

**MEETING AGENDA
ORANGE CITY COUNCIL
Orange Public Library Auditorium
220 N. Fifth Street
Orange, Texas**

**January 27, 2015
5:30 P.M.**

- | | |
|---|-----------------------|
| 1. CALL TO ORDER | Mayor |
| 2. INVOCATION and PLEDGE OF ALLEGIANCE | Council Member Spears |
| 3. MOTION | |
| a) Motion finding that the advance posting and notice requirements of Article 8.1200 of the Code of Ordinances of the City of Orange, Texas have been met in relation to all minutes and pending ordinances and resolutions on this agenda and that the reading of such items be confined to the captions as are agreed upon by the ordinances and resolutions. | 1 Mayor/Council |
| 4. APPROVAL OF MINUTES | |
| a) January 13, 2015 City Council Meeting | 4 Mayor/Council |
| 5. CITIZEN COMMENTS | |

At this time comments will be taken from the audience on any subject matter, whether or not that item is on the agenda. All comments are limited to a maximum three minutes for each speaker. Your comments are appreciated. As the Texas Open Meetings Act does not allow the Council to respond to items not listed on the agenda, your comments will be duly noted by the Council and forwarded to the appropriate department for prompt consideration.

6. ORDINANCES

a) Final Reading:

Consider an ordinance amending the City of Orange official zoning map, a part of Chapter 12: Planning and Zoning, of the 2000 revised Code of Ordinances of the City of Orange, Texas: changing the zoning classification of a forty-one foot (41') by two hundred-and-one foot (201') section of a 1.3 acre tract being part of the Ben Johnson Survey on the north side of Dawnwood Drive, approximately four hundred linear feet (400') east of Highway 87, from "R-1" Low Density Residential Zoning District to "C-1" Light Commercial Zoning District; providing for the official zoning map of the City of Orange, Texas to reflect such change; and making certain findings relative thereto. (First Reading January 13, 2015).

10 Staff: Knauf

b) Final Reading:

Consider an ordinance of the City of Orange, Texas, authorizing participation with other Entergy service area cities in matters concerning Entergy Texas, Inc. at the Public Utility Commission of Texas and the Federal Energy Regulatory Commission in 2015. (First Reading January 13, 2015).

14 Staff: Oubre

7. RESOLUTIONS

- a) Consider a resolution ordering a General Election for the purpose of electing a Mayor and a Council Member for Single-Member District 1; providing for the date, hours, ballot, early voting clerk and notice of election; providing for polling places, judges and pay, providing for other matters relating to the city election; ordering a Run-off Election, if necessary, to be held on June 20, 2015; and determining that the meeting at which this resolution is passed is open to the public as required by law.

Una resolución ordendando una elección general con el propósito de elegir a un alcalde y a un solo miembro al distrito 1; indicando la fecha, las horas, la boleta, empleo del secretario para la votación, los jueces y salarios, la indicación de otros asuntos relativos necesarios, que tendrá cabo el 20 de junio de 2015 para la elección de la ciudad; y para determinar que la reunión en que se aprobó esta resolución esté abierta para el público como se requiere por ley.

18 Staff: Haskins

- b) Consider a resolution authorizing the City Manager to enter into a joint election agreement with the City of Pinehurst, West Orange-Cove CISD, and Little Cypress-Mauriceville CISD as authorized by the Texas Election Code.

26 Staff: Haskins

- c) Consider a resolution entering into an agreement with the Orange County Elections Administrator to provide election services for the City of Orange. 30 Staff: Haskins
- d) Consider a resolution entering into an agreement with the Orange County Elections Administrator for the lease of five Automark Voter Assist terminals. 34 Staff: Haskins
- e) Consider a resolution approving and adopting the Analysis of Impediments to Fair Housing. 38 Staff: Wilson

8. DISCUSSION/ACTION

- a) Consider a motion acknowledging receipt of the Orange Economic Development Corporation's financial report for the period ending December 31, 2014. 108 Staff: English
- b) Consider a motion acknowledging receipt of the Orange Economic Development Corporation's Investment Report for the quarter ending December 31, 2014. 115 Staff: English
- c) Consider a motion acknowledging the annual review of the City of Orange Investment Policy. 117 Staff: English
- d) Consider a motion acknowledging receipt of the Quarterly Investment Report for the period ending December 31, 2014. 141 Staff: English
- e) Consider a motion approving the Orange Economic Development Corporation's motion of intent to expend funds for the relocation of 15th Street infrastructure improvements in an amount not to exceed \$75,000.00 for the purpose of economic development. 148 Staff: Trahan

9. REPORTS

- a) City Manager Report
- b) City Council Report

10. ADJOURNMENT

STATE OF TEXAS }
COUNTY OF ORANGE }

January 13, 2015

BE IT REMEMBERED THAT a Regular Meeting of the City Council of the City of Orange, Orange County, Texas, was held in the Library Auditorium on Tuesday, January 13, 2015.

COUNCIL MEMBERS PRESENT:

Jimmy Sims	Mayor
Theresa Beauchamp	Mayor Pro Tem
Tommy Ferguson	Council Member
Mary McKenna	Council Member
Bill Mello	Council Member
Larry Spears Jr.	Council Member

COUNCIL MEMBERS ABSENT:

Essie Bellfield	Council Member
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STAFF MEMBERS PRESENT:

Dr. Shawn Oubre	City Manager
Jay Trahan	Assistant City Manager, Director of Economic Development
Rhonda Haskins	City Secretary
Patricia Anderson	Deputy City Secretary
Lane Martin	Chief of Police
David Frenzel	Fire Chief
Jim Wolf	Director of Public Works
Kelvin Knauf	Director of Planning and C o m m u n i t y Development
Gail English	Director of Finance
Brenna Manasco	Library Director
Sandy Wilson	Grants Planner
Michael Patterson	Engineering Tech
John Cash Smith	City Attorney
Andrew Culpepper	City Attorney

Mayor Sims called the meeting to order at 9:13 A.M.

Council Member Mello led the Invocation and the Pledge of Allegiance.

MOTION FINDING THAT THE ADVANCE POSTING AND NOTICE REQUIREMENTS OF ARTICLE 8.1200 OF THE CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS HAVE BEEN MET IN RELATION TO ALL MINUTES AND PENDING ORDINANCES AND RESOLUTIONS ON THIS AGENDA AND THAT THE READING OF SUCH ITEMS BE CONFINED TO THE CAPTION OF THE ORDINANCES AND RESOLUTIONS.

Mayor Pro Tem Beauchamp moved to approve the motion. Second to the motion was made by

Council Member McKenna which carried unanimously.

APPROVAL OF MINUTES

Mayor Pro Tem Beauchamp moved to approve the minutes of the December 9, 2014 Joint Meeting of the City Council and the Economic Development Corporation. Second to the motion was made by Council Member Spears which carried unanimously.

CITIZEN COMMENTS

There were no citizen comments.

PROCLAMATION

A proclamation observing West Orange-Stark Mustang Varsity Football Team Day was accepted by Coach Cornel Thompson, West Orange-Stark Mustang Varsity Football Team, coaches and staff members.

PUBLIC HEARING

CONDUCT A PUBLIC HEARING TO RECEIVE CITIZEN COMMENTS ON THE PROPOSED ANALYSIS OF IMPEDIMENTS TO FURTHER FAIR HOUSING.

The public hearing began at 9:24 A.M.

There were no citizen comments.

The public hearing ended at 9:26 A.M.

CONDUCT A PUBLIC HEARING CONCERNING A REQUEST BY THE CITY OF ORANGE TO RE-ZONE A 41' BY 201' SECTION OF A 1.3 ACRE TRACT BEING PART OF THE BEN JOHNSON SURVEY ON THE NORTH SIDE OF DAWNWOOD DRIVE, APPROXIMATELY 400' EAST OF HIGHWAY 87 FROM "R-1" LOW DENSITY RESIDENTIAL ZONING DISTRICT TO "C-1" LIGHT COMMERCIAL ZONING DISTRICT.

The public hearing began at 9:26 A.M.

There were no citizen comments.

The public hearing ended at 9:27 A.M.

ORDINANCES

FIRST READING:

ORDINANCE AMENDING THE CITY OF ORANGE OFFICIAL ZONING MAP, A PART OF CHAPTER 12: PLANNING AND ZONING, OF THE 2000 REVISED CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS: CHANGING THE ZONING CLASSIFICATION OF A FORTY-ONE FOOT (41') BY TWO HUNDRED-AND-ONE FOOT (201') SECTION OF A 1.3 ACRE TRACT BEING PART OF THE BEN JOHNSON SURVEY ON THE NORTH SIDE OF DAWNWOOD DRIVE, APPROXIMATELY FOUR HUNDRED LINEAR FEET (400') EAST OF HIGHWAY 87, FROM "R-1" LOW DENSITY RESIDENTIAL ZONING DISTRICT TO "C-1" LIGHT COMMERCIAL ZONING DISTRICT; PROVIDING FOR THE OFFICIAL ZONING MAP OF THE CITY OF ORANGE, TEXAS TO REFLECT SUCH CHANGE; AND MAKING CERTAIN FINDINGS RELATIVE THERETO.

Council Member Mello moved to approve the ordinance. Second to the motion was made by Mayor Pro Tem Beauchamp which carried unanimously.

FIRST READING:

ORDINANCE OF THE CITY OF ORANGE, TEXAS, AUTHORIZING PARTICIPATION WITH OTHER ENTERGY SERVICE AREA CITIES IN MATTER CONCERNING ENTERGY TEXAS, INC. AT THE PUBLIC UTILITY COMMISSION OF TEXAS AND THE FEDERAL ENERGY REGULATORY COMMISSION IN 2015.

