	43,913	-37,791	155,360	61,530
2027	16	10	1	15		146,862	32,000	43,913	-79,906	142,870	74,020
2028	16	7	1	15		146,862	10,000	43,913	-41,291	159,485	57,405
2029	16	7	1	15		146,862	10,000	43,913	-41,291	159,485	57,405
2030	16	9	1	15		146,862	22,375	43,913	-58,787	154,363	62,527
2031	16	6	1	15		146,862	0	43,913	-30,793	159,983	56,907
EST. TOTAL 10-YEAR SAVINGS											\$726,684

\* Lease Rates are conservative estimates

\*\*Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

\*\*\*Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity



## Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: City Council
Fund Balance-before expenditure:	Prepared by: ACA/CS Scott Grey for City Administrator Olson
Estimated Cost:	Date Prepared: April 12, 2022
Exhibits:	<ol style="list-style-type: none"> <li>1. <a href="#">Proposed Resolution</a></li> <li>2. <a href="#">Collin Central Appraisal District letter, dated April 7, 2022</a></li> <li>3. <a href="#">Texas Property Tax Code § 6.03(L)</a></li> </ol>

### AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2022-696, REGARDING NOMINATION OF A BOARD OF DIRECTOR POSITION FOR THE COLLIN COUNTY CENTRAL APPRAISAL DISTRICT.

### SUMMARY

Please review information provided and be prepared to nominate one (1) vacated board candidate position for the Collin County Central Appraisal District's Board of Directors to serve Earnest R. Burke's unexpired term (Election Date (May 2022 est.) – December 31, 2023, in accordance with Texas Property Tax Code § 6.03(L). This is Step 1: Nominations.

### POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
<b>Approved by:</b>	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	04/14/2022
City Attorney:	<i>Trey Lansford</i>	Date:	04/14/2022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022

**RESOLUTION NO. 2022-696***(Collin County Appraisal District Board Nomination(s))***A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER, TEXAS;  
NOMINATING \_\_\_\_\_ AS A CANDIDATE FOR THE COLLIN  
COUNTY CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS.**

**WHEREAS**, in accordance with the Texas Property Tax Code at Section 6.03 (L), the Collin County Appraisal District's vacancy is to be appointed by the taxing units that participate in the District; and

**WHEREAS**, each taxing unit may nominate one (1) board candidate; and,

**WHEREAS**, the nomination must be made in an open meeting and a written resolution from the presiding officer of your governing body must be delivered to the Chief Appraiser by May 23, 2022; and,

**WHEREAS**,

\_\_\_\_\_ meet(s) the qualifications and has/have expressed an interest in serving on the District's Board of Directors;

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Parker, Texas that:

The City Council of the City of Parker, Texas authorizes the Mayor to execute and deliver this Resolution to the Chief Appraiser of the Collin County Appraisal District making the following nomination(s) as a candidate or candidates for the District Board of Directors:

Parker resident \_\_\_\_\_

Address: \_\_\_\_\_

Parker, Texas \_\_\_\_\_

**DULY PASSED AND APPROVED** by the City Council of the City of Parker, Collin County, Texas, on this the 19th day of April, 2022.

**CITY OF PARKER:**

\_\_\_\_\_  
Lee Pettie, Mayor

**ATTEST:**

\_\_\_\_\_  
Patti Scott Grey, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Larence M. Lansford, III, City Attorney

Proposed



# Collin Central Appraisal District

April 7, 2022

Patti Scott Grey, City Secretary  
City of Parker  
5700 East Parker Road  
Parker, TX 75002

RE: Board of Directors Vacancy

Dear Ms. Grey:

Please be advised that the District's board of directors now has a vacancy, and this letter is the first step in filling the vacancy. The details of the vacancy are as follows.

Name: Earnest R. Burke

Nature of Resignation: Medical

Date of Resignation: March 30, 2022

Original Term of Office: January 1, 2022 – December 31, 2023

Vacated Board Term to Complete: Election Date (May 2022 est.) - December 31, 2023

## **Property Tax Code Section 6.03(L)**

*If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.*

## **Mr. Burke's Election Information**

Nominating Entity: Plano ISD

Entities Casting Votes for Mr. Burke: Collin College, McKinney ISD, Plano ISD, City of Richardson & City of Sachse

**Step 1: Nominations**

A taxing unit's nomination must be made in an open meeting and a written resolution from the presiding officer of your governing body must be submitted to the Chief Appraiser by May 23, 2022. The resolution should include the name and address of the candidate nominated. To be eligible to serve on the board, an individual must be a resident of the district and must have resided in the district for at least two years immediately preceding the date they take office.

