

**NOTICE OF A REGULAR MEETING**  
**OF THE CITY COUNCIL OF THE CITY OF HEMPSTEAD**

**PLEASE NOTE:**

**Public comments and matters from the floor are limited to 3 minutes per person. Allotted minutes cannot be transferred to other individuals.**

**If you would like to request to speak, please do so in advance of the meeting by filling out a Request to Address Council form available upon entrance to the meeting.**

**Please silence all cell phones and electronic devices.**

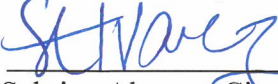
Notice is hereby given that a Regular Meeting of the City Council of the City of Hempstead will be held on **Tuesday, the 2<sup>nd</sup> day of January, A.D., 2024 at 6:00 P.M.** at the **Hempstead City Hall, 1125 Austin Street, Hempstead, Texas**, at which time the following subjects will be discussed, to-wit:

1. Call to order and invocation.
2. Pledge of Allegiance.
3. Public Comments.
4. Consideration and action on a Parade Permit for the St. Peter's Missionary Baptist Church for Martin Luther King Parade to be held on January 15, 2024.
5. Consideration and action on Resolution of the City Council of the City of Hempstead adopting the 2023-2024 Investment Policy for the City of Hempstead.
6. Consideration and action of extending the Depository Contract for one more year with Prosperity Bank for the City of Hempstead.
7. Discussion from Cynthia Powers on Positive Pay, ACH, and Online Bill Pay for the City of Hempstead.
8. Discussion from Jared Engelke with Strand Engineering on Drainage Grant.
9. Presentations
  - A Mayor's Report-
    1. Toy/Turkey Drive Update
    2. Senior Citizen Christmas Dinner Update
  - B. Councilmember Reports-
    - Mildred Jefferson- We are sending our deepest condolences to Charles Tompkins' family for the loss of his nephew.
    - Nora Hodges- Update on Unity in Community Neighbors Helping Neighbors.

The City Council of the City of Hempstead reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below authorized by Texas Government Code, Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), and 551.086 (Certain Public Power Utilities: Competitive Matters). Council may act in Open Session on any item listed for Executive Session.

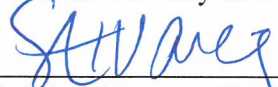
10. Adjourn City Council Meeting.

Dated this the 28<sup>th</sup> day of December, A.D., 2023.

By:   
Sabrina Alvarez, City Secretary

I, the undersigned authority, do hereby certify that the above Notice of a Regular Meeting of the governing body of the City of Hempstead is a true and correct copy of said Notice, and that a true and correct copy of said Notice was posted on the City Hall bulletin board and entrances to City Hall, in the City Hall of said City of Hempstead, Texas, a place convenient and readily accessible to the general public at all times, and that said Notice was posted on December 28, 2023 at 3:00 P.M. and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this the 28<sup>th</sup> day of December, A.D., 2023.

By:   
Sabrina Alvarez, City Secretary

## **PUBLIC PARTICIPATION BY TELEPHONE**

The City of Hempstead City Council **may** conduct the meeting scheduled at **6:00 P.M. on Tuesday the 2<sup>nd</sup> day of January 2024 at the Hempstead City Hall, 1125 Austin Street, Hempstead, Texas.** The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting. A recording of the telephonic meeting will be made and will be available to the public upon written request.

The toll-free dial-in number to participate in the meeting telephonically is:

**1-346-248-7799; Access Code 989-478-2100**

**IF CITY COUNCIL MEMBERS ARE GOING TO APPEAR BY VIDEOCONFERENCE A QUORUM OF COUNCILMEMBERS MUST BE PRESENT AT THE LOCATION.**

## **NOTICE OF MEETING BY VIDEO CONFERENCE**

The City of Hempstead City Council **may** conduct the meeting scheduled at **6:00 P.M. on Tuesday the 2<sup>nd</sup> day of January 2024 at the Hempstead City Hall, 1125 Austin Street, Hempstead, Texas** by videoconference in addition to allowing in person attendance. A quorum of the City Council will be physically present at the Hempstead City Hall, 1125 Austin Street, Hempstead. The public may participate in the City Council Meeting by using the following information:

**1-346-248-7799, Access Code 989-478-2100**

# CITY OF HEMPSTEAD



## PARADE, MOTORCADE, and RUN (EVENT) PERMIT

Date of Application Submittal: December 13, 2023

ORGANIZATION NAME: Greater St. Peter's Baptist Church

ADDRESS: 805 18th St Hempstead, TX 77445 <sup>mailing:</sup> P.O. Box 751 Hempstead, TX 77445

PHONE: (979) 826-3343

### Contact Information

(This information will be used as the direct contact for coordination, communication, and full application and permit process of the event.)

Organization Contact Name: Sherri Jeffery

Title: Pastor's Secretary

E-mail Address: Sherri-Jeffery@yahoo.com

Phone Number: (936) 727-4537

### Event Information

(Should this information significantly change after submittal of this application, you are obligated to communicate the changes with the Office of the City Secretary. The Office of the City Secretary will determine if a new application needs to be submitted.)

Please select the type of event:

☒ **Parade**

☐ **Motorcade**

☐ **Run/Walk**

☐ **Trail Ride**

Event Name/Title: MLK Parade

If the Event has been held before in Hempstead, please list the date(s) of the previous Event(s): January 16, 2023

Number of Persons Participating (please be as specific as possible; for example, "100 race participants, 50 race volunteers, 10 vendor tents with anticipated 15 vendor persons"):

250-300 possible parade participants, not including

Requested Date(s) of Event: January 15, 2024

Requested Start and Finish Time of Event: Line-up 9 A.M., Parade Starts 10 A.M.  
Finish the approximately 11:30 AM

Description of Requested Route (Please include as much detail as possible including the start point and the end point and the portion of the street to be traversed):

Parade route to begin @ 805 Factory Outlet Dr. Hempstead, N.Y.  
travel 290 Bushwick through downtown Hempstead, the parade  
will end at Greater St. Peter's Baptist Church 805 18th St.

Description of Other Areas of Assembly Needed for Event (This does not include spectators, but does include locations of vendors, or assembly areas before the start and after the finish, etc.): N/A

If Motorcade or Parade, Interval of Space to be Maintained Between Units:

Police discretion

Additional Information for Council's Consideration:

N/A

Fee Payment



(To be completed by City Staff)

Fee due at time of submittal of application: \$100.00

Fee Amount Paid: 100<sup>00</sup> Date of Payment: 12/13/23

**Date of Hearing**

(To be completed by City Staff)

Date of Hearing/Consideration at Council Meeting: 1/2/23

**Applicant Acknowledgment**

I, Fred Thomas III, the representative submitting this Event application, understand that, pursuant to the City Parade Ordinance, I am required to submit this application and the associated fee not less than sixty (60) days before the date on which the Event shall occur. I understand that Council may still consider my application within the sixty (60) days leading up to my Event if good cause is shown by me. I understand that the application fee is non-refundable and will be used for the purpose of defraying the City's expenses in regulating and inspecting the event and cleaning any public facilities used by the Event.