Council Member Mello moved to approve the ordinance. Second to the motion was made by Mayor Pro Tem Beauchamp which carried unanimously.

RESOLUTIONS

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE SOUTHERN PROFESSIONAL OUTBOARD RACING TOUR (SPORT) FOR THE 2015 TUNNEL BOAT RACES TO BE HELD IN ORANGE, TEXAS SEPTEMBER 18 THROUGH SEPTEMBER 20, 2015.

Mayor Pro Tem Beauchamp moved to approve the resolution. Second to the motion was made by Council Member Spears which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-1.

RESOLUTION AWARDING A CONTRACT TO PYROTECNICO FIREWORKS IN THE AMOUNT OF \$20,000.00 FOR THE FIREWORKS DISPLAY FOR THE JULY 4TH CELEBRATION AT THE RIVERFRONT PAVILION ON JULY 4, 2015.

Council Member Spears moved to approve the resolution. Second to the motion was made by Mayor Pro Tem Beauchamp which carried with the following vote:

COUNCIL MEMBERS VOTING AYE:

Mayor Sims, Mayor Pro Tem
Beauchamp, Council Member
Ferguson, Council Member McKenna
and Council Member Spears

COUNCIL MEMBERS VOTING NO:

Council Member Mello

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-2.

RESOLUTION AWARDDING A CONTRACT TO ALLIANCE MECHANICAL SERVICE IN THE AMOUNT OF \$102,275.00 FOR THE ANNUAL CONTRACT FOR HVAC MAINTENANCE SERVICES AT CITY OF ORANGE BUILDINGS.

Council Member Mello moved to approve the resolution. Second to the motion was made by Mayor Pro Tem Beauchamp which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-3.

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDER NO. 3 WITH ALLCO FOR THE WASTEWATER TREATMENT PLANT REHABILITATION PHASE 1A & 1B.

Council Member Mello moved to approve the resolution. Second to the motion was made by Mayor Pro Tem Beauchamp which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-4.

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH VIGILANT SOLUTIONS INC. FOR A LICENSE PLATE READER - WARRANT REDEMPTION PROGRAM.

Council Member Mello moved to approve the resolution. Second to the motion was made by Council Member Ferguson which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-5.

DISCUSSION/ACTION

MOTION ACCEPTING THE ECONOMIC DEVELOPMENT CORPORATION AUDIT AS PRESENTED BY CHARLES E. REED & ASSOCIATES, P.C. FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014.

Ms. English advised the City was issued a clean opinion letter and there were no findings in the audit. The audit will be placed on the City's website and a hard copy will be placed at the Orange Public Library.

Council Member Mello moved to approve the motion. Second to the motion was made by Mayor

Pro Tem Beauchamp which carried unanimously.

MOTION DECLARING LOT 97, CYPRESS BAYOU ESTATES (FORMERLY AQUA TEXAS WATER PLANT), KNOWN AS 6213 HAZELWOOD DRIVE AS SURPLUS PROPERTY AND AUTHORIZING ITS SALE BY THE ACCEPTANCE OF SEALED BIDS. IN ADDITION, IT WILL BE INVESTIGATED WHETHER OR NOT THE CITY OWNS ANY MINERAL RIGHTS FOR THE PROPERTY DESCRIBED ABOVE AND IF SO, THE CITY WILL RESERVE ANY MINERAL RIGHTS FOR THE PROPERTY WHEN THE DEED OF SALE IS DRAFTED.

Council Member Mello moved to approve the motion. Second to the motion was made by Mayor Pro Tem Beauchamp which carried unanimously.

MOTION AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO PROCEED WITH THE RECOMMENDATION THAT \$730,000.00 BE USED FOR CAPITAL EXPENDITURES, ENGINEERING AND DESIGN, AND OPERATING RESERVES OUT OF THE INTEREST AND SINKING RESERVE BANK ACCOUNT (WATER/SEWER BOND RESERVE USE FY 2015).

Council Member Mello moved to approve the motion. Second to the motion was made by Mayor Pro Tem Beauchamp which carried unanimously.

MOTION DECLARING EQUIPMENT (1998 FORD F-150 TRUCK, UNIT NUMBER 0672AX, VIN# 1FTRF176WKB36530) AS SURPLUS AND AUTHORIZING DISPOSAL BY AUCTION THROUGH RENÉ BATES AUCTIONEERS, INC.

Council Member Mello moved to approve the motion. Second to the motion was made by Mayor Pro Tem Beauchamp which carried unanimously.

CITY MANAGER REPORT

No report was given.

CITY COUNCIL REPORT

Mayor Pro Tem Beauchamp advised the City is trying to save tax payer money. The auditor advised the EDC, Council and Staff were cohesive, stable, professional and easy to work with.

Council Member Ferguson congratulated the West Orange - Stark Mustang Varsity Football Team for a great season. He thanked the Police Department, Fire Department and staff for their hard work in 2014. He also thanked Council Member Spears for getting together the send off for the for the Mustangs.

Council Member McKenna wished everyone a Happy New Year. She thanked everyone for a good year in 2014. Go Mustangs!!!

Council Member Mello congratulated the Mustangs.

Council Member Spears thanked the community for the send off for the Mustangs. He congratulated all the students who made the honor roll. He would like meetings to be held between

entities of Orange. Dr. Oubre advised he has been disappointed in attendance of already planned meetings with local entities.

Mayor Sims wished everyone a Happy New Year. It was a good year for the City of Orange. There were no hurricanes to deal with. He appreciates Council and staff for working together.

ADJOURNMENT

There being no further business before the Council, Mayor Pro Tem Beauchamp moved to adjourn the meeting. Second to the motion was made by Council Member Spears which carried unanimously.

The meeting adjourned at 10:34 A.M.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

MEMORANDUM

To: Dr. Shawn Oubre Ph.D., City Manager

From: Kelvin Knauf, Director of Planning and Community Development *KEK*

Subject: Consider and take any necessary action concerning the second reading of an ordinance to rezone from "R-1" Low Density Residential Zoning District to "C-1" Light Commercial Zoning District; a 41' x 201' section of a 1.3 acre tract being part of the Ben Johnson Survey on the north side of Dawnwood Drive, approximately 400' east of Highway 87

Date: January 13, 2015

Background

On January 13, 2015 the City Council approved on first reading an ordinance amending the zoning map from "R-1" Low Density Residential Zoning District to "C-1" Light Commercial Zoning District for a 41' x 201' section of a 1.3 acre tract being part of the Ben Johnson Survey on the north side of Dawnwood Drive, approximately 400' east of Highway 87. The property is owned by Dr. Kevin DiLeo. The ordinance which was adopted on first reading is attached.

Recommendation

The Planning and Zoning Commission recommends that the City Council approve the rezoning from "R-1" Low Density Residential Zoning District to "C-1" Light Commercial Zoning District. I recommend that the City Council adopt the ordinance on second reading.

AN ORDINANCE AMENDING THE CITY OF ORANGE OFFICIAL ZONING MAP, A PART OF CHAPTER 12: PLANNING AND ZONING, OF THE 2000 REVISED CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS: CHANGING THE ZONING CLASSIFICATION OF A FORTY-ONE FOOT (41') BY TWO HUNDRED-AND-ONE FOOT (201') SECTION OF A 1.3 ACRE TRACT BEING PART OF THE BEN JOHNSON SURVEY ON THE NORTH SIDE OF DAWNWOOD DRIVE, APPROXIMATELY FOUR HUNDRED LINEAR FEET (400') EAST OF HIGHWAY 87 , FROM "R-1" LOW DENSITY RESIDENTIAL ZONING DISTRICT TO "C-1" LIGHT COMMERCIAL ZONING DISTRICT; PROVIDING FOR THE OFFICIAL ZONING MAP OF THE CITY OF ORANGE, TEXAS TO REFLECT SUCH CHANGE; AND MAKING CERTAIN FINDINGS RELATIVE THERETO.

WHEREAS, the Planning and Zoning Commission met in regular session on December 2, 2014 and held a public hearing on a zoning request by the City of Orange; and,

WHEREAS, the Commission voted unanimously 4-0 to recommend that the City Council approve this request to amend the zoning of a forty-one foot (41') by two hundred-and-one foot (201') section of a 1.3 acre tract being part of the Ben Johnson Survey on the north side of Dawnwood Drive, approximately four hundred linear feet (400') east of Highway 87 as shown highlighted in Exhibit "A"; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

SECTION I

THAT, the zoning classification of as shown highlighted in Exhibit "A" shall be amended from "R-1" Low Density Residential Zoning District to "C-1" Light Commercial Zoning District.

SECTION II

THAT, the "Official Zoning Map" of the City of Orange, Texas be amended to reflect the zoning change described above, said zone change shall take effect and be in force from and after the "Official Zoning Map" reflects such change.

SECTION III

THAT, the City Council of the City of Orange, Texas hereby legislatively finds and determines that this ordinance and the zoning district established herein will be in harmony with the general purpose and intent of the Comprehensive Zoning Ordinance and Master Plan of the City of Orange; will be as a substantial relationship to the public welfare; and that all procedural requirements have been satisfied as to this matter.

PASSED and APPROVED on the first reading this the 13th day of January, 2015.

PASSED, APPROVED, and ADOPTED on the final reading on this the ____ day of _____, 2015.