**Step 2: Election of Board Member (vacancy)**

By May 28, 2022, the chief appraiser must submit a list of nominees to the board of directors. The board of directors, by a majority vote, will elect one of the nominees to fill the vacancy.

**Step 3: Election Results**

The chief appraiser will notify the taxing units regarding the board's election of the member to complete Mr. Burke's vacated term.

**Notes:**

The process for filling a vacancy on the District's Board of Directors is outlined in the Texas Property Tax Code, § 6.03(L) and differs from the original election of board members. The role of our taxing units in filling a vacancy is to nominate and each taxing unit is entitled to nominate only one candidate. In this election the board of directors elects the new board member to fill the vacancy. Therefore, there is not an allocation of votes or a ballot.

Sincerely,



Gary Rodenbaugh, Chairman



Brian Mantzey, Secretary

CC: Bo Daffin, Chief Appraiser



## Council Agenda Item

Budget Account Code:	Meeting Date:	See above.
Budgeted Amount:	Department/ Requestor:	Council/Administration
Fund Balance-before expenditure:	Prepared by:	City Administrator Olson
Estimated Cost:	Date Prepared:	April 13, 2022
Exhibits:	1. <a href="#">Dr. Raed Omar Sbeit email regarding Meal Program Donation</a> 2. <a href="#">Resolution No. 2016-520 (Acceptance of Gifts)</a>	

### AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ACCEPTING AN ONGOING DONATION IN AN AMOUNT EXCEEDING \$500, NOT EXPECTED TO EXCEED \$2,500 FROM MUSLIMS GIVING BACK.

### SUMMARY

Muslims Giving Back ("MGB") is proposing to donate box lunches to City Employees once a month. The estimated value of the lunches is \$5-\$7 for each box lunch. MGB will work with City staff on developing monthly dates and will only donate lunches to cover the number of employees who sign up as available on the given date. The organization does this for multiple cities across the DFW Metroplex.

### POSSIBLE ACTION

Accept the proposed donation of monthly lunches, in a total amount exceeding \$500.  
 Reject the proposed monthly donation.  
 Table for future discussion.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:			
City Attorney:	<i>Trey Lansford</i>	Date:	04/14//2022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022

On Feb 17, 2022, at 6:50 PM, Dr. Raed Omar Sbeit  
wrote:

Dear Luke and Team,

Muslims Giving Back Irving Leads would like to start a Monthly Meal Program appreciation to our City of Parker Service Men and Women in City Hall Staff, Solid Waste, Fire and Police

To offer meals to all staff in the various locations and front liners as a token of appreciation to their service to the Residents of Parker.

It will be led by Dr Hesham ElGowary & Nasser Mohammad and their families in Parker

We used to do it in Ramadan but want to expand to do it for the Whole Year

--

Thanks  
Dr. Raed Omar Sbeit

**RESOLUTION NO. 2016-520***(Acceptance of Gifts to the City by the Mayor)*

**A RESOLUTION OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, AUTHORIZING THE MAYOR TO ACCEPT, OR REJECT, GIFTS TO THE CITY OF PARKER OF A VALUE OF \$500.00 OR LESS; AND REQUIRING A RECORD TO BE KEPT BY THE CITY OF ALL ACCEPTED OR REJECTED GIFTS.**

**WHEREAS**, the prior policy of the City of Parker has been for the City to take formal action regarding the proposed donation of all gifts to the City of Parker, and

**WHEREAS**, the City Council has determined that gifts to the City of a value of \$500.00 or less could be accepted, or rejected, by the Mayor at the Mayor's discretion, and

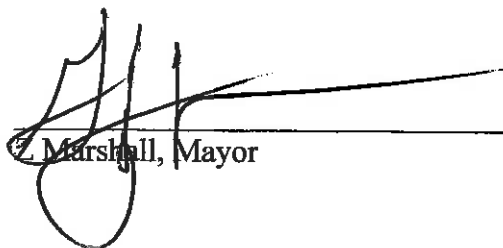
**WHEREAS**, all other gifts, and all gifts including any form of real estate, shall continue to be placed on the City Council Agenda;

**NOW, THEREFORE BE IT RESOLVED** by the City Council by the City of Parker, Texas as follows:

1. The Mayor is authorized to accept or reject in writing all gifts offered to the City of Parker of a monetary value of \$500.00 or less, and excluding all other gifts; including any form of real estate. The Mayor may make such inquiry as to the nature and purpose of the gift as the Mayor requires.
2. All gifts of a value of more than \$500.00, or which include real estate, shall be placed on the City Council Agenda for formal approval, or rejection, by vote of the City Council.
3. A written or electronic record of each and every gift offered to, and either accepted or rejected by the City of Parker shall be maintained as a public record. The minutes of a city council meeting are sufficient.