I further understand that I am required to show proof of insurance, with the City, its employees, officers, and officials added as an additional insured, in the amounts required by the Parade Ordinance. I understand that Council will not hear my application and request for permit unless and until proof of such insurance is submitted to the Office of the City Secretary. The certification of insurance shall include a statement the effect of:

*"The comprehensive general liability policy listed above includes coverage of designated premises and coverage for contractual liability in compliance with the provisions of article 11.05 of the City Code of Hempstead, Texas, for a parade to be held on the 15 day of January, 2024."*

I understand that City Council or City Staff are authorized to modify the route, time, and manner of the Event as may be deemed necessary to protect the safety and welfare of the public, including preservation of access to public buildings and maintenance of vehicular and pedestrian traffic flow.

By my signature below, I understand and have read all of the above information and have filled out this Application to the best of my ability and I understand that if any significant changes are made to the Event information, it is my duty to update

the Office of the City Secretary immediately and if I do not, my Permit may be revoked or amended.

Fres Thomas III  
Applicant Signature

12-11-23  
Date

(For completion by City Staff)

Date of Receipt of Application: 12/13/2023

Name of City Staff Recipient: SAVAGE

Communication to Applicant concerning Council Hearing on Permit Application:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
12/13/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

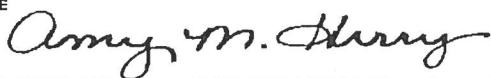
<b>PRODUCER</b> Edmonds Insurance Agency P.O. Box 949 Waller, TX 77484	<b>CONTACT NAME:</b> Kelly Kasper	
	<b>PHONE (A/C, No, Ext):</b> 281-404-3133 <b>FAX (A/C, No):</b> 713-559-0427	
	<b>E-MAIL ADDRESS:</b> kkasper@edmondsins.com	
	<b>INSURER(S) AFFORDING COVERAGE</b>	<b>NAIC #</b>
	<b>INSURER A:</b> SCOTTSDALE INSURANCE COMPANY	41297
	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES**      **CERTIFICATE NUMBER:**      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		CPS7910363	01/15/2024	06/21/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	<b>AUTOMOBILE LIABILITY</b> ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <b>EXCESS LIAB</b> DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	N/A			PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Parade date of 01/15/2024

<b>CERTIFICATE HOLDER</b>  City of Hempstead, its employees, Officers and officials 1015 11th St Hempstead, TX 77445	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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# *City of Hempstead*

1125 Austin Street • Hempstead, Texas 77445 • Tel: 979-826-2486 • Fax: 979-826-6703

## RESOLUTION

NO. 24-\_\_\_\_\_

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMPSTEAD, TEXAS, ADOPTING THE 2023-2024 INVESTMENT POLICY FOR THE CITY OF HEMPSTEAD.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HEMPSTEAD, TEXAS:**

**Section 1.** The City Council of the City of Hempstead hereby adopts the 2023-2024 Investment Policy for the City of Hempstead attached hereto as Exhibit “A” and incorporated herein for all purposes.

**Section 2.** That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law, and that public notice of the time, place and purpose of said meeting was given as required by law.

**PASSED AND APPROVED** this the 2<sup>nd</sup> day of January, A.D., 2024.

**APPROVED:**

\_\_\_\_\_  
**Erica Gillum, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Sabrina Alvarez, City Secretary**



# **CITY OF HEMPSTEAD, TEXAS INVESTMENT POLICY**

## **I. POLICY**

The City of Hempstead (the “City”) recognizes that effective case management is good fiscal management. Investment earnings are a source of revenue for the City. Therefore, it is the City’s policy to consider safety and risk of investment, allow for anticipated cash flow requirements, and invest all available funds in conformance with these legal and administrative guidelines, while seeking to optimize investment earnings.

Investments shall be made with the primary objectives of:

- Safety and preservation of principal
- Maintenance of liquidity
- Responsiveness to public trust
- Diversification of investments
- Optimization of investment earnings

## **II. PURPOSE**

The purpose of this Investment Policy (the “Policy”) is to comply with Chapter 2256 of the Government Code (“Public Funds Investment Act” referred to as the “PFIA”), which requires the City to adopt a written investment policy regarding the investment of its funds and funds under its control. This Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City’s funds.

## **III. SCOPE**

This Policy shall govern the investment of all financial assets of the City as accounted for in the City’s Financial Statements, including but not limited to, general operating, debt service, debt reserve, and capital project funds.

When possible, the City will consolidate cash balances to maximize investment earnings. Investment income will be allocated, if necessary, to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

This Policy shall apply to all transactions involving the financial assets and related activity of the City. However, this Policy does not apply to the assets administered for the benefit of the City by outside agencies under deferred compensation programs.

#### **IV. INVESTMENT OBJECTIVES**

The City shall manage and invest its cash with five primary objectives, listed in order of priority: safety, liquidity, public trust, diversification, and yield, expressed as optimization of investment earnings. The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and local law.

The City shall maintain a comprehensive cash management program, which includes collection of accounts receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and maximum earnings on short-term investment of idle cash.

##### **Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- Credit Risk – The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment by:
  - Limiting investments to the safest types of investments.
  - Pre-qualifying the financial institutions, pools, and broker/dealers with which the City will do business.
  - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.
- Interest Rate Risk – The City will minimize the risk that the investment earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:
  - Structuring investments to meet cash requirements.
  - Investing operating funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.
  - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

##### **Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that all investments mature concurrent with cash needs. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in bank deposits, money market mutual funds or local government investment pools functioning as money market mutual funds that offer same-day liquidity.

### **Public Trust**

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

### **Diversification**

The investment portfolio shall be diversified to avoid unreasonable risks and over concentration of risks. This is accomplished by structuring the portfolio so that a variety of investments are utilized.

### **Yield (Optimization of Investment Earnings)**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. "Weighted Average Yield to Maturity" shall be the performance measurement standard for the portfolio.

## **V. RESPONSIBILITY AND CONTROL**

### **Delegation of Authority**

The City designates the **Mayor** and the **City Secretary** as the Investment Officers. No person may engage in an investment transaction or the management of City funds except as provided under the terms of this Policy. The investment authority granted to the Investment Officers is effective until rescinded by the City's Council.

### **Quality and Capability of Investment Management**

The City shall provide periodic training in investments for the designated Investment Officers and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to insure the quality and capability of investment management in compliance with the Public Funds Investment Act.

### **Training Requirement**

The designated Investment Officers shall attend an investment training session no less often than once every two years and shall receive not less than 10 hours of instruction relating to investment responsibilities. A newly appointed Investment Officer must attend a training session of at least 10 hours of instruction within six months of the date the Officer took office or assumed the Officer's duties.

The approved independent sources of training are: Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers Organization of Texas, University of North Texas, and the Texas Municipal League.

### **Internal Controls**

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

Accordingly, the City shall establish a process for annual independent review by an external auditor in conjunction with the annual audit to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion.
- Separation of transactions authority from accounting and record keeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Clear delegation of authority to subordinate staff members.
- Written confirmation for telephone (voice) transactions for investments and wire transfers.

### **Prudence**

The standard of prudence to be applied by the Investment Officers shall be the "prudent person" rule. This states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether Investment Officers have exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the City's control, over which the Investment Officers had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written approved Investment Policy of the City.