Jimmy Sims, Mayor

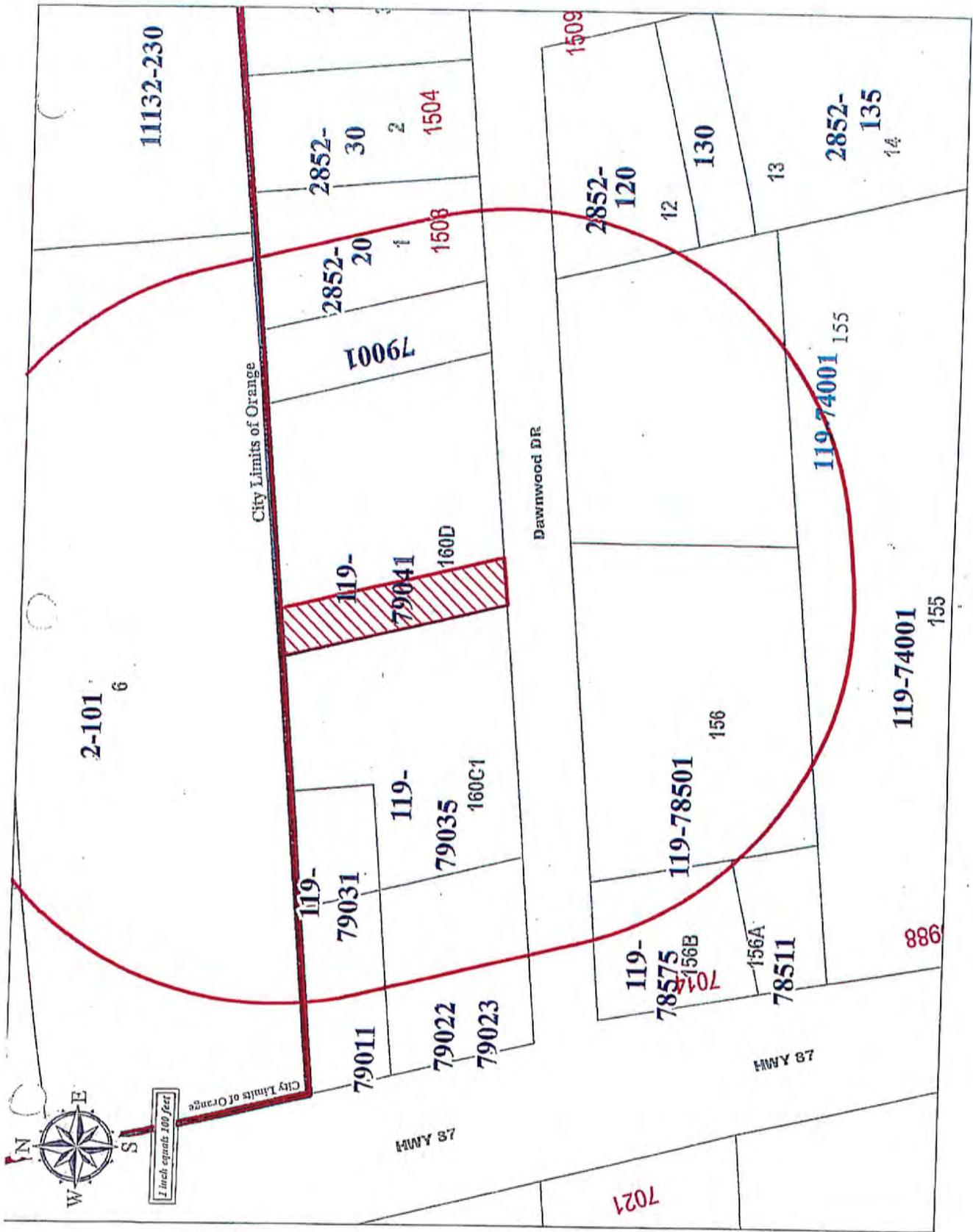
ATTEST:

APPROVED AS TO FORM:

Rhonda Haskins, City Secretary

City Attorney

Exhibit A



INTEROFFICE MEMORANDUM

TO: MAYOR AND COUNCIL
FROM: SHAWN OUBRE
SUBJECT: ANNUAL ORDINANCE AUTHORIZING MUNICIPAL
PARTICIPATION IN REGULATORY PROCEEDINGS OF ENTERGY
TEXAS, INC.
DATE: 1/6/2015
CC: JACK SMITH

It is time to authorize municipal participation in regulatory rate proceedings involving Entergy Texas, Inc. ("Entergy") before municipalities, the Public Utility Commission ("PUC"), and the Federal Regulatory Commission ("FERC"). Attached is an Ordinance to authorize participation in rate proceedings filed at the PUC.

Mr. Lawton has represented the cities and will continue to be counsel if approved. The fees for this representation are reimbursable to Mr. Lawton by Entergy for his representation.

AN ORDINANCE OF THE CITY COUNCIL OF ORANGE, TEXAS,
AUTHORIZING PARTICIPATION WITH OTHER ENTERGY
SERVICE AREA CITIES IN MATTERS CONCERNING ENTERGY
TEXAS, INC. AT THE PUBLIC UTILITY COMMISSION OF TEXAS
AND THE FEDERAL ENERGY REGULATORY COMMISSION IN
2015

WHEREAS, Entergy Texas, Inc.'s ("ETI") implementation of customer choice has ceased due to Senate Bill 1492 and ETI will continue to be regulated under traditional cost-of-service regulation;

WHEREAS, changes to the Public Utility Regulatory Act addressing rates and rate proceedings will have a direct impact on ETI and customer bills during 2015 and into the future;

WHEREAS, ETI is scheduled to litigate requests in various proceedings before the Public Utility Commission of Texas, before municipalities, or before the Federal Energy Regulatory Commission in 2015 related to ETI's integration with the Midwest Independent System Operator ("MISO"), ETI's continuing commitment to exit the Entergy System Agreement on an expedited basis, various fuel cost refunds or surcharges and reconciliations, capacity cost surcharges and reconciliations; and for any type of base rate proceedings (such as a new base rate increase request, transmission cost recovery rider, a distribution cost recovery rider, energy efficiency cost recovery factor, hurricane restoration cost or offset true-ups, or a purchased power capacity cost recovery rider) or cost allocation adjustments;

WHEREAS, ETI is scheduled to file fuel factor proceedings at the Public Utility Commission in February and August 2015, and file other fuel proceedings during 2015 to reconcile fuel, to refund or surcharge fuel charges, and to change the fuel mechanism, along with various surcharge requests impacting rates;

WHEREAS, ETI is expected to file a proceeding for a base rate change and fuel reconciliation during 2015 to recover costs associated with new capacity purchases;

WHEREAS, ETI is scheduled to file a proceeding to recover costs incurred in association with its Energy Efficiency Plan as well as reconcile past costs;

WHEREAS, Cities have the statutory right to set fair and reasonable rates for both the Company and customers within Cities;

WHEREAS, Cities have exclusive original jurisdiction over rates, operations, and services of an electric utility in areas in the municipality pursuant to *Tex. Util. Code* § 33.001;

WHEREAS, Cities have standing in each case before the Public Utility Commission of Texas that relates to an electric utility providing service in the municipality

pursuant to *TEX. UTIL. Code* § 33.025, and standing before each Federal Energy Regulatory Commission case in which the City may be affected pursuant to *18 C.F.R. § 385.214*;

WHEREAS, Cities are entitled to reimbursement by the utility of their reasonable rate case expenses to participate in cases that are deemed rate proceedings pursuant to *Tex. Util. Code* § 33.023.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS, that:

SECTION 1. The City of Orange shall participate with other Cities to intervene in ETI's various rate filings related to the various fuel cost surcharges and reconciliations, capacity cost surcharges and reconciliations, the allocation and refund of rough production cost equalization payments, any interim or incremental surcharge proceedings or surcharge adjustments, and for any base rate adjustment proceedings or cost of service adjustments on file with the Public Utility Commission of Texas or with municipalities in 2015 and seek appropriate regulatory scrutiny in any case on file at the Federal Energy Regulatory Commission affecting the City and its residents.

The City of Orange shall participate with other Cities to intervene in fuel or fuel related proceedings at the Public Utility Commission and the Federal Energy Regulatory Commission on file in 2015 concerning ETI's rates charged to Texas customers.

All such actions shall be taken pursuant to the direction of the Cities' Steering Committee. Cities' Steering Committee shall have authority to retain rate consultants and lawyers. Cities' Steering Committee shall direct the actions of Cities' representatives in the above proceedings. The Steering Committee is directed to obtain reimbursement from ETI of all reasonable expenses associated with participation in said proceedings.

SECTION 2. This Ordinance shall be effective from and after the date of its passage.

PASSED and APPROVED on the first reading this the ____ day of _____, 2015.

PASSED, APPROVED, and ADOPTED on the final reading on this the ____ day of _____, 2015.

THE CITY OF ORANGE, TEXAS

By: _____
Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED AS TO FORM:

City Attorney

A RESOLUTION ORDERING A GENERAL ELECTION FOR THE PURPOSE OF ELECTING A MAYOR AND A COUNCIL MEMBER FOR SINGLE-MEMBER DISTRICT 1; PROVIDING FOR THE DATE, HOURS, BALLOT, EARLY VOTING CLERK AND NOTICE OF ELECTION; PROVIDING FOR POLLING PLACES, JUDGES AND PAY, PROVIDING FOR OTHER MATTERS RELATING TO THE CITY ELECTION; ORDERING A RUN-OFF ELECTION, IF NECESSARY, TO BE HELD ON JUNE 20, 2015; AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

That in accordance with the provisions of the City Charter of the City of Orange, Texas, the laws of the State of Texas, and the Code of Ordinances of the City of Orange relating thereto, there shall be held in the City of Orange, Texas on the 9th day of May, 2015, a General Municipal Election to elect a Mayor and a Council Member for Single-Member District 1, and that all legally qualified voters residing within the corporate limits of the City of Orange shall be entitled to vote in said election.