Resolved this 30th day of August, 2016.

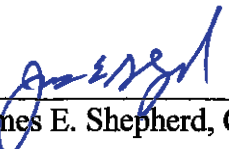


  
Z. Marshall, Mayor

ATTEST:

  
Patti Scott Grey, City Secretary

APPROVED AS TO FORM:

  
James E. Shepherd, City Attorney



## Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: Council
Fund Balance-before expenditure:	Prepared by: ACA/CS Scott Grey for City Administrator Olson
Estimated Cost:	Date Prepared: April 7, 2022
Exhibits:	<u>None</u>

### AGENDA SUBJECT

#### UPDATE(S):

ANY COMMITTEE UPDATES, AS NEEDED.

MONTHLY/QUARTERLY REPORTS (Links below.)

[Mar 2022 - Building Permit/Code Report](#)

[Mar 2022 - Court Report](#)

[Mar 2022 – Finance \(monthly financials\) Report](#)

[Investment 1st Qtr. Report 2022](#)

[Mar 2022 – Police Report](#)

[Mar 2022 – Republic Services Inc., dba Allied Waste Services of Plan](#)

[Mar 2022 – Website \(PIWIK\) Report](#)

ACCEPTANCE OF DONATION(S) FOR POLICE, FIRE, AND CITY STAFF DUE TO FOR THE RECORD (Each valued at between \$0 - \$500).

James & Cindy Henderson/Anthony Cordova donated snacks values at \$120.00

### SUMMARY

Please review information provided.

### POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	04/14/2022
City Attorney:	<i>Trey Lansford</i>	Date:	04/14/2022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022



## Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: Council
Fund Balance-before expenditure:	Prepared by: ACA/CS Scott Grey for City Administrator Olson
Estimated Cost:	Date Prepared: April 7, 2022
Exhibits:	<ul style="list-style-type: none"> <li><a href="#">Future Agenda Items</a></li> </ul>

### AGENDA SUBJECT

FUTURE AGENDA ITEMS

### SUMMARY

Please review information provided.

### POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
<b>Approved by:</b>	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	04/14/2022
City Attorney:	<i>Trey Lansford</i>	Date:	04/14/2022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022

**FUTURE AGENDA ITEMS**

AGENDA DATE	ITEM DESCRIPTION	CONTACT	Notes
<b>2022</b>			
<del>Feb(Mar)</del> , May, Aug, Nov	Fire Department Quarterly Report	Sheff/Miller	4th Qtr 2022 0215 CC Agenda
<del>Feb(Mar)</del> , May, Aug, Nov	Investment Quarterly Report	Savage	4th Qtr 2022 0215 CC Agenda
	<b>Council Committee Updates</b>	Council	2022 0126 Any Committees updates, as needed
Tentatively - May 17, 2022	Annexations	Machado/Lansford	2022 0302 Staff Agenda Mtg
Tentatively - May 17, 2022	Canvass, Oaths, Appointing Mayor Pro Tem, Recognizing outgoing & Reception for incoming	Pettle/C'Sec	20220406 - Relocated to Fire Department - Mayor to check
Tentatively - June 2022	PWC Donations??	Check w/Pettle	Waiting for direction
Tentatively - June 2022	Municipal Court Officials	C'Sec	Res. No. 2020-648
Tentatively - June 2022	Newsletter Committee Appointments		Res. No. 2020-649; March/June/Sept/Dec
Tentatively - June 2022	Possible Goal setting - Work Session	Check w/Pettle	Waiting for direction
Tentatively - June 2022	Possible Investment Committee Appointments		Res. No. 2021-669 2021-2022 Chief Investment Officer and Committee
Tentatively - June 2022	0601 Ord801 2021 No Thru Truck Traffic	Council/Brooks	Review periodically; Ordinance will be reviewed for effectiveness in one year
Tentatively - June 2022	Possibly Cancel 7/5 CC Mtg	Pettle	Added 2022 0413
Tentatively - July, 2022	Grade/Step Program	Savage/Lansford	2022 0125 Agenda Mtg -
Tentatively - 2022	Other Maps - Zoning, Transportation & Annexation	Olson/Machado	2022 0330 Possibly Annexation, Thoroughfare, & ?Land Use? Maps
Tentatively - 2022	Zoning Regs - P.H. & Ord. No. 800 approval - Update	Levine or CA	2021 0518 CC - Tabled; 2022 0113 Joint Mtg
Tentatively - 2022	Water Rate Analysis - Ongoing (Stand still)	Savage/Machado	0810 Ord739 2016 Water Rate Amendments for 2016-2020
Tentatively - 2022	Oncor & Frontier Franchise (All?) - Review Ongoing		2021 0615 added
Tentatively - 2022	Capital Equipment & City Vehicle Replacement Policy - Add Computer policy	Olson	2021 0907 Tabled; CALO to do research & bring recommendations back to Council
Tentatively - 2022	Animal Shelter - one year/automatically	Meyer	Res. No. 2019-617; 2021 0720 MLP added
Tentatively - 2022	Civic Plus Contract?	Pettle	Work in Progress
Tentatively - 2022	Proclamation - Logan Donahue	Pettle	Added 2022 0202
Tentatively - 2022	Code & Comp Plan	Pettle	Added 2022 0330 Agenda Meeting



## Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: Council
Fund Balance-before expenditure:	Prepared by: ACA/CS Scott Grey for City Administrator Olson
Estimated Cost:	Date Prepared: April 12, 2022
Exhibits:	<ol style="list-style-type: none"> <li>1. <a href="#">Ord. No. 799 Fee Schedule</a></li> <li>2. <a href="#">Draft Electronic Communication Policy</a></li> </ol>

### AGENDA SUBJECT

#### WORKSHOP ITEMS

- REVIEW FEE SCHEDULE.
- DISCUSSION AND STAFF DIRECTION ON DRAFT ELECTRONIC COMMUNICATION POLICY.

### SUMMARY

Please review information provided.

### POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
<b>Approved by:</b>	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	04/14/2022
City Attorney:	<i>Trey Lansford</i>	Date:	04/14/2022 via Municode Software
City Administrator:	<i>Luke B. Olson</i>	Date:	04/15/2022

**ORDINANCE NO. 799**  
*(Adopting Fee Schedule - 2021)*

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, ADOPTING A REVISED FEE SCHEDULE FOR VARIOUS FEES COLLECTED BY THE CITY OF PARKER; AND, PROVIDING FOR A SAVINGS CLAUSE, PROVIDING FOR REPEALER, PROVIDING FOR A PENALTY, AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Parker is authorized to charge and collect fees for certain actions and permissions within the City; and

**WHEREAS**, City Staff has reviewed the current fee schedule and determined that revisions and updates are warranted; and,

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, AS FOLLOWS:**

**Section 1.** The City of Parker, Texas hereby adopts the Fee Schedule attached hereto as Exhibit "A" and incorporated herein.

**Section 2.** Should any word, phrase, paragraph, section or portion of this resolution be held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining portions of the resolution shall not be affected thereby, and each such illegal, invalid or unenforceable word, phrase, paragraph, section or portion shall not affect the resolution as a whole.

**Section 3.** That all provisions of the ordinances of the City of Parker in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the ordinances of the City of Parker not in conflict with the provisions of this ordinance shall remain in full force and effect.

**Section 4.** This Resolution becomes effective upon its passage.

**DULY PASSED AND APPROVED** by the City Council of the City of Parker, Collin County, Texas, on this the 18th day of May, 2021.

CITY OF PARKER:

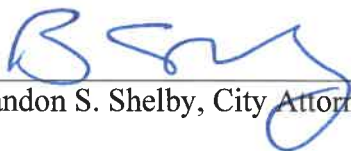


  
 Lee Pettie, Mayor

ATTEST:

  
Patti Scott Grey, City Secretary

APPROVED AS TO FORM:

  
Brandon S. Shelby, City Attorney

# City of Parker Fee Schedule 2021

Exhibit A  
Ordinance No. 799

The following schedule of fees shall apply to the permits, licenses, services and programs provided by the City of Parker. In the occasion the City must hire an outside service or consultant to perform any of these services or any unlisted service, the City may charge the applicant 100% of the outside service or consultant charges including actual costs, administrative and overhead costs plus 7% administrative fees.