### **Indemnification**

The Investment Officers, acting in accordance with the Investment Policy and otherwise with respect to the City's written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these



deviations are reported immediately and the appropriate action is taken to control adverse developments.

### **Ethics and Conflicts of Interest**

Investment Officers shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. Investment Officers shall disclose all interests in financial institutions with which they conduct City business. They shall further disclose any personal/financial investment positions that could be related to the performance of the investment portfolio. Investment Officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City.

An Investment Officer who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethic Commission and the City's Council.

## **VI. SUITABLE AND AUTHORIZED INVESTMENTS**

### **Portfolio Management**

The City currently has a "buy and hold" portfolio strategy. Maturity dates and matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the City require that the investment be liquidated.

### **Investments**

City funds may be invested in the instruments described below, all of which are authorized by the Public Funds Investment Act. Investment of City funds in any instrument or security not authorized for investment under the Investment Policy is prohibited. The City will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

#### **I. Authorized**

1. Obligations of the United States of America, its agencies and instrumentalities.

2. Certificates of deposit and other evidences of deposit at a financial institution that, a) has its main office or branch office in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, b) is secured by obligations in a manner and amount provided by law for deposits of the City, or c) is executed through a depository institution that has its main office or a branch office in Texas that participated in the Certificate of Deposit Account Registry Services (CDARS) and meets the requirements of the Public Funds Investment Act.
3. Money Market Mutual Funds that are 1) registered and regulated by the Securities and Exchange Commission, 2) invest only in “government” securities or repurchase agreements, 3) rated AAAm, or its equivalent, by at least one nationally recognized rating service, and 4) seek to maintain a net asset value of \$1.00 per share.
4. State and local government investment pools organized under the Interlocal Cooperation Act that 1) meet the requirements of the Public Funds Investment Act, 2) invest only in “government” securities or repurchase agreements, 3) are rated no lower than AAAm or an equivalent rating but at least one nationally recognized rating service, and 4) are authorized by resolution or ordinance by the Board of Directors. A public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily and seek to maintain a \$1.00 net asset value. Any investment pool that does not meet the requirements of one that is created to function as a money market mutual fund must maintain a maximum average dollar weighted maturity that does not exceed 365 days, or 366 days in the case of a leap year, and must provide a fixed interest rate and fixed maturity term for each pool position.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

## II. **Not Authorized**

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, or collateralized mortgage obligations with an inverse floating interest rate coupons or a maturity date of over 10 years are strictly prohibited.

With respect to authorized investments, the Policy is more restrictive than the Public Funds Investment Act.

## VII. INVESTMENT PARAMETERS

### **Maximum Maturities**

The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities.

The City will not directly invest in investments maturing more than two (2) years from the date of purchase.

### **Diversification**

The City recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Diversifying investments to avoid over concentration,
- Prohibiting investment with higher credit risks,
- Varying maturities, and
- Continuously investing a portion of the portfolio in alternatives that offer same-day liquidity.

## VIII. INVESTMENT STRATEGIES

### **Investment Strategies by Fund Type**

**General Operating Funds:** These funds shall have as the primary objectives: safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

1. **Suitability:** Any investment eligible in the Investment Policy is suitable.
2. **Safety:** All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. Managing the weighted average days to maturity for the General Operating Fund's portfolio to less than 365 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the overall portfolio.
3. **Liquidity:** The General Operating Fund requires the greatest short-term liquidity. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
4. **Marketability:** Instruments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. The City must maintain a reasonable balance of highly liquid assets relative to less liquid assets to ensure adequate liquidity and diversification mix.

5. **Diversification:** Investment maturities should be staggered throughout the cash flow cycle. Diversifying the appropriate maturity structure out through two years will reduce market cycle risk.
6. **Yield:** Attaining a competitive market yield for comparable instrument-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

**Debt Service Funds:** Investment strategies for debt service shall have as their objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents.

1. **Suitability:** Any investment eligible in the Investment Policy is suitable.
2. **Safety:** All investments shall be of high quality instruments with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds not to exceed the debt service payment schedule, the market risk of the overall portfolio will be minimized.
3. **Liquidity:** Debt Service Funds have predictable payment schedules with reduced liquidity requirements. Investment maturities should not exceed the anticipated cash flow requirements. Investment pools and money market mutual funds may provide a competitive yield alternative for short term fixed maturity investments.
4. **Marketability:** Instruments with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.
5. **Diversification:** Market conditions influence the attractiveness of fully extending maturity to the next “unfunded” payment date. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.
6. **Yield:** Attaining a competitive market yield for comparable instrument-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

**Debt Service Reserves:** Investment strategies of debt service funds shall have as their primary objective the generation of a dependable revenue stream from high quality investments in accordance with provisions in the bond documents.

1. **Suitability:** Any investment eligible in the Investment Policy is suitable.
2. **Safety:** All investments shall be of high quality investments with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities not to exceed the call provisions of the borrowing reduces the investment’s



market risk if the debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the final maturity of the borrowing.

3. **Liquidity:** Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the debt holders. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity.
4. **Marketability:** Instruments with less active and efficient secondary markets are acceptable.
5. **Diversification:** Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
6. **Yield:** Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

**Capital Projects Funds:** Investment strategies for capital project funds shall have as their primary objective sufficient investment liquidity to timely meet capital project obligations. If the City has funds from bond proceeds, they shall be invested in accordance with provisions of the bond documents.

1. **Suitability:** Any investment eligible in the Investment Policy is suitable.
2. **Safety:** All investments shall be of high quality instruments with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Project Funds to not exceed the anticipated expenditure schedule, the market risk of the overall portfolio will be minimized.
3. **Liquidity:** Capital Project Funds programs have reasonably predictable draw schedules reducing liquidity requirements. Investment pools and money market mutual funds will provide readily available funds for a competitive yield alternative for short term fixed maturity investments.
4. **Marketability:** Instruments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. The City must maintain a reasonable balance of highly liquid assets relative to less liquid assets to ensure adequate liquidity and diversification mix.
5. **Diversification:** Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Capital Project Funds. Generally, when investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent

market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. **Yield:** Achieving a positive spread to the applicable borrowing cost is the desired objective. Capital Project Fund portfolio management shall at all times operate within the limits of the Investment Policy's risk constraints.

## **IX. SELECTION OF BANKS AND BROKER/DEALERS**

### **Depository**

In compliance with statutory requirements, a primary Depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a primary depository will be determined by a competitive process and evaluation of proposals will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law.
- The ability to provide requested information or financial statements for the periods specified.
- The ability to meet all requirements in the banking RFP.
- Complete response to all required items in the banking RFP.
- "Best value" net banking service cost, consistent with the ability to provide an appropriate level of service.
- The credit worthiness and financial stability of the bank.

All depository deposits shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged toward depository deposits. Depositories will be required to sign a Depository Agreement with the City. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The Agreement must be in writing.
- The Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset.
- The Agreement must be approved by the Board of Directors or Designated Committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- The Agreement must be part of the Depository's "official record" continuously since its execution.

### **Authorized Broker/Dealers**

The Council shall, at least annually, review, revise, and adopt a list of qualified broker/dealers and financial institutions authorized to engage in securities transactions with the City (Appendix A). Those firms that become qualified shall provide certification stating the firm has received, read and understood the City's Investment Policy and agree to comply with the Policy. Authorized firms include primary dealers or secondary dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All investment providers, including financial institutions, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the City's Investment Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the City's Policy.