The City Secretary is directed to give notice of the time and place of said election by publishing an order of election to be published in a newspaper of general circulation in this City not less than ten (10) days nor more than thirty (30) days before the election, in accordance with Chapter 4 of the Texas Election Code.

Voting in said election shall be by the use of paper ballots, and the ballots of said election shall conform to the requirements of the Texas Election Code. The form of Ballot to be used in said election shall be substantially as follows:

GENERAL ELECTION

FOR MAYOR

(Three year term)

FOR COUNCIL MEMBER, SINGLE-MEMBER DISTRICT 1

(Three-year term)

The Orange County Elections Administrator shall serve as the early voting clerk and shall conduct early voting. The place at which early voting shall be conducted is designated as the Orange Public Library, 220 N. Fifth Street, Orange, Texas. Ballot applications to be voted by mail are to be sent to the office of the Elections Administrator, Tina Barrow, 123 S. Sixth Street; Orange, Texas, 77630. The deadline for receiving ballot by mail applications is the close of business on April 30, 2015.

The early voting clerk shall keep the early voting polling place, the Orange Public Library, open for at least eight (8) hours, from 8:30 A.M. until 4:30 P.M., Monday through Friday, April 27, 2015 through May 5, 2015. Per the provisions of Texas Election Code, Section 1.17, Section 85.005(d), early voting shall be conducted for twelve hours on two weekdays during the early voting period; therefore, early voting will be conducted from 8:00 A.M. until 8:00 P.M. on Tuesday, April 28, 2015 and on Tuesday, May 5, 2015. The early voting clerk shall not permit anyone to vote early by personal appearance on State or City holidays or when the polling place is not open to the public.

The Election Day polling places shall be open from 7:00 A.M. until 7:00 P.M. The voting precincts shall be set forth as filed in the Office of the City Secretary, City Hall, 803 W. Green Avenue, Room 201; Orange, Texas. Voting shall be at the following respectively designated polling places. All voters shall vote in the polling location set by this Resolution. The judges of said election and polling places for each precinct shall be as follows:

DISTRICT	VOTING LOCATION	ELECTION JUDGE	ALTERNATE JUDGE
	<p>EARLY VOTING Orange Public Library 220 N. Fifth Street</p> <p>Tina Barrow, Elections Administrator/Early Voting Clerk</p> <p>Helen Brown, Temporary Deputy Early Voting Clerk Shirley Swoboda, Temporary Deputy Early Voting Clerk</p>	<p>Lisa Reeves, Judge, Early Voting Ballot Board</p>	<p>Jackie Lollar, Alt. Judge, Early Voting Ballot Board</p>
District 1	<p>Salvation Army Building 1950 Martin Luther King Drive</p>	<p>Jean Long, Judge</p>	<p>Virginia Williams, Alt. Judge</p>
District 2	<p>Little Cypress Intermediate School 2300 Allie Payne Road</p>	<p>Phyllis Henderson, Judge</p>	<p>Pam Strohm, Alt. Judge</p>
District 3	<p>North Early Learning Center 801 Cordrey Avenue</p>	<p>Helen Brown, Judge</p>	<p>Kathy Crawley, Alt. Judge</p>
District 4	<p>West Orange Stark Middle School 1402 W. Green Avenue</p>	<p>Melvin Swoboda, Judge</p>	<p>Shirley Swoboda, Alt. Judge</p>

The presiding judge for each election precinct shall appoint an Alternate Judge and two clerks, and as many additional clerks as he/she may deem necessary for the proper conduct of the election, provided that not more than a total of four clerks shall be appointed for any precinct.

The Temporary Deputy Early Voting Clerks, and Precinct Election Judges shall be compensated at the rate of TEN AND NO/100 (\$10.00) DOLLARS per hour, Alternate Judges shall be compensated at the rate of NINE AND NO/100 (\$9.00) DOLLARS per hour, and the election workers shall be compensated at the rate of EIGHT AND NO/100 (\$8.00) DOLLARS per hour. The Judge or Clerk who delivers the election returns may be paid an additional sum of TWENTY-FIVE AND NO/100 (\$25.00) DOLLARS, as provided in accordance of Election Code Section 32.091.

Per the requirements of the Help America Vote Act (HAVA), signed into Federal Law in 1992, Texas House Bill 1549, and Section 61.012 of the Texas Election Code, the Orange City Council hereby adopts for use in early voting and election day voting, the ES&S AutoMARK Voter Assist Terminal which complies with the Office of the Texas Secretary of State and Federal laws as a voting system that permits voters with physical disabilities (blindness) to cast a secret ballot. The City of Orange will provide at least one accessible voting system in each polling place in compliance with the above stated laws. The ES&S AutoMARK Voter Assist Terminal shall be leased from Orange County in a separate Agreement.

Should any candidate in the General Municipal Election fail to receive a majority vote, then in that event a Run-off Election shall be ordered to be held on June 20, 2015 for every place in the regular municipal election to which no one was elected as required by Section 5.02 of the City Charter.

It is hereby officially found and determined that the meeting at which this Resolution is considered 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.

PASSED, APPROVED and ADOPTED this the 27th day of January 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED:

City Attorney

UNA RESOLUCIÓN ORDENANDO UNA ELECCIÓN GENERAL CON EL PROPÓSITO DE ELEGIR A UN ALCALDE Y A UN SOLO MIEMBRO AL DISTRITO 1; INDICANDO LA FECHA, LAS HORAS, LA BOLETA, EMPLEO DEL SECRETARIO PARA LA VOTACIÓN TEMPRANA Y EL AVISO DE ELECCIÓN; INDICANDO LOS LUGARES DE VOTACIÓN, LOS JUECES Y SALARIOS, LA INDICACIÓN DE OTROS ASUNTOS RELATIVOS NECESARIOS, QUE TENDRÁ CABO EL 20 DE JUNIO DE 2015 PARA LA ELECCIÓN DE LA CIUDAD; Y PARA DETERMINAR QUE LA REUNIÓN EN QUE SE APROBÓ ESTA RESOLUCIÓN ESTÉ ABIERTA PARA EL PÚBLICO COMO SE REQUIERE POR LEY.

ASI SE RESOLVIÓ POR EL CONCILIO DE LA CIUDAD DE ORANGE, TEXAS:

Que de acuerdo con los requisitos de la Carta Constitucional de la Ciudad, de la Ciudad de Orange, Texas, las leyes del Estado de Texas, y el Código de Ordenanzas de la Ciudad de Orange relacionado a éso tendrá cabo en la Ciudad de Orange, Texas el noveno día de mayo del 2015, una Elección Municipal General para elegir a un Alcalde y a un Solo Miembro del Concilio para el Distrito 1 y que todos los votantes legalmente calificados que residen dentro de los límites corporativos de la Ciudad de la Orange tendrán derecho a votar en elección dicha.

Se le ordena al Secretario de Ciudad que dé el aviso de la hora y el lugar de dicha elección publicándose una orden de elección para ser publicada en un periódico de circulación general en esta Ciudad no menos de diez (10) días ni más de treinta (30) días antes de la elección, de acuerdo con el Capítulo 4 del Código de Elección de Texas.

La votación en la elección dicha será por el uso de boletas de papel, y las boletas de la elección dicha se conformarán a los requisitos del Código de Elección de Texas. La forma de Votación para ser usada en la elección dicha será considerablemente como sigue:

ELECCIÓN GENERAL

FOR MAYOR PARA ALCALDE

(Three year term — El término de tres años)

FOR COUNCIL MEMBER, SINGLE-MEMBER DISTRICT 1 PARA SOLO MIEMBRO DEL CONCILIO DEL DISTRITO 1

(Three-year term — El término de tres años)

La Administradora de Elecciones del Condado de Orange servirá como la administradora de votación temprana. El lugar el cual la votación temprana será conducida es designado en la Biblioteca Pública de Orange, en la Calle Cinco Norte 220. Orange, Texas. Las solicitudes para boletas de votación para ser votadas por correo deben ser enviadas a la oficina del Administrador de Elecciones, Tina Barrow, a La Calle Sexta S. No.123; Orange, Texas, la última fecha para recibir boletas por correo es el fin del día, de negocio del 30 de abril de 2015.

La secretaria de votación temprana mantendrá el lugar de la votación temprana con acuerdo al lugar, en la biblioteca pública de Orange, abierta a lo menos ocho (8) horas, de las 8:30 a.m. hasta las 4:30 p.m., de lunes a viernes, del 27 de abril del 2015, hasta el 05 de mayo del 2015. Por los requisitos del Código Electoral de Texas, en la Sección 1.17, Sección 85.005(d), la votación temprana se llevará cabo por doce horas en dos días de trabajo durante el período de la votación temprana; por lo tanto, la votación temprana se realizará desde las 8:00 a.m. hasta las 8:00 p.m. en el martes, el 28 de abril del 2015 y el martes, el 05 de mayo, del 2015. El

secretario de votación temprana no permitirá a nadie votar temprano en persona personal durante los días de fiesta o vacaciones del estado o de la ciudad o cuando el lugar de votación no esté abierto al público.