	<b>Current Fees</b>
<b>Alarm Registration</b>	
New Owner Registration (pro-rated each month)	\$60.00
Annual Renewal - Due Jan. 1	\$20.00
Late Fee on alarm registration/ 30-day grace period	\$10.00
<b>False Alarm Charges</b>	
3 false alarms are permitted per year without charge, each after are:	
Burglary Alarm	\$75.00
Panic Alarm	\$75.00
Fire Alarm	\$75.00
False alarm for <u>un-registered</u> alarms	\$275.00
NOTE: Other fees collected by the Police department are State Mandated	
<b>Animal Control* (Resolution No. 2019-617)</b>	
<b>Animal Impound Fee</b>	
1st Impound	\$50.00
2nd Impound	\$75.00
3rd Impound	\$125.00
4th Impound and up	\$150.00
Daily Handling Fee	\$10.00 per day
<b>Pet Registration</b>	
Sterilized	\$10.00 per year
Non-Sterilized	\$15.00 per year
Dangerous Dog Registration (Per Animal)	\$50.00
Livestock Permit (Per Tract of Land)	\$35.00
Dog or Cat Adoption Fee (Per Animal Non-Sterilized)	\$85.00
Dog or Cat Adoption Fee (Per Animal Sterilized)	\$45.00
Quarantine Fee	\$150.00
Microchip Fee (Per Animal)	\$20.00
Euthanasia Fee	\$25.00
Disposal Fee	\$25.00
Shipping for Rabies Testing (Per Animal)	Actual Shipping Cost
Owner Surrender Fee (Per Animal)	\$20.00
Call for Service (Per Call)	\$75.00
Emergency Call for Service (Per Call)	\$150.00

\*These are pass-thru fees charged by the City of Murphy directly to the animal's owner.

# City of Parker Fee Schedule 2021

## Current Fees

### Building/Construction Fees

Any project started without a City Permit shall pay double the permit fee. If any outside consulting and contract services are used by the City for any project, the applicant shall pay the cost at 100% plus 7% administrative fees.

Fire Suppression System Review	\$150.00
Deposit on New Construction (refundable)	\$1,000.00
New/Addition/Remodel Construction Permit	
<i>Based on Square Footage</i>	
001 to 500	\$250.00
501 to 1000	\$500.00
1001 to 1250	\$625.00
1251 to 1500	\$750.00
1501 to 1750	\$875.00
1751 to 2000	\$1,000.00
2001 to 2250	\$1,125.00
2251 to 2500	\$1,250.00
2501 to 3000	\$1,500.00
3001 to 3500	\$1,750.00
3501 to 4000	\$2,000.00
4001 to 4500	\$2,250.00
4501 and up	\$ 2500.00 plus .50 per sq. ft. over 4500
<i>Plus</i>	<i>Plus</i>
Electrical	.03 per sq. ft.
Plumbing	.03 per sq. ft.
Mechanical	.03 per sq. ft.

# City of Parker Fee Schedule 2021

Exhibit A  
Ordinance No. 799

		<u>Current Fees</u>
<b>Accessory/Out Buildings</b>		
	1 to 1000 square feet	\$100.00
	1001 to 1500 square feet	\$150.00
	1501 to 2000 square feet	\$200.00
	2001 to 2500 square feet	\$300.00
	<i>Plus</i>	<i>Plus for each applicable trade</i>
	Electrical	\$75.00
	Plumbing	\$75.00
	Mechanical	\$75.00
<b>Other Permits</b>		
	Demolition and removal	\$75.00
	Driveway / Culvert	\$75.00
	Electrical	\$75.00
	Fence	\$75.00
	Miscellaneous	\$75.00
	Heating / Air	\$75.00
	Lawn Irrigation & Backflow	\$75.00
	Plumbing	\$75.00
	Pool and fence - Above ground	\$75.00
	Pool and fence - In ground	\$500.00
	Spa	\$75.00
	Structure Moving Permit	\$75.00
<b>Right of Way Work (Refundable)</b>		
	Routine Maintenance	\$500.00
	Minor construction	\$1,000.00
	Major construction	\$2,000.00
<b>Signs</b>		
	Temporary Real Estate	\$75.00
	Temporary Construction Signage	\$75.00
	Monument Signs	\$75.00
	Bulletin board signs	\$75.00
	Signs greater than 16 sq. ft.	\$75.00
	Class 2 Signage	\$75.00
	Class 3 signage	\$75.00
<b>Withdrawn and/or Denied Permits</b>		10% of total permit cost