### **Competitive Bids**

It is the policy of the City to provide a competitive environment for all individual investment purchases and sales, financial institution deposits, and money market mutual funds, and local government investment pool selection. The Investment Officers shall develop and maintain procedures for ensuring a competition in the investment of the City's funds.

### **Delivery vs. Payment**

Securities shall be purchased using the **delivery vs. payment** method. Funds will be released after notification that the purchased security has been received.

### **Investment Advisors**

Investment advisors shall adhere to the spirit, philosophy and specific terms of this Policy and shall advise within the same "Standard of Care". Selected investment advisors must be registered under the Investment Advisors Act of 1940 or with the State Securities Board. A contract with an investment advisor may not be for a term longer than two years and must be approved by the City's Council, including any renewals or extensions.

## **X. SAFEKEEPING OF SECURITIES AND COLLATERAL**

### **Safekeeping and Custodian Agreements**

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure financial institution deposits.

Securities owned by the City shall be held in the City's name as evidenced by safekeeping receipts of the institution holding the securities. Safekeeping institutions shall be independent from the parties involved in the investment transaction.

Collateral for deposits will be held by an independent third party custodian designated by the City and pledged to the City as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by a Federal Reserve Bank or a branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the City and eligible under State law.

### **Collateral Policy**

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. With the exception of deposits secured with irrevocable letters of credit at 100% of amount, the collateralization level will be 102% of the aggregate market value of the deposit or investment including interest less any amount insured by the Federal Deposit Insurance Cooperation. At its discretion, the City may require a higher level of collateralization for certain investment securities.

Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The City's **Mayor** is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

### **Collateral Defined**

The City shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities.
- Direct obligations of the State of Texas or its agencies and instrumentalities.
- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated not less than A or its equivalent as to investment quality by two nationally recognized rating firms with a remaining maturity of ten (10) years or less.
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A, or its equivalent.
- A letter of credit issued to the City by the Federal Home Loan Bank.



### **Subject to Audit**

All collateral shall be subject to inspection and audit by the City's designated Investment Officers or the City's independent auditors.

## **XI. REPORTING**

### **Methods**

The Investment Officers shall prepare an investment report at least quarterly in compliance with generally accepted accounting principles and the Public Funds Investment Act. This report will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the City's Council.

In conjunction with the annual audit, an independent auditor will perform a formal annual review of the quarterly reports with the results of the review reported to the Council.

### **Monitoring Market Value**

Market value of all collateral, pools and securities will be monitored periodically and obtained from a reputable and independent source.

## **XII. INVESTMENT POLICY ADOPTION**

The City's Investment Policy shall be adopted by resolution of the Council. It is the City's intent to comply with State laws and regulations. The City's Investment Policy shall be subject to revisions consistent with changing laws, regulations, and needs of the City. The Council shall annually adopt a resolution stating that it has reviewed the Policy and investment strategies, approving any changes or modifications.

**Appendix A**  
**Broker/Dealers**

Bank of America/Merrill Lynch	Dallas, TX	Primary Dealer
Coastal Securities	Houston, TX	Secondary Dealer
Duncan Williams	Houston, TX	Secondary Dealer
Rice Financial Products	Chicago, IL	Secondary Dealer
Wells Fargo	Austin, TX	Primary Dealer



Strand Associates, Inc.®  
910 West Wingra Drive  
Madison, WI 53715  
(P) 608.251.4843  
www.strand.com

May 26, 2022

Ms. Glynis Vitanza, Grant Manager  
Community Development and Revitalization  
Texas General Land Office  
108 East 11th Street  
Austin, TX 78701

Re: Performance Statement Amendment  
Texas General Land Office Contract No. 22-085-034-D278  
City of Hempstead, Texas (City)

Dear Ms. Vitanza:

The City procured Trilogy Engineering Services, LLC (Trilogy) to prepare a grant application for the Texas Community Development Block Grant-Mitigation (CDBG-MIT) program in the fall of 2020. Shortly after funds were awarded for the project, the City terminated its agreement with Trilogy and procured Strand Associates, Inc.® (Strand) to complete the project.

Strand has made significant progress in the detailed design of the above-referenced project. Through the detailed design and consideration of the current market conditions, it has become apparent the Performance Statement needs to be amended in order to serve the beneficiaries and census tracts in the originally submitted grant application. Strand has identified the project scope that is recommended to be removed and the project scope that is recommended to be added in order to serve the same beneficiaries and census tracts in the original grant application, additional beneficiaries in the same census tracts, maintain the project budget, and preserve the project schedule. The recommended amendments to the Performance Statement are enclosed and a detailed summary of the recommended amendments with justification is as follows:

#### Blasingame Detention Pond

This detention pond is recommended to be removed from the project. The location of this detention pond is downstream of all beneficiaries and, therefore, serves no benefit to the City. Additionally, the Blasingame Detention Pond is located on a navigable waterway under the jurisdiction of the United States Army Corps of Engineers (USACE) and located within a mapped floodplain. Preliminary correspondence with USACE resulted in the understanding that the detention basin may not be permissible and, if permissible, the permitting process would likely take several years to complete. The USACE permitting process is not anticipated to be able to be completed within the project schedule.

#### Blasingame Channel Improvements

Improvements to the Blasingame Channel are recommended to be shortened by 2,000 linear feet (LF) to the northeast and to the southwest. The originally proposed improvements to the east of State Highway 159 (SH 159) are not needed because of the channel invert elevations being several feet higher on the northeast side of SH 159 relative to those directly on the southwest side of SH 159. Because

TBPE No. F-8405  
TBPLS No. 10030000

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Community Development and Revitalization Texas General Land  
Office  
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of this higher elevation, stormwater does not stage up within the channel on the northeast side of SH 159 like it does on the southwest side of SH 159; therefore, upstream improvements are recommended to be removed from the project.

The originally proposed improvements to the channel west of 17th Street are recommended to be removed from the project. These improvements are downstream of beneficiaries and, therefore, serve no benefit to the City.

#### Clear Creek Detention Pond

This detention pond is recommended to be removed from the project. This detention pond is located in the neighboring Pine Island city limits. Therefore, the detention pond serves no benefit to the City.

#### 13th Street

This 2,000-foot drainage facility is recommended to be removed from the project. The drainage facility is located entirely within a Texas Department of Transportation (TxDOT) right-of-way (ROW) and is not within the jurisdiction of the City to make improvements.

#### McDade Street

This drainage facility is recommended to be lengthened by 100 feet to the west. The extension will allow stormwater from the improvements to the east to be conveyed to an outfall.

#### North 2nd Street

This drainage facility is recommended to be lengthened by 650 feet to the south. The extension will allow stormwater from the improvements to the north to be conveyed to an outfall at Allen Street.

#### 19th Street

This drainage facility is recommended to be lengthened by 150 feet to the south. The extension will allow stormwater from the improvements to the north to be conveyed to an outfall.

#### 20th Street

This drainage facility is recommended to be lengthened by 50 feet to the north. The extension will allow stormwater along the existing ditches on 20th Street, north of New Orleans Street, to be conveyed to the south along 20th Street.