Los Lugares de Votación en el día de la elección estarán abiertos desde las 7:00 a.m. (de la mañana) hasta las 7:00 p. m. de la noche. Los Recintos de Votación deberán establecerse y ser archivados en la Oficina del Secretario de la Ciudad, en el edificio de la Casa de Ayuntamiento de la Ciudad en el cuarto Número 201, en la Avenida Oeste Número 803; Orange, Texas. Los votantes deberán votar en el lugar designado para esta Resolución. Los jueces de dicha elección y los lugares de votación deberán ser como siguen:

DISTRITO	LUGAR DE VOTACIÓN	JUEZ DE ELECCIÓN	JUEZ ALTERNO
	VOTACIÓN TEMPRANO La Biblioteca Pública de Orange 220 N. Calle Quinta Tina Barrow, Administrador de Elecciones Secretaria de La Votación Temprana Helen Brown, Diputada Temporal de Votación Temprana Shirley Swoboda, Diputado Temporal de Votación Temprana	Lisa Reeves, Juez, de la Tabla de Votación Temprana	Jacki Lollar, Juez Alterno, de la Tabla Votación Temprana
Distrito 1	Edificio de 'Salvation Army' 1950 Martin Luther King Drive	Jean Long, Juez	Virginia Williams, Juez Alterno
Distrito 2	Edificio de La Escuela de 'Little Cypress Intermediate' 2300 Camino de Allie Payne	Phyllis Henderson, Juez	Pam Strohm, Juez, Alterno
Distrito 3	Edificio de 'North Early Learning Center' 801 Avenida Cordrey	Helen Brown, Juez	Kathy Crawley, Juez Alterno
Distrito 4	Edificio de la 'Escuela Media de Stark' 1402 W. Avenida Green	Melvin Swoboda, Juez	Shirley Swoboda, Juez Alterno

Los jueces que presiden para cada recinto de elección designarán a un Juez Alterno y dos empleados, y a tantos más empleados adicionales como él/ella crean ser necesarios para la conducta apropiada de la elección, con la condición de que no sean más de un total de cuatro empleados que serán designados para cualquier recinto.

Los Diputados Temporales de La Votación Temprana, y los Jueces de Elección del Recinto serán pagados la cantidad de DIEZ Y DÓLARES NO/100 (de \$10.00 dólares) por hora, los Jueces Alternos serán pagados la cantidad de NUEVE Y DÓLARES NO/100 (de \$9.00 dólares) por hora, y los trabajadores de elección serán pagados la cantidad de OCHO Y DÓLARES NO/100 (de

\$8.00 dólares) por hora. Se puede pagar al Juez o Empleado quién entregue los resultados de elección una suma adicional de VEINTICINCO Y DÓLARES NO/100 (de \$25.00 dólares), conforme al acuerdo de la Sección 32.091 de Código de Elección.

Por los requisitos del Acto de Ayuda de Voto de América (HAVA), firmado en una Ley Federal en 1992, en el 'Texas House Bill' 1549, y la Sección 61.012 del Código de Elección de Texas, el Concilio de la Ciudad de Orange por este medio adopta para el uso en votación temprana y en el día de las elecciones ('ES&S AutoMARK VoterAssist Terminal') que cumple con la Oficina del Ministro de Asuntos Exteriores de Texas y las leyes Federales como un sistema de votación que permite a los votantes con discapacidades físicas (ceguera) de llenar su boleta en secreto. La Ciudad de Orange proporcionará a lo menos un sistema de votación accesible en cada lugar de votación conforme a las leyes ya indicadas. El ('ES&S AutoMARK VoterAssist Terminal') será arrendado del Condado de Orange en un Acuerdo separado.

En caso de que ningún candidato no reciba la mayoría de votos en la Elección Municipal General, entonces, se ordenará que una segunda elección electoral se tendrá cabo el 20 de junio de 2015 en cada lugar electoral de la elección municipal regular; en la cual nadie fuese ser elegido como se requiere por la Sección 5.02 de la Carta Constitucional de la Ciudad .

Es por este medio oficialmente hecho y determinado que la reunión en la cual esta Resolución es considerada estár abierta al público como requerido según la ley, y que el aviso público de la hora, lugar, y objetivo de la reunión dicha fue dada como se requiere.

PASADO, APROBADO Y ADOPTADO este día el 27 de enero del 2015.

/f/ Jimmy Sims, Alcalde

ATESTIGA:

/f/ _____
Rhonda Haskins, Secretaria de la Ciudad

APROVADO:

/f/ _____
Abogado de la Ciudad

**CITY OF ORANGE, TEXAS
NOTICE OF GENERAL ELECTION**

To the registered voters of the City of Orange, Texas:

Notice is hereby given that the polling places listed below will be open from 7:00 a.m. to 7:00 p.m. on May 9, 2015 for voting in a General Election to elect a Mayor and a Council Member for Single-Member District 1.

LOCATION OF POLLING PLACES

Early voting by personal appearance will be conducted each weekday at the Orange Public Library, 220 N. Fifth Street, between the hours of 8:30 a.m. and 4:30 p.m. beginning on April 27, 2015 and ending on May 5, 2015 including two twelve-hour days, April 28, 2015 and May 5, 2015 between the hours of 8:00 A.M. and 8:00 P.M.

Applications for ballot by mail shall be mailed to:

Tina Barrow, Administrator
Orange County Elections Administration
123 S. Sixth Street
Orange, Texas 77630

Applications for ballots by mail must be received not later than the close of business on April 30, 2015.

Election Day polling places:

- | | |
|------------|--|
| District 1 | Salvation Army Building
1950 Martin Luther King Drive
Orange, Texas |
| District 2 | Little Cypress Intermediate School
2300 Allie Payne Road
Orange, Texas |
| District 3 | North Early Learning Center
801 Cordrey Avenue
Orange, Texas |
| District 4 | West Orange Stark Middle School
1402 W. Green Avenue
Orange, Texas |

Issued this the 27th day of January 2015.

/s/ Jimmy Sims, Mayor

**CIUDAD DE ORANGE, TEXAS
AVISO DE ELECCIÓN GENERAL**

A los votantes registrados de la Ciudad de Orange, Texas:

Aviso por la presente se da que los centros electorales escritos abajo estarán abiertos de las 7:00 de la mañana hasta las 7:00 de la tarde, en el 9 de mayo de 2015, para la votación en una Elección General para elegir a un Alcalde y un Solo Miembro del Concilio al Distrito 1.

EL SITIO DE LOS CENTROS ELECTORALES:

La votación Temprana por apariencia personal se realizará cada día de la semana (el lunes a viernes) en la Biblioteca Pública de Orange, en la Calle 5 Norte # 220 entre las horas de las 8:30 de la mañana y las 4:30 de la tarde comenzando el 27 de abril de 2015 y terminándose el 5 de mayo de 2015 incluyendo dos días de doce horas, éstos siendo el 28 de abril de 2015 y el 5 de mayo de 2015 entre las horas de las 8:00 de la mañana y hasta las 8:00 de la noche.

Las solicitudes para balota por correo serán enviadas a:

Tina Barrow, Administrador
Administración de Elecciones del Condado de Orange
Calle S. Sixth #123
Orange, Texas 77630

Las solicitudes para balotas por correo deben ser recibidas no mas tarde que el fin del día de negocios el 30 de abril de 2015.

Los Centros Electorales del Día de Elección:

- | | |
|------------|--|
| Distrito 1 | El Edificio de "Salvation Army"
Martin Luther King Drive, # 1950
Orange, Texas |
| Distrito 2 | La Escuela Intermedia de "Little Cypress"
Camino de Allie Payne, # 2300
Orange, Texas |
| Distrito 3 | El Edificio del Centro de "North Early Learning"
La Avenida Cordrey, # 801
Orange, Texas |
| Distrito 4 | La Escuela Media de "West Orange Stark"
Avenida Green Oeste, # 1402
Orange, Texas |

Emitido este día el 27 del mes de enero del 2015.

/s/ Jimmy Sims, Alcalde

JOINT ELECTION AGREEMENT

Between

The Cities of Pinehurst and Orange, West Orange-Cove C.I.S.D., and Little Cypress-Mauriceville C.I.S.D., hereinafter called the Entities.

WHEREAS, Texas Election Code Section 271.002 authorizes the governing bodies of political subdivisions conducting elections on the same day to enter into an agreement to hold joint elections in election precincts that can be served by common polling places; and

WHEREAS, the above mentioned entities will hold elections on the same day, being May 9, 2015, and it would benefit the Entities and the citizens and voters thereof to conduct the elections jointly;

NOW, THEREFORE, IT IS AGREED that a joint election will be held by the Entities under the following terms and conditions:

The Entities may share polling locations in precincts in which common polling places may be served on election day and/or during the early voting period;

Each Entity will be responsible for conducting its own election, including ordering, posting and publishing notice of its election, securing polling locations, securing election materials and supplies, printing and use of its own ballots, appointment and payment of election judges and clerks, and all other procedures and costs involved in conducting the election except as contracted with the Orange County Elections Administrator;

Each Entity will be responsible for its own preclearance submission (if applicable) to the U. S. Department of Justice;

The Entities will share in the cost of the lease of the ESS Automark accessible voting system from the Orange County Elections Administrator when used in common polling places;

The Entities may contract with the Orange County Elections Administrator for other services as deemed necessary by each Entity;

If one or more of the Entities cancels its election, the manner in which the election is conducted will remain the same for the remaining Entities. Common polling places will continue to be shared in election precincts in which common locations may be used. The remaining Entities will continue to share in the cost of the ESS Automark accessible voting system leased from the Orange County Elections Administrator.