# City of Parker Fee Schedule 2021

Exhibit A  
Ordinance No. 799

	<u>Current Fees</u>
<i>Contractor Registration - Renewed Annually</i>	
Electrical Contractor	\$100.00
Fire Sprinkler Contractor	No Fee
General Contractor	\$100.00
Irrigation Contractor	\$100.00
Backflow Tester	\$100.00
Mechanical Contractor	\$100.00
Plumbing Contractor	No Fee
Pool Contractor	\$100.00
<i>Inspection Fees</i>	
Re-Inspections	\$50.00
Annual Backflow Test - Fire Sprinkler System (commercial)	\$25.00
Annual Fire System Inspection (commercial)	\$50.00
<i>Development Fees</i>	
Abandonment of Real Property	\$500.00
Annexation Petitions	\$400 plus \$5 /acre
Copies -Subdivision Regulations and Zoning Ordinance Book	\$150.00
Plat - Development	\$300 plus \$30/Acre
Plat -Preliminary	\$800 plus \$30/Acre
Plat - Final	\$800 plus \$30/Acre
Plat - Final Plat Filing Fees	100% plus 15% adm costs
Plat -Minor Subdivision (5 acres or less)	\$500 plus \$100/lot
Plat -Re-Plat Application/Amending Plat	\$500 plus \$15/lot
Public Works Inspection/Engineering Plans/Legal Review (50% Water/50% City)	5% of total construction costs
Site Plan	\$300 plus \$25/Acre
Traffic Control Devices:	
Per divided street intersection (signage)	\$300.00
Per linear foot per lane line (painting)	\$0.75
Per street intersection (signage)	\$150.00
Signs for street names (each)	\$200.00
Special Activities District	\$500 plus \$30/Acre*
Zoning - Special Use Permit	\$1,000.00
Special Use Permit Annual Renewal - Cross Creek Ranch, Ord. 273	\$1,000.00
Zoning Change Request, Zoning Change	\$500 plus \$10/acre
Zoning Variance Request	\$600.00

# City of Parker Fee Schedule 2021

## Current Fees

### Water and Utility Fees

#### Water and Sewer Usage Rates

Hydrant Meter Deposit - Refundable when meter returned in working order

City Meter	\$2,500.00
Hydrant Meter Damage/Replacement Fee	
Meter	\$1,250.00
Backflow Preventer	\$750.00

#### Sewer Service

Connection Fee	\$1,000.00
Monthly Base Fee	\$78.98

#### Solid Waste Collection and Disposal

Monthly Base Fee	\$21.72 *
Administration Fee	\$1.59 *
Third Trash Cart	\$8.52*

\*These charges are subject to sales tax.

#### Water Meter Fees

1" meter with existing tap	\$2,000.00
1" meter requiring tap *** Includes up to 100' of service line ***	\$3,000.00
2" meter requiring tap *** Includes up to 100' of service line ***	\$4,500.00
*** 1" Impact Fee \$3,938.95 ***	
*** 2" Impact Fee \$15,755.82 ***	
Road Bore	100% actual cost +10%
Replacement meter	
3/4", 1" or 2" Meter	\$750.00
3/4", 1" or 2" Radio/End Point	\$500.00

**City of Parker  
Fee Schedule  
2021**

		<b><u>Current Fees</u></b>
<i>Water Service</i>		
New service set up fee		\$50.00 (Non-refundable)
<b>Monthly Base Fee</b>		
	0-4,000 gallons	\$40.00
	4,001-15,000 gallons	\$4.35 per thousand gallons
	15,001-30,000 gallons	\$5.40 per thousand gallons
	30,001-50,000 gallons	\$6.75 per thousand gallons
	50,001-70,000 gallons	\$10.75 per thousand gallons
	70,001- Up	\$14.85 per thousand gallons
Past Due Penalty		10% of amount past due
Re-Connect Fee during business hours		\$50.00

# City of Parker Fee Schedule 2021

	<u>Current Fees</u>
<b>Living Legacy Tree Program</b>	
Red Crepe Myrtle	\$750.00
White Crepe Myrtle	\$750.00
Bald Cypress	\$1,000.00
Cedar Elem	\$1,000.00
Live Oak	\$1,000.00
Chinquapin Oak	\$1,000.00
Chinese Pistache	\$1,300.00
<b>Miscellaneous City Charges</b>	
Credit Card Fee (Velocity)	2.50%
Credit Card Fee (Open Edge)	Greater of 3% or \$1.25
Return Check Fee	\$25.00
Notary Fee (Non-residents Only)	\$6.00 per signature/seal
Open Records Request	Follow all current state rates
Copy Charges	Follow all current state rates
Firework Permit	\$100.00
<i>Solicitor's Permit</i>	
Non-charitable Organizations plus	\$75.00
each additional agent	\$25.00
Charitable Organizations	\$25.00