#### Main Street

This drainage facility is recommended to be lengthened by 150 feet to the west. The extension will allow stormwater from the improvements to the east to be conveyed to an outfall.

#### Lafayette Street

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This drainage facility is recommended to be shortened by 400 feet from the east. The natural drainage pattern at the intersection of 19th Street and Lafayette Street currently travels north along 19th Street to the north to Washington Street. It then travels east along Washington Street to an outfall. The 400 feet that is recommended to be removed would be a new drainage facility and is not necessary.

#### 23rd Street

The “Performance Measures” length was incorrect based on the correct “Location” description. Therefore, the “Performance Measures” length is shortened by 600 feet.

#### St. Mary’s Street

This 350-foot drainage facility is recommended to be added to the project. The existing ditches along the interior of the block encompassing St. Mary’s Street, 21st Street, Calvit Street, and 20th Street are back-pitched in some locations and flat in others. The recommended drainage facility will better convey stormwater within this block to the outfall at the intersection of St. Mary’s Street and 20th Street.

#### St. Mary’s Street

This 375-foot drainage facility is recommended to be added to the project. The extension will allow stormwater from the improvements to the west to be conveyed to an outfall at 18th Street.

#### Calvit Street

This 200-foot drainage facility is recommended to be added to the project. The existing ditches along 19th Street have a low point at Calvit Street. The addition of this drainage facility will allow stormwater from the improvements on 19th Street to the north and south to be conveyed to an outfall to the east of 19th Street.

#### New Orleans Street

This 350-foot drainage facility is recommended to be added to the project. The existing ditches along 21st Street have a low point at New Orleans Street. The addition of this drainage facility will allow stormwater from the improvements on 21st Street to the north and south of New Orleans Street to be conveyed to an outfall to the west of 22nd Street.

#### Austin Street (West Segment)

This 350-foot drainage facility is recommended to be added to the project. The existing ditches along 20th Street have a low point at Austin Street. The addition of this drainage facility will allow stormwater from the improvements on 20th Street to the north of Austin Street to be conveyed to the improved ditches on 21st Street and, ultimately, to an outfall.

#### Austin Street (East Segment)

This 825-foot drainage facility is recommended to be added to the project. The proposed improvements on 19th Street, north of Austin Street, require upsizing the culvert pipe crossing under 19th Street on the



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north side of Austin Street. The downstream driveway culvert pipes on Austin Street are undersized from 19th Street to 17th Street. Therefore, improvements are recommended along the north side of Austin Street from 19th Street to 17th Street.

#### Bremond Street

This 750-foot drainage facility is recommended to be added to the project. The proposed improvements on 22nd Street, south of Bremond Street, drain to Bremond Street and then east to 21st Street. The existing driveway culverts on Bremond Street between 22nd Street and 21st Street are undersized to convey the stormwater from 22nd Street. This section of Bremond Street is recommended to be added to the project scope.

The existing ditches along 21st Street have a low point at Bremond Street. Continuing this drainage facility to the east across 21st Street will allow stormwater from the improvements on 21st Street to the north and south of Bremond Street to be conveyed to an outfall to the east of 21st Street.

#### Mitchamore Road

This 400-foot drainage facility is recommended to be added to the project. The existing ditches along 22nd Street are conveyed to Mitchamore Road. Without this drainage facility, stormwater on 22nd Street does not have an outfall. The addition of this drainage facility will allow stormwater from the improvements on 22nd Street to be conveyed to an outfall on the south side of the intersection of 21st Street and Mitchamore Road.

#### New Orleans Street

This 1,500-foot drainage facility is recommended to be added to the project. The sections of the existing ditches and proposed improvements along 1st, 2nd, 3rd, 4th, and 5th Streets to the north of New Orleans Street are conveyed to New Orleans Street. Without this drainage facility, stormwater on 1st, 2nd, 3rd, 4th, and 5th Streets does not have an outfall.

#### Rice Street

This 700-foot drainage facility is recommended to be added to the project. The existing ditches along 2nd Street have a low point at Rice Street. The addition of this drainage facility will allow stormwater from the improvements on 2nd Street to the north and south of Rice Street to be conveyed to an outfall to the east of 1st Street.

#### St. Mary's Street

The "Performance Measures" length was incorrect based on the correct "Location" description. Therefore, the original "Performance Measures" length is shortened by 15 feet.

This drainage facility is recommended to be lengthened by 1,500 feet to the east. The extension will allow stormwater from the improvements to the west to be conveyed to an outfall at 3rd Street.



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Calvit Street

This drainage facility is recommended to be shortened by 400 feet from the west. The section recommended to be removed has an existing curb and gutter and does not have existing ditches. Therefore, ditching improvements are not needed.

1st Street

This drainage facility is recommended to be lengthened by 100 feet to the north. The extension will allow stormwater from the improvements to the south to be conveyed to an outfall at the northern City limits.

This drainage facility is recommended to be shortened by 525 feet from the south. The section recommended to be removed ultimately outfalls to an existing ditch along Farm-to-Market 1488 (FM 1488) within a TxDOT ROW. The FM 1488 ditch flows to the east out of the City limits and through a series of undersized culverts. In order to include this drainage facility, all existing downstream pipes would need to be upsized to prevent flooding in locations that do not currently flood. These downstream culvert pipes are outside of the City limits and within a TxDOT ROW.

2nd Street

The "Performance Measures" length was incorrect based on the correct "Location" description. Therefore, the original "Performance Measures" length is lengthened by 30 feet.

This drainage facility is recommended to be shortened by 530 feet from the south. The section recommended to be removed ultimately outfalls to an existing ditch along FM 1488 within a TxDOT ROW. The FM 1488 ditch flows to the east out of the City limits and through a series of undersized culverts. In order to include this drainage facility, all existing downstream pipes would need to be upsized to prevent flooding in locations that do not currently flood. These downstream culvert pipes are outside of the City limits and within a TxDOT ROW.

3rd Street

The "Performance Measures" length was incorrect based on the correct "Location" description. Therefore, the original "Performance Measures" length is lengthened by 150 feet.

This drainage facility is recommended to be shortened by 625 feet from the south. The section recommended to be removed ultimately outfalls to an existing ditch along FM 1488 within a TxDOT ROW. The FM 1488 ditch flows to the east out of the City limits and through a series of undersized culverts. In order to include this drainage facility, all existing downstream pipes would need to be upsized to prevent flooding in locations that do not currently flood. These downstream culvert pipes are outside of the City limits and within a TxDOT ROW.

4th Street

The "Performance Measures" length was incorrect based on the correct "Location" description. Therefore, the original "Performance Measures" length is lengthened by 50 feet.

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This drainage facility is recommended to be lengthened by 130 feet to the north. The extension will allow stormwater along the existing ditches on 4th Street, north of St. Mary's Street, to be conveyed to the south along 4th Street.

This drainage facility is recommended to be shortened by 435 feet from the south. The section recommended to be removed ultimately outfalls to an existing ditch along FM 1488 within a TxDOT ROW. The FM 1488 ditch flows to the east out of the City limits and through a series of undersized culverts. In order to include this drainage facility all existing downstream pipes would need to be upsized to prevent flooding in locations that do not currently flood. These downstream culvert pipes are outside of the City limits and within a TxDOT ROW.