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A JOINT ELECTION AGREEMENT WITH THE CITY OF PINEHURST, WEST ORANGE-COVE C.I.S.D., AND LITTLE CYPRESS-MAURICEVILLE C.I.S.D. AS AUTHORIZED BY THE TEXAS ELECTION CODE.

WHEREAS, as an extension of the federal Help America Vote Act (HAVA), Texas House Bill 1549 established requirements in Section 61.012 of the Texas Election Code, requiring the use of electronic voting equipment for the physically disabled to be utilized in each voting location in all elections in Texas conducted after January 6, 2006; and

WHEREAS, further, House Bill One mandates that any school district that shares a part of its jurisdiction with a city must conduct a joint election with said city, or, if school district does not share its jurisdiction with a city, said school district must move its election date to November and conduct a joint election with the County or Counties in which the school district is located;

WHEREAS, West Orange-Cove CISD and Little Cypress-Mauriceville CISD are partially located within the City of Orange; and the City of Pinehurst is adjacent to the City of Orange and wishes to enter into a joint election agreement in order to share costs for the lease of the ES&S Automark electronic voting machine for certain disabled individuals; and

WHEREAS, further, the local political subdivisions in eastern Orange County desire to join together to share polling locations, and to conduct elections in a manner which will make voting more convenient for the voters in the political subdivisions joining together in this Agreement; and

WHEREAS, the local political subdivisions will automatically enter into said joint agreement as required by House Bill One, the Cities of Pinehurst and Orange and the LCMCISD and WOCCISD in odd years, and the Cities of Pinehurst and Orange, the LCMCISD and WOCCISD, the Port District and the Orange County Drainage District in even years, until and if the law is changed by the Texas legislature and/or any contracting entity provides a 30 day notice of intention to end its participation in the Agreement; now therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

The City Manager is hereby authorized to enter into a joint election Agreement between the Cities of Pinehurst and Orange, Little Cypress-Mauriceville C.I.S.D., and West Orange-Cove C.I.S.D., for the conduct of the May 9, 2015 General Election.

PASSED, APPROVED and ADOPTED on this the 27th day of January 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED:

City Attorney

STATE OF TEXAS

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COUNTY OF ORANGE

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CITY OF ORANGE, TEXAS
ELECTION SERVICES CONTRACT

II PREAMBLE

- 1.01. Parties.** This Election Services Contract is entered into by and between Tina Barrow, Orange County Elections Administrator (Administrator), and the City of Orange (Entity), a political subdivision of the State of Texas.
- 1.02. Statutory Authority.** The Parties are entitled to enter into this Contract pursuant to the Texas Election Code §31.092.
- 1.03 Purpose.** The purpose of this Contract is to authorize the Administrator to conduct and supervise the Entity's General Election to be held on the 9th day of May, 2015, and a possible run-off election on June 20, 2015.
- 1.04. Consideration.** The Parties enter into this Contract based upon the mutual covenants and agreements set forth within the body of this Contract.

II OBLIGATIONS OF THE ADMINISTRATOR

- 2.01.** The Administrator shall assume the following responsibilities on behalf of the Entity:
- (a) Serve as Early Voting Clerk for the 2015 City of Orange General Election and any resulting 2015 Run-Off Election.
 - (b) Supervise the conducting of early voting as well as procure the location and personnel to conduct the early voting as the case may be. This also includes processing requests from voters for ballots by mail.
 - (c) Provide general overall supervision of the election and, further, generally advise the City of Orange with respect to miscellaneous issues arising before and during the conduct of the election.
 - (d) Procure and distribute election supplies, including the preparation of election kits and distribution of ballots. In this regard, the Administrator shall also purchase the supplies and print the ballots for use in the electronic voting machine "Automark" required under the Help America Vote Act ("HAVA").
 - (e) Procure, prepare, and distribute election equipment.
 - (f) Publish notice of the date, time, and place of a school of instruction for election judges and clerks, and to, further assume responsibility for conducting any such school.
 - (g) Appoint and notify election judges and alternate judges of their appointment for Election Day and early voting.

- (h) Arrange for the use of polling places for Election Day and early voting.
- (i) Provide information services for voters and election officers during early voting and Election Day.
- (j) Prepare list of registered voters required for use in early voting and Election Day, if needed.
- (k) Shall conduct all logic and accuracy testing in accordance with the procedures set forth by the Texas Secretary of State.
- (l) Shall prepare and publish any required notices of such testing.
- (m) Arrange for the use of tabulating personnel needed at the central counting station in preparation for tabulation of the ballots.
- (n) Supervise the handling, counting and disposition of election returns to the City of Orange and assist in preparing the tabulation for the official canvass.
- (o) On the evening of Election Day, after the polls have closed, report to the City of Orange the results of early voting, and of all regular voting as the ballots and/or tabulations are delivered to the office of the Administrator by or on behalf of the election judges, for the purpose of allowing the City of Orange to report such election results to the election candidate(s), public and news media.
- (p) Assist the City of Orange in the official canvassing of election returns.
- (q) Provide bilingual services for early voting and on Election Day for the City of Orange at a cost not to exceed \$100.00.

III. RESPONSIBILITIES OF THE ENTITY

3.01 The City of Orange shall assume the following responsibilities in conjunction with the provision of elections services under this Contract and shall assume all costs associated with performance of its responsibilities under the Contract as follows:

- (a) Prepare all required preclearance submissions to the Department of Justice.
- (b) Prepare election orders, resolutions, notices and other related documents for approval or adoption by the City of Orange as the case may be.
- (c) Accept all candidate filings for place on the ballot and provide information to the Administrator.
- (d) Prepare and provide ballot layout to Elections Administrator. (The City of Orange must sign off on proof of ballot from ES&S before they are printed)
- (e) Post the publication of election notices.
- (f) The City of Orange shall compensate election judges and clerks, including, but not limited to, any early voting ballot board judge and central counting station judge.
- (g) Establish the polling locations for the election.
- (h) Print and provide ballots needed for election with exception of ballots need for the Automark.
- (i) Prepare and provide ballot boxes, locks and keys for early voting and Election Day.
- (j) Pick up ballot boxes and all election related material to store for the 6 month retention period.

3.02. Payment of Administrative Fees and Costs. The City of Orange shall be assessed, and shall pay to the Administrator an administrative fee equal to ten percent (10%) of the total cost of conducting the election or a minimum fee of \$75.00, and performance of all other responsibilities and duties as set forth in this contract.

As soon as reasonably possible after the election, the Administrator will submit an itemized invoice to the City of Orange for actual costs and expenses directly attributable to coordination, supervision, and conducting of the election.

The City of Orange will be responsible for paying any and all cost incurred by the Administrator to conduct the election set out in the itemized invoice after the election.

IV, GENERAL PROVISIONS

4.01. Number of Voting Locations. There shall be four (4) voting districts, plus one (1) early voting location established for purposes of this election.

4.02. Hold Harmless. The City of Orange shall hold harmless the Administrator, as well as her department, from any and all claims made arising out of an act and/or omission of The City of Orange to perform its obligations under the Contract. Further, the Administrator shall hold harmless The City of Orange, its employees, agents and officials from any and all acts and/or omissions arising out of the failure by the Administrator to perform her obligations under the Contract.

4.03. Copies of Contract. The Administrator shall file copies of this Contract with the Orange County Treasurer and the Orange County Auditor. The City of Orange shall maintain a copy of this Contract on file at its principal office.

4.04. Texas Law To Apply. Texas law shall apply to the Contract.

4.05. Venue. Venue for any dispute arising out of the performance of any obligation set forth in this Contract shall lie in Orange County, Texas.

AGREED on the date last executed by either Party.

ORANGE COUNTY ELECTIONS ADMINISTRATOR

Tina Barrow or her Duly Authorized Representative

Date

CITY OF ORANGE, TEXAS

By: Shawn Oubre, City Manager

Date

A RESOLUTION ENTERING INTO AN AGREEMENT WITH THE ORANGE COUNTY ELECTIONS ADMINISTRATOR TO PROVIDE ELECTION SERVICES FOR THE CITY OF ORANGE.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE,
TEXAS:**

That it is in the best interest of the voters of the City of Orange, to enter into an Agreement with the Orange County Elections Administrator to provide election services to the local political subdivision for its 2015 General Election and, if necessary, a runoff election to be held on June 20, 2015.

PASSED, APPROVED and ADOPTED on this the 27th day of January 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED:

City Attorney

STATE OF TEXAS

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COUNTY OF ORANGE

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AUTOMARK LEASE AGREEMENT

Orange County Elections Administrator

PREAMBLE

- 1.01. **Parties.** The Parties to this Agreement are the Orange County Elections Administrator ('Administrator') and the City of Orange ('Entity'), a political subdivision of the State of Texas.
- 1.02. **Purpose.** The Entity has requested to lease 5 Automark unit(s), at a rental rate of \$200.00 per unit, for the conduct of its election to be held on the 9th day of May, 2015.