## Council Workshop Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: Council
Fund Balance-before expenditure:	Prepared by: City Administrator Olson
Estimated Cost:	Date Prepared: April 12, 2022
Exhibits:	<ul style="list-style-type: none"> <li>• <a href="#">Draft Electronic Communication Policy</a></li> </ul>

### AGENDA SUBJECT

DISCUSSION AND STAFF DIRECTION ON DRAFT ELECTRONIC COMMUNICATION POLICY

### SUMMARY

At the April 5, 2022 City Council meeting Council directed staff to bring back a policy concerning electronic communication for the City of Parker. Staff has a couple of questions, which need clarification from Council and is seeking feedback on attached policy.

### POSSIBLE ACTION

City Council may direct staff to take appropriate action.

#### Inter – Office Use

<b>Approved by:</b>	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	04/12/2022
Interim City Attorney:	<i>Trey Lansford</i>	Date:	04/12/2022
City Administrator:	<i>Luke B. Olson</i>	Date:	04/12/2022



## **ADMINISTRATIVE POLICIES AND PROCEDURES**

### **DESCRIPTION: ELECTRONIC COMMUNICATIONS POLICY**

#### **I. Policy**

Email and other forms of electronic communications (hereinafter referred to collectively as "electronic communications") are an integral part of the ability of the City of Parker ("City") Users to efficiently and effectively conduct City business. Such technology has the potential to enhance productivity and provide a higher level of service to the citizens of Parker. However, with such technology in the work environment, the City must ensure it continues to meet its legal obligations with respect to public information and records retention.

The objectives of this policy are to outline appropriate and inappropriate use of the City's electronic communication systems in order to support City business functions to their fullest capacity, as well as comply with applicable policies and laws. This policy also advises employees and management of their responsibilities and provides guidance in managing information communicated electronically.

This policy is intended to supplement and not replace any existing policy in effect. City departments may have department-specific electronic communication policies that may conflict with and/or take precedence over this policy. Users should consult with their management to determine whether additional or different policies apply to their positions.

It is the policy of the City that, for all electronic communications made in connection with the transaction of official City business, Users who have a City e-mail address use only this City account, and not use a personal e-mail account or other personal electronic communication device or media, so as to ensure that all

information regarding the transaction of official business involving public information is open and available to members of the public as required by the Texas Public Information Act ("TPIA") and as allowed by law. In the event that a personal electronic communication account or device is used for official City business, such communications must be safeguarded and maintained as required by this policy and any applicable laws.

## II. Definitions

As used in this policy:

**"City of Parker"** is referred to as City

**"Electronic Communications"** include, but are not limited to, emails, text messages, internet postings, and instant messages, and include any attachments thereto.

**"Official City Business"** is any matter over which the City has any authority, administrative duties, or advisory duties, in accordance with to Texas Government Code Section 552.003(2-a).

**"City Account"** is any electronic communication account issued to an employee or elected official by the City whose access to or use of electronic mail, computer, or other electronic communication device use is funded by the City or is available through equipment owned or leased by the City.

**"Personal Account"** is any electronic communication account used by an employee or elected official for communication that is not issued by the City.

**"Personal Electronic Communication Device"** is any device or media used by an employee or elected official for electronic communication that is not issued by the City.

**"Users"** refers to city employees and elected officials

## III. Scope

This policy applies, as a default policy, to all electronic communication systems owned or operated by the City of Parker, and all electronic communication account Users at the City, including contractors and other agents, who utilize or are granted access privileges to the City's electronic communication systems.

#### **IV. Use of City Electronic Communication Accounts**

City email accounts, like other means of City-provided electronic communications, are to be used to support City business. Users may use electronic communications to communicate with contacts outside of the City, when such communications are related to legitimate City activities and are within their job assignments or responsibilities.

Users shall **not** use City email or other electronic communications for disruptive, discriminatory, unethical, or unprofessional activities, for personal gain, for purposes of political activities, lobbying, or campaigning, or for any purpose that would jeopardize the legitimate interests of the City or violate any City, state, or federal law. The distribution, display, or forwarding of electronic communications containing non-work related items such as sales offers, jokes, graphics, cartoons, videos, etc., is prohibited.