#### 5th Street

The "Performance Measures" length was incorrect based on the correct "Location" description. Therefore, the original "Performance Measures" length is shortened by 10 feet.

This drainage facility is recommended to be shortened by 135 feet from the north. The section recommended to be removed does not have existing ditches.

This drainage facility is recommended to be shortened by 625 feet from the south. The section recommended to be removed has an existing curb and gutter and does not have existing ditches. Therefore, ditch improvements are not needed.

#### 6th Street

The "Performance Measures" length was incorrect based on the correct "Location" description. Therefore, the original "Performance Measures" length is lengthened by 135 feet.

This drainage facility is recommended to be shortened by 300 feet from the south. The section recommended to be removed has an existing curb and gutter and does not have existing ditches. Therefore, ditch improvements are not needed.

#### 8th Street

This 350-foot drainage facility is recommended to be added to the project. The existing ditches along Calvit Street have a low point at 8th Street. The addition of this drainage facility will allow stormwater from the improvements on Calvit Street to the east and west of 8th Street to be conveyed to Brazos Street and, ultimately, to an outfall to the east.

#### Utility Relocations and Adjustments, Relocation of Street Signs, and Tree Removals

The relocation or adjustment of existing City-owned utilities are recommended to be added to the project where they are in conflict with the proposed drainage facility improvements. Utility relocations include the relocation of fire hydrants, water meter boxes, power poles, and guy wires. Utility adjustments include the adjustment of manholes, water valves, and fire hydrants. Relocations and adjustments of the City's water facilities, storm sewer facilities, and sanitary sewer facilities are anticipated to be completed

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during construction of the project by the contractor. Relocations of the City's electrical facilities are anticipated to be completed by City staff via a Force Account before and concurrently with the project.

Relocations of existing City-owned street signs are recommended to be added to the project where they are in conflict with the proposed drainage facility improvements.

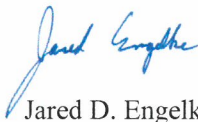
Existing trees within City ROW are recommended to be removed where they are in conflict with the proposed drainage facility improvements.

In summary, both proposed detention basins and associated items are recommended to be removed from the project. The Blasingame Channel Improvements are recommended to be reduced in length from 4,000 to 2,000 LF, the drainage facility improvements are recommended to be increased from 56,415 to 59,310 LF (an increase of 2,895 LF), and incidental items (i.e., utility relocations, relocation of street signs, and tree removals) are recommended to be added to the project.

Thank you for your consideration. Please call 979-836-7937 should you have any questions.

Sincerely,

STRAND ASSOCIATES, INC.®



Jared D. Engelke, P.E.

Enclosure

c/enc: Jeff O'Connell, Project Manager/CDBG-DR Program  
Erica Gillum, Mayor, City of Hempstead  
Rooster Smith, Chief of Staff, City of Hempstead

**CITY OF HEMPSTEAD**  
**22-085-034-D278**  
**PERFORMANCE STATEMENT**

The U.S. Department of Housing and Urban Development's Community Development Block Grant Mitigation ("CDBG-MIT") program to provide financial assistance with funds appropriated under Public Law 115-123, was enacted on August 30, 2019, to facilitate disaster recovery, restoration, mitigation, and economic revitalization and to affirmatively further fair housing, in accordance with Executive Order 12892, in areas affected by 2015, 2016, and 2017 disasters, which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*).

In strict conformance with the terms and conditions of the Hurricane Harvey State Most Impacted and Distressed (SMID) Competition and this Contract, City of Hempstead (Subrecipient) shall perform, or cause to be performed, the Infrastructure Activities defined below.

The Subrecipient has identified drainage improvements that will increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.

Subrecipient shall perform the activities identified herein for the target area specified in its approved Texas Community Development Block Grant Mitigation Grant Application to provide a long-lasting investment that increases resiliency in the community. The persons to benefit from the activities described herein must receive the prescribed service or benefit, and all eligibility requirements must be met to fulfill contractual obligations.

The grant total is \$9,395,324.00. Subrecipient will be required to maintain a detailed budget breakdown in the official system of record of the GLO's Community Development and Revitalization (GLO-CDR) division.

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### Flood and Drainage Facilities

Subrecipient shall construct two detention facilities, grade and revegetate drainage channels, reset, or replace driveway and street culverts, improve hydraulic capacities of existing streams, and complete all associated appurtenances. Construction shall take place at the following locations, including mid-point coordinates for each segment.

Flood and Drainage Facilities	Location Approximate Lat/Long	Proposed HUD Performance Measures	Census Tract	Block Group
<del>Blasingame- Detention Pond</del>	<del>From the intersection of Mitchamore Road and 23rd Street South on 23rd Street to end of the road thence southeast to a point 1,200' on dirt path. 30.083397, -96.090722</del>	<del>One (1) Public Facility</del>	6803.00 6805.00	1,5 1,2,3,4
Blasingame Channel Improvements	From <del>the existing box culvert under the intersection of 11<sup>th</sup>-13th Street</del> <u>Street and Galveston Street</u> southwest along channel to <del>Blasingame- Detention Pond</del> 100 feet west of 17th Street <del>30.086515, -96.085009</del> <u>30.086469, -96.084467</u>	<del>4,000</del> <u>2,000</u> LF		
<del>Clear Creek- Detention Pond</del>	<del>At a point 300' east of Clear Creek and 2,200' west from the northwest end of Cauty Road 30.074897, -96.055433</del>	<del>One (1) Public Facility</del>		
Shepard Street	From the turn in Shepard Street east to Hauck Road 30.078323, -96.085098	7,500 LF		
Colorado Street	From 19th Street east to Hwy 159 30.080275, -96.087190	1,800 LF		
<del>13th Street</del>	<del>From the intersection of Shepard- Street and 13th Street north to San Antonio Street 30.080549, -96.083829</del>	<del>2,000 LF</del>		
McDade	From <u>100 feet west of</u> 17th Street east to Hwy 159 <del>30.085561, -96.085038</del> <u>30.085580, -96.085038</u>	<del>1,500</del> <u>1,600</u> LF		
7th Street	From Donoho Street north to Allen Street 30.085684, -96.075525	1,000 LF		