TERMS OF LEASE

- 1.01. **Lease Period.** The lease period shall commence on the 27th day of April 2015 and continue through the 9th day of May, 2015. In no event shall the lease period be extended to a date which will prevent the lease of the equipment to another entity for the conduct of the entity's election for which the Administrator may be providing elections services.
- 1.02. **Consideration.** The consideration supporting the lease shall be the rental rates set forth in Article 1.02 above.
- 1.03. **Provision of Equipment.** The Administrator will use her best efforts to provide to the Entity only Automark units which the Administrator believes to be in good and safe operating condition. However, the Automark equipment provided under this lease is provided "as is" and without warranty as to its working condition or its fitness for the Entity's particular purpose. Further, the Entity agrees to hold the Administrator, her department and employees, harmless for any damages arising out of the Entity's use of the leased Automark unit(s) in the conduct of its election.
- 1.04. **Damages to Rented Units.** In the event that the leased Automark unit(s) become damaged during the term of the lease and while in the possession of the Entity, the Entity shall pay to the Administrator the costs of repair for any and all actual, incidental and consequential damages to the leased unit(s).
- 1.05. **Designated Sites.** The Administrator shall deliver the leased unit(s) to the locations set forth in Exhibit 'A' attached hereto and incorporated herein by reference. The Administrator shall, likewise, retrieve the leased unit(s) on, or reasonable after the date in which this lease agreement expires.

AGREED upon on the date in which the last Party signed the Lease Agreement.

ORANGE COUNTY ELECTIONS ADMINISTRATOR

Tina Barrow or her duly authorized Representative

Date

CITY OF ORANGE, TEXAS

Shawn Oubre, City Manager

Date

“Exhibit A”

Designated Sites – The Administrator shall deliver the leased units(s) to the following locations:

Early Voting	Orange Public Library 220 N. Fifth Street
District 1	Salvation Army Building 1950 Martin Luther King Drive
District 2	Little Cypress Intermediate School 2300 Allie Payne Road
District 3	North Early Learning Center 801 Cordrey Avenue
District 4	West Orange Stark Middle School 1402 W. Green Avenue

The Administrator shall, likewise, retrieve the leased unit(s) on, or reasonably after the date in which this lease agreement expires.

**A RESOLUTION ENTERING INTO AN AGREEMENT WITH THE
ORANGE COUNTY ELECTIONS ADMINISTRATOR FOR THE
LEASE OF FIVE AUTOMARK VOTER ASSIST TERMINALS.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE,
TEXAS:**

The City Council of the City of Orange, Texas hereby deems it in the best interest financially of the citizens of the City of Orange to enter into an Agreement with the Orange County Elections Administrator for the lease of five Automark Voter Assist Terminals for voting use by certain disabled individuals, the use of said terminals being mandated by the legislature of the State of Texas. The cost of each terminal will be \$200.00 per unit with certain set up fees and will be split equally between the local political subdivisions who will be sharing the machines during the early voting period and on election day.

PASSED, APPROVED and ADOPTED on this the 27th day of January 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED:

City Attorney

MEMORANDUM
January 13, 2015

TO: Kelvin Knauf, Director of Planning and Community Development *KEK*
FROM: Sandra Wilson, Grants Planner 
RE: Analysis of Impediments to Further Fair Housing

Please place the following Resolution on the City Council agenda for Tuesday, January 27, 2015 for Council's review for approval and adoption.

A Public Notice was published in the Orange Leader on Wednesday, December 24, 2014. This is in compliance with our Citizen Participation Plan, which is a part of our Five Year Consolidated Plan. This public notice provided for a 30 day comment period.

Public hearings were held on January 8, 2015 at 10:00 a.m. and 6:00 p.m. at the Neighborhood Facility meeting room and during the regularly scheduled City Council meeting held Tuesday, January 13, 2015 to solicit citizens input and comments on the proposed Analysis of Impediments. No comments were received during the hearings or at any time during the comment period.

The Analysis of Impediments is a document to assess the status of the City of Orange's policies and procedures concerning Fair Housing practices and to identify any impediments found. This document should assist with plans for future activities to be carried out to address and reduce impediments to Fair Housing found in the Analysis.

Specifically based upon the current data available, the following are the impediments and suggested actions that have been identified for the City. The City will document and report its actions to HUD on the removal of impediments through Annual Reports which are a part of the Consolidated Plan Process.

Impediment # 1: Significant number of dilapidated and abandoned housing units in all neighborhoods.

- Housing found in various places in the City is in substandard condition due to abandonment and/or flood damage and some neighborhood are plagued by a number of absentee owners.
- Demolition continues to be needed to address the flood damaged, as well as, dilapidated and abandoned buildings to allow for replacement housing. Flood damaged, as well as, abandoned, dilapidated, and deteriorating housing results in disinvestment and declining neighborhoods which ultimately leads to businesses and job opportunities leaving the area.

Suggested Steps to remove this impediment are:

- The City needs to continue and expand efforts to rehabilitate or demolish substandard housing (including those flood damaged) and build on vacant lots.
- The City should consider the kinds of incentives that can be developed to encourage the private sector, non-profits, lenders, developers and contractors to develop partnerships that can assist in changing neighborhood perception through comprehensive revitalization efforts.

Impediment # 2: Need for financial education and literacy in homeownership/rental.

- Surveys, interviews and feedback from meetings indicate that credit education and financial counseling are lacking in efforts to impact those most in needs of this service. With regards to efforts that are being made, there may be a need to survey local residents to determine what works best for them and hold sessions that are more convenient for their availability.
- Public education is lacking in giving people skills to be more economically independent.

Suggested Steps to remove this impediment are:

- The City should encourage efforts to provide literacy education. Efforts must be made to help those in the community to be pro-active in establishing and maintaining good credit instead of focusing on correcting poor credit. Data showed that most of those experiencing problems in this area were Protected Classes.
- The City should work with local lenders and real estate professionals in helping to develop curriculum and providing instructors for some of the classes. Literacy education should not be limited to the public school, but should take place in neighborhoods and churches.

The requirement for the Analysis of Impediments is found at 24 CFR 91.225. It is part of the Consolidated Planning process and is required as part of the City's certification to affirmatively further Fair Housing.

Should you have any questions, please call me at (409) 988-7395.

RESOLUTION APPROVING AND ADOPTING THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

WHEREAS, the City of Orange, Texas has the responsibility to affirmatively further Fair Housing as codified in the Consolidated Plan requirements under 24 CFR 91.225; and

WHEREAS, the City of Orange supports Fair Housing and Equal Opportunity within its City Limits; and

WHEREAS, the City of Orange certifies that it will affirmatively further Fair Housing when applying for State and Federally funded grants; now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

THAT, the City of Orange, **PASSES** and **APPROVES** the Analysis of Impediments to Fair Housing on this the 27th day of January, 2015.

Jimmy Sims, Mayor

ATTEST:

APPROVED AS TO FORM:

Rhonda Haskins, City Secretary

John Cash Smith, City Attorney

Analysis of the Impediments to Fair Housing

City of Orange, Texas

December 2014

Prepared By:

Community Development Services

Under Contract to:

The City of Orange, Texas

Contents

Section I: Introduction.....	5
Methodology.....	6
City of Orange 2014 Demographics	7
Background: Analysis of Impediments to Fair Housing 2014	8
Activities to Address Impediments—2014	8
B. Public Policy Impediments.....	10
C. Neighborhood Conditions as Impediments	12
Study of Impediments to Fair Housing	13
Section II: Demographic and Economic Overview	14
Population	14
Income	16
Tenure.....	19
Overview of Housing Supply	20
Age and Condition	21
Vacant Units	22
Housing Affordability	22
Housing Problems	28
Recommendations	34
Section III: Fair Housing Status, 2014.....	34
Complaints of Unlawful Discrimination	35

Progress in dealing with Impediments.....	35
Real Estate Impediments	35
Banking, Finance, and Insurance Related Impediments	36
Socioeconomic Impediments	37
Conclusions and Findings	38
“Discrimination Against Persons with Disabilities: Testing Guidance for Practitioners”	39
HUD Fair Housing Enforcement Activity	41
Complaints Received under the Fair Housing Act, as amended:	423
Section IV: Public Sector Analysis.....	44
Overview	44
Transportation	45
Neighborhood Revitalization	46
Property Tax Policies	46
Consolidated Plan Housing Programs.....	49
Community Development Block Grant Program	49
Strategic Plan.....	49
Institutional Structure	50
Public Housing Improvements	51
Lead-Based Paint Hazard Reduction	51
Section V: Fair Housing and Orange’s Private Sector	55
Alternative Lending Sources	56
Sub-Prime Lenders	56
“Payday Lenders”	57

Analysis of the Impediments to Fair Housing

Predatory Lenders	57
Other Private Entities that Impact Fair Housing Choice	58
Real Estate and Housing Development Industry	58
Homeowners Insurance Industry	58
Print Media Advertising	60
The General Public	60
Section VI: Conclusions and Recommendations	62
Important Considerations	62

Section I: Introduction

Fair Housing is the right of individuals to obtain the housing of their choice, free from discrimination based on race, color, religion, sex, disability, familial status, or national origin. This right is assured by the Federal Fair Housing Acts of 1968 and 1988, as amended, which makes it unlawful to discriminate in the sale, rental, financing, and insuring of housing.

Under the Fair Housing Act an aggrieved person may, not later than one year after an alleged discriminatory housing practice has occurred, file a complaint directly with the U.S. Department of Housing and Urban Development (HUD), or a State or local agency enforcing laws that are “substantially equivalent” to the Fair Housing Act. Upon the filing of such a complaint, HUD has the responsibility to serve notice of the complaint and conduct an investigation into the alleged discriminatory housing practice.

In order to ensure the prevention and elimination of housing discrimination, HUD requires all governing authorities directly receiving Consolidated Plan Program funds to certify that the community, consortium or state will “affirmatively further Fair Housing” within their jurisdictions. This requirement is codified in the Consolidated Plan requirements under 24 CFR 91.225. Public agency obligations under the Act may be grouped into three categories:

Intent: The obligation to avoid policies, customs, practices, or processes whose intent or purpose is to impede, infringe, or deny the exercise of fair housing rights by persons protected under the Act.