The use of personal taglines in City emails and electronic communications is prohibited. Users may solely use the City official brand or tagline, or official department taglines.

#### **V. Receipt of Inappropriate Electronic Communications**

If you receive an electronic communication that you believe violates this policy, immediately notify your supervisor or Human Resources Department for guidance.

#### **VI. Privacy and Access**

In general, the City reserves the right to access all electronic communications created, received, or stored on City electronic communication systems without prior notification, as such electronic communications are the property of the City of Parker. All user activity on the City of Parker Communications network is subject to monitoring and review. Therefore, Users do not have an expectation of privacy when using City electronic communication devices or accounts.

In addition, Users should not access another user's email or electronic communication account or device without authorization; or send emails or other forms of electronic communications under another user's name without authorization. Generally, Users should not allow other people to use their electronic communication

device or accounts.

## **VII. Texas Public Information Act and Other Disclosures**

Emails and other electronic communications sent, received, or stored on the City's electronic communication systems may be subject to release to the public upon request under the Texas Public Information Act ("TPIA") (Tex. Gov't Code, Chapter 552). However, there may be instances when certain records, including electronic communications, may be withheld from release if an applicable exception applies. Users should consult with the management of their departments, as well as with the City Attorney's Office in appropriate cases, to determine whether a particular record should be withheld.

In addition, electronic communications may be subject to disclosure due to litigation or other reasons. Users should consult with their management and the City Attorney's Office for the proper procedures to follow in these situations.

No email or electronic communication should be deleted if the employee has any reason to believe that the email may be related to any possible dispute or litigation where the City or the employee is a party. Additional retention of electronic communications may be necessary if a "litigation hold" has been issued by the City Attorney's Office. Emails that have been identified as significant for any business purpose, to include litigation, involving the City must not be deleted during the pendency of the related matter/litigation.

## **VIII. Security**

Electronic communication security is a joint responsibility of the City's technical staff and Users. Users must take reasonable precautions to prevent the use of their electronic communication account(s) by unauthorized individuals. In addition, caution must be exercised to safeguard passwords and to periodically change passwords to protect against prohibited use. Technical staff should institute sufficient precautions to safeguard the User's confidential information.

Individuals will safeguard all confidential or sensitive City of Parker information obtained while utilizing any non-City-issued personal electronic communication device, as provided in Section XI, below.

**IX. Management and Retention of Electronic Communications**

Email is a resource-intensive communications system, and storage space is at a premium. To help conserve City resources, all Users will make every attempt to manage email records efficiently and not keep emails that have no continuing City business purpose. Each employee should make a decision regarding the need to keep a specific email, electronic communication, or document, considering its relationship to the business of the City and the potential value to or impact on third parties. Emails that are routine and not significant should be deleted, once read and action taken, if required, on said communication. If an employee has a question about the value of or the need to preserve a specific email then he or she should consult the City Attorney before deleting the subject email.

The "Deleted Items" folder should not be used for storage. System purges of "Deleted Items" can be done without notice.

**X. Personal Folders**

Personal folders use up valuable City resources and should be kept to a minimum. The employee is fully responsible for the content of personal email folders, including backup. All superfluous and unnecessary email should be actively reviewed and deleted as appropriate.

E-mails contained in personal folders may be subject to Open Records requests. Users will have no expectation of privacy in any of the communications stored on the City's equipment.

**XI. Protocol and Procedures for use of Personal Electronic Communication Devices**

City Users must use City accounts to transmit written communications involving official City business whenever feasible.

In the event that a communication involving or made in connection with the transaction of official City business is sent from or received on a personal electronic communication account and/or using a personal electronic communication device or media, the employee who sent/received the communication shall, as soon as practicable, forward such communication to his or her City email address to be maintained and managed as an official public record.

Once a communication has been forwarded to a City account, the communication should be maintained according to any applicable records retention schedule.

Any application needed to facilitate this transfer of information to a City account is the responsibility of the employee or elected official.

Department Directors should ensure that this policy is communicated to all department Users.

The requirements of this policy do not waive any exceptions under the Texas Public Information Act.

## **XII. Failure to Comply with Policy**

Employees who fail to comply with the procedural requirements of this policy may be subject to disciplinary action, up to and including termination of employment.

Elected Officials who fail to comply with the requirements of this policy may be subject to disciplinary action, up to and including public censure.