North 1st Street	From Peebles Street south to the end of 1st Street 30.089203, -96.068310	300 LF	6803.00 6805.00	1,5 1,2,3,4
North 2nd Street	From <del>Allen</del> <del>Galveston</del> Street north to Peebles Street <del>30.089282, -96.069484</del> <del>30.088243, -96.068535</del>	<del>950</del> 300 LF		
19th Street	From the intersection of <del>Austin St</del> <del>Mary's Street</del> and 19th Street to <del>800'</del> <del>950 feet</del> south of Lafayette Street <del>30.095017, -96.089346</del> <del>30.097476, -96.089198</del>	<del>4,100</del> 4,250 LF		
20th Street	From the corner of Bremond Street and 20th Street north to <del>50 feet north</del> <del>of New Orleans Street</del> <del>30.098443, -96.090288</del> <del>30.098330, -96.090288</del>	<del>1,000</del> 1,050 LF		
21st Street	From 21st Street to 300' north of Calvit Street 30.097815, -96.091430	4,300 LF		
22nd Street	From Mitchamore Road north to Bremond Street 30.094254, -96.092866	2,000 LF		
Main Street	From <del>150 feet west of</del> the intersection of 24th Street and Main Street east to 21st Street <del>30.095982, -96.093370</del> <del>30.095994, -96.093519</del>	<del>1,100</del> 1,250 LF		
Washington	From 24th Street east to the culvert between 17th and 18th Street 30.095045, -96.091304	2,400 LF		
Lafayette	From 25th Street to <del>440'</del> 40' east from 19th Street <del>30.094148, -96.092170</del> <del>30.094150, -96.092816</del>	<del>2,600</del> 2,200 LF		
23rd Street	From Main Street south on 23rd Street to end of the road 30.094893, -96.093965	<del>1,600</del> 1,000 LF		
<del>St. Mary's Street</del>	<del>From 21st Street east to 20th Street</del> <del>30.103273, -96.090676</del>	<del>350 LF</del>		
<del>St. Mary's Street</del>	<del>From 19th Street east to 18th Street</del> <del>30.103145, -96.088356</del>	<del>375 LF</del>		



<u>Calvit Street</u>	<u>From the intersection of 19th Street 200 feet to the east 30.102230, -96.088601</u>	<u>200 LF</u>		
<u>New Orleans Street</u>	<u>From 22nd Street east to 21st Street 30.099720, -96.091965</u>	<u>350 LF</u>		
<u>Austin Street</u>	<u>From 21st Street east to 20th Street 30.097809, -96.090902</u>	<u>350 LF</u>		
<u>Austin Street</u>	<u>From 19th Street east to 17th Street 30.097716, -96.088008</u>	<u>825 LF</u>		
Bremond Street	From the intersection of <del>20th</del> <u>22nd</u> Street and Bremond Street east to 19th 30.096958, -96.093005	<del>350</del> <u>1,100</u> LF		
Wilkins Street	From 560' west of the intersection of 21st Street and Wilkins Street east to the ditch between 15th and 16th Street 30.098697, -96.088850	2,600 LF		
<u>Mitchamore Road</u>	<u>From 22nd Street east to 21st Street 30.091455, -96.092347</u>	<u>400 LF</u>		

<u>New Orleans Street</u>	<u>From 5th Street east to 1st Street</u> <u>30.099000, -96.070173</u>	<u>1,500 LF</u>		
<u>Rice Street</u>	<u>From 2nd Street east to 300 feet east of 1st Street</u> <u>30.099829, -96.067914</u>	<u>700 LF</u>		
Brazos Street	From the intersection of 9th Street and Brazos Street east to 1st Street 30.100844, -96.072322	2,900 LF	6803.00 6805.00	1,5 1,2,3,4
St. Mary's Street	From 210' west of the intersection of 11th Street and Saint Mary's Street east to <del>3rd</del> <sup>7th</sup> Street <del>30.102827, -96.076819</del> <u>30.102756, -96.074991</u>	<del>1,665</del> <u>3,150</u> LF		
Calvit Street	From the intersection of <del>11th Street</del> <u>10th Street</u> and Calvit Street to 300' east of 1st Street <del>30.101792, -96.072756</del> <u>30.101804, -96.072400</u>	<del>4,000</del> <u>3,600</u> LF		
1st Street	From <del>525 feet north of</del> the intersection of Business U.S.290/Austin Street and 1st Street north to <u>100 feet north of</u> the end of 1st Street <del>30.099847, -96.067816</del> <u>30.100847, -96.067774</u>	<del>1,900</del> <u>1,475</u> LF		
2nd Street	From <del>530 feet north of</del> the intersection of Business U.S.290/Austin Street and 2nd Street north to the end of 2nd Street <del>30.099831, -96.068987</del> <u>30.100752, -96.068947</u>	<del>1,900</del> <u>1,400</u> LF		
3rd Street	From <del>625 feet north of</del> the intersection of Business U.S. 290/Austin Street and 3rd Street north to the end of 3rd Street <del>30.099740, -96.070156</del> <u>30.100500, -96.070117</u>	<del>1,800</del> <u>1,325</u> LF		
4th Street	From <del>435 feet north of</del> the intersection of Business U.S. 290 /Austin Street and 4th Street to <del>300'</del> <u>430'</u> north of Calvit Street <del>30.099795, -96.071321</del> <u>30.100599, -96.071292</u>	<del>1,900</del> <u>1,645</u> LF		

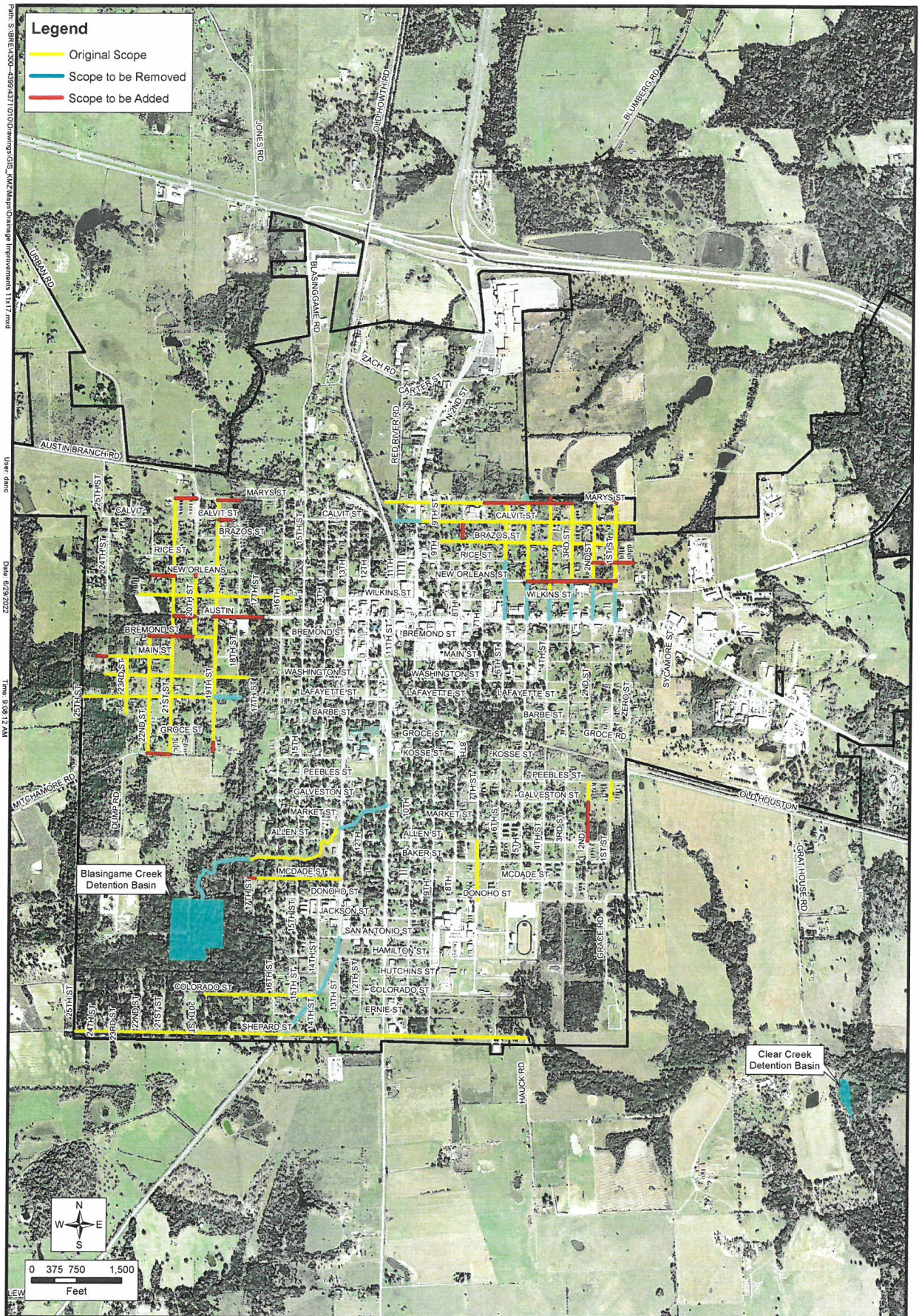
5th Street	<del>From the intersection of Business U.S. 290 /Austin Street and 5th New Orleans Street to 460' 350' north of Calvit Street</del> <del>30.099699, -96.072521</del> <del>30.101153, -96.072446</del>	<del>2,100</del> <del>1,325</del> LF		
6th Street	<del>From the intersection of Business U.S. 290 /Austin Street and 6th Rice Street to 220' north of Calvit Street</del> <del>30.099546, -96.073699</del> <del>30.101364, -96.073608</del>	<del>1,800</del> <del>975</del> LF		
<u>8th Street</u>	<u>From Brazos Street north to Calvit Street</u> <u>30.101488, -96.075923</u>	<u>350</u> LF		
These Activities shall benefit six thousand three hundred five (6,305) persons. Of these persons, four thousand five hundred twenty-five (4,525), or seventy-one and seventy-seven hundredths' percent (71.77%), are of low to moderate income.				

**BUDGET**

<b>HUD Activity Type</b>	<b>Grant Award</b>	<b>Other Funds</b>	<b>Total</b>
Rehabilitation/Reconstruction of Public Improvements	\$9,395,324.00	\$94,902.00 <sup>1</sup>	\$9,490,226.00
<b>TOTAL</b>	\$9,395,324.00	\$94,902.00 <sup>1</sup>	\$9,490,226.00

<sup>1</sup> CITY OF HEMPSTEAD GENERAL FUND TO BE USED TOWARDS CONSTRUCTION COSTS









Strand Associates, Inc.®  
1906 Niebuhr Street  
Brenham, TX 77833  
(P) 979.836.7937  
www.strand.com

September 9, 2022

Ms. Glynis Vitanza, Grant Manager  
Community Development and Revitalization  
Texas General Land Office  
108 East 11th Street  
Austin, TX 78701

Re: Performance Statement Amendment  
Texas General Land Office Contract No. 22-085-034-D278  
City of Hempstead, Texas (City)

Dear Ms. Vitanza:

Strand Associates, Inc.® (Strand) provided a Performance Statement Amendment letter dated May 26, 2022. The letter discussed proposed project scope modifications in detail due to the market conditions at that time. Strand identified that the original project scope would likely not be able to be constructed without exceeding the project budget. The goal of the scope revisions was to maintain or increase beneficiaries in the same census tracts as the original scope, maintain the project budget, and preserve the project schedule. The two least beneficial original scope items were the Blasingame Detention Pond and Clear Creek Detention Pond, for reasons stated in the previous letter.

While the detention ponds would provide a level of benefit to the beneficiaries in the same census tracts of the original project scope, the ditching and channel improvements in the original project scope (and as recommended for modification, addition, or removal in the previously provided Performance Statement Amendment letter dated May 26, 2022) provide a greater benefit to beneficiaries in the City. Retaining the two detention ponds in the project scope would consume a majority of the project construction budget, resulting in the need to remove a majority of ditching improvements originally scoped throughout the City, reducing the overall beneficiaries, jeopardizing completion of construction within the allotted timeline even with a two-year extension due to extensive permitting.

Thank you again for your consideration. Please call 979-836-7937 should you have any questions.

Sincerely,

STRAND ASSOCIATES, INC.®

Jared D. Engelke, P.E.

c: Erica Gillum, Mayor, City of Hempstead  
Rooster Smith, Chief of Staff, City of Hempstead

TBPE No. F-8405  
TBPLS No. 10030000

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Strand Associates, Inc.®  
1906 Niebuhr Street  
Brenham, TX 77833  
(P) 979.836.7937  
www.strand.com

April 21, 2023

Ms. Glynis Vitanza, Grant Manager  
Community Development and Revitalization  
Texas General Land Office  
108 East 11th Street  
Austin, TX 78701

Re: Performance Statement Amendment  
Texas General Land Office (GLO) Contract No. 22-085-034-D278  
City of Hempstead, Texas (City)

Dear Ms. Vitanza:

Strand Associates, Inc.® (Strand) provided a Performance Statement Amendment letter (dated May 26, 2022) and an additional Performance Statement Amendment letter (dated September 9, 2022). Both letters discussed proposed project scope modifications in detail because of to the market conditions at that time. Strand identified that the original project scope would likely not be able to be constructed without exceeding the project budget. The goal of the scope revisions was to maintain or increase beneficiaries in the same census tracts as the original scope, maintain the project budget, and preserve the project schedule. The two least beneficial original scope items were identified to be the Blasingame Detention Pond and Clear Creek Detention Pond. In addition to the reasons in the two previously provided letters, the Clear Creek Detention Pond is located downstream of all beneficiaries within its watershed and the Blasningame Detention Pond is located downstream of nearly all beneficiaries within its watershed. As a result, they provide little to no benefit to the beneficiaries within the City. Beneficiaries of the construction of the two ponds would be located downstream, primarily outside the City limits.

Retaining the two detention ponds in the project scope is anticipated to consume a majority of the project construction budget, resulting in the need to remove a majority of ditching improvements originally scoped throughout the City. Removing ditching improvements originally scoped could eliminate beneficiaries in some of the census tracts included in the original scope, whereas the beneficiaries in Block Group 3 of Census Tract 680500 would remain with the removal of the Blasingame Detention Pond and only the beneficiaries in Block Group 5 of Census Tract 680300 would be removed with the removal of the Clear Creek Detention Pond. It should also be noted that Block Group 5 of Census Tract 680300 is located in a neighboring community and not within the City. This block group was not included in the population or beneficiary data provided in the original application.

TBPE No. F-8405  
TBPLS No. 10030000

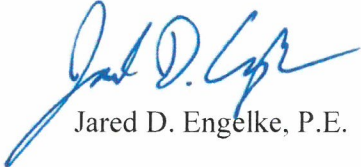
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Ms. Glynis Vitanza, Grant Manager  
Community Development and Revitalization  
Texas General Land Office  
Page 2  
April 21, 2023

Thank you again for your consideration. Please call 979-836-7937 should you have any questions.

Sincerely,

STRAND ASSOCIATES, INC.®



Jared D. Engelke, P.E.

c: Erica Gillum, Mayor, City of Hempstead  
Kollye Kilpatrick, Public Works Director, City of Hempstead