Effect: The obligation to avoid policies, customs, practices, or processes whose effect or impact is to impede, infringe, or deny the exercise of Fair Housing rights by persons protected under the Act.

Affirmative Duties: The Act imposes a fiduciary responsibility upon public agencies to anticipate policies, customs, practices, or processes that previously, currently, or may potentially impede, infringe, or deny the exercise of Fair Housing rights by persons protected under the Act.

The first two obligations pertain to public agency operations and administration, including those of employees and agents, while the third obligation extends to private as well as public sector activity.

The City of Orange Analysis of Impediments to Fair Housing outlines the steps the City would like to take to implement policies that will help to prevent and eliminate housing discrimination in the City.

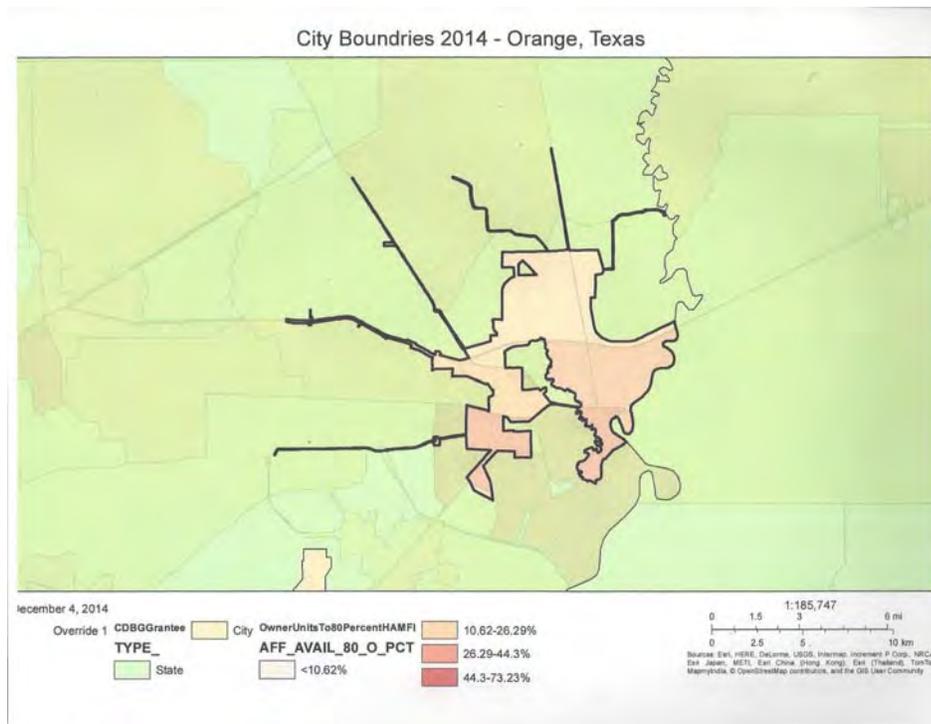
METHODOLOGY

The 2014 Analysis of Impediments (AI) conducted by the Community Development Services team involved several data collection and analysis techniques, including:

1. Analyzing 2010 City's demographic data available through the U.S. Census Bureau housing market and trends in real estate over the past ten years.
2. Interviews with staff and community representatives.

3. A review of source documents, including the most recent AI, conducted by the former Orange Regional HOME Consortium, the 2014-2019 Orange Consolidated Plan, 2014 Texas CHR Annual Report, IDIS activity for 2012, and the CAPER.

4. The impact of the dissolution of the Orange Regional HOME Consortium which left the City with very few avenues to pursue to meet the considerable housing needs that have been identified during the past 10 years.



CITY OF ORANGE 2014 DEMOGRAPHICS

Since the dissolution of the Orange Regional HOME Consortium the City of Orange is the focus of the Consolidated Plan. Therefore, the HUD

demographics established for the City's IDIS usage are utilized for this AI update, available through the City and HUD.

Summarized, the official data shows the City with a current population of 18,643 consisting of 48% male and 52% female. Citizens aged 18 to 65 represent 72.6 percent of the population and those over 65 represent 15.8% of the population. White persons make up 60.6% and blacks 35.4% with the balance of 4% other races including American Indian, Native Hawaiian, and Alaska Natives.

Whites occupy 61.7 % of the households and Blacks/African American occupy 35.9 % with the remaining 2.4 % occupied by others.

The median age of the citizens of the City is 36.1 years.

BACKGROUND: ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING 2014

This AI focuses on the City of Orange since the Orange Regional HOME Consortium was dissolved on September 30, 2011.

ACTIVITIES TO ADDRESS IMPEDIMENTS—2014

Impediment: Need for replacement of abandoned and substandard housing stock.

Issues: Lack of funds to address badly needed improvement in the housing stock as well as abandonment identified by City code inspections.

Impacts: Inability of the City to respond to the housing needs of the City.

Impediment: Rehabilitation cost and inability to meet current city building code standards.

Issues: Older housing stock was built according to building standards enforced at the time. Over the course of decades, building technology has improved and these improvements have been incorporated into current building code standards. When a homeowner decides to make substantial improvements to their home, such as a room addition or other changes requiring building permits, the City looks at the home to assure that current building code standards are met. If the home has systems that are below current standards, the homeowner is expected to make improvements to bring the systems up to date. Given the expense of such improvements, many homeowners are not financially able to make all the improvements necessary to pass the building inspections associated with their improvement project.

Impacts: The costs associated with bringing old systems up to current building code standards has the effect of discouraging homeowners from making major improvements to their properties. At the extreme, potential homebuyers are dissuaded from purchasing the homes all together. The failure to improve properties leads to a general decline in the physical condition of older neighborhoods, in turn leading to disinvestment, abandonment, and demolition.

Impediment: Age and condition of housing stock due to building code standards and material quality prior to 1965.

Issues: The housing stock in older neighborhoods, as mentioned above, was built in an era when building code standards and material quality were much different than those commonly in use today. As a result, many homes in

older neighborhoods have aged poorly, some to the point of nearing complete collapse. Many were painted, at some point, with lead-based paint, adding an element of risk to the well-being of young children, even those living in well maintained homes.

Impacts: The impact of the inferior building material quality and less stringent building code standards on current housing conditions can be witnessed in many older neighborhoods. The homes have a multitude of problems, ranging from leaky roofs to destabilized foundations which place the entire house out of plumb. These neighborhoods typically filter down through income groups, finally being ceded to the lowest income level. These residents have few resources with which to address the problems. The homes fall into major disrepair, eventually requiring removal. In the meantime, these homes become increasingly hazardous to resident and neighbors.

B. PUBLIC POLICY IMPEDIMENTS

Impediment: Inadequate leveraging of private resources for housing with federal funds.

Issues: The supply of federal funds dedicated to the provision of affordable housing is limited. When housing issues receive more public attention, the demand for affordable housing funds increases. Given the extent of revitalization needed in some of Orange's neighborhoods and the need for new affordable housing in other areas of the City, the City must work to expand the impact of the federal funding available by increased leveraging of resources from lending institutions, developers, corporate entities, and other sources.

Impacts: Federal funds are in short supply and face possible reductions in current budget negotiations. Federal funds alone are not sufficient to counter the problems facing poorer neighborhoods and other areas of concern. Significant reliance on federal funding will not provide adequate resources to develop programs that have more than a limited impact on neighborhoods, failing to provide the needed impetus to reverse decline.

Impediment: Adequacy or limitation of funds to address issues such as housing, code enforcement, enhanced city services, law enforcement, etc.

Issues: Few sources exist for funding preservation activities needed in declining neighborhoods. Housing rehabilitation, new construction, code enforcement, street repair, and law enforcement are all activities that require an increased level of funding in order to have a significant impact on the community. While funds are available from the federal government, the needs of the community far exceed the resources available.

Impacts: Lack of adequate funding sources places limitations on the provision of services needed to address issues vital to the preservation and restoration of neighborhoods. While the spirit of renewal provides an optimism about the viability of these neighborhoods, funding shortages blunt efforts to affect change.

Impediment: Demolition of substandard housing in the absence of a strong replacement housing program.

Issues: Demolition activities are necessary to clear substandard housing found in deteriorating neighborhoods. Without concurrent replacement housing programs, demolition activities leave neighborhoods littered with vacant lots that attract other types of trouble for the neighborhoods.

Replacement housing programs work to move homes from other areas onto the vacant lots, or by the construction of new affordable housing. If replacement is completed when the old home is removed there is little time for the vacant lot to become a burden on the neighborhood.

Impacts: As neighborhoods fall into disrepair, more and more homes drop below the level of repair needed to maintain habitability. These homes become hazards to the neighborhoods and need to be removed. Demolition of these homes leaves vacant lots that bring problems of their own. Abandoned lots require maintenance to keep weed and litter down, prevent unwanted dumping, and discourage their use as local hangouts.

C. NEIGHBORHOOD CONDITIONS AS IMPEDIMENTS

Impediment: High cost of rehabilitating units that have never met current code standards.

Issues: Older housing stock was built according to building standards enforced at the time. Over the course of decades, building technology has improved and these improvements have been incorporated into current building code standards. When a homeowner decides to make substantial improvements to their home, such as a room addition or other changes requiring building permits, the City looks at the home to assure that current building code standards are met. If the home has systems that are below current standards, the homeowner is expected to make improvements to bring the systems up to date. Given the expense of such improvements, many homeowners are not financially able to make all the improvements necessary to pass the building inspections associated with their improvement project.

Impacts: The costs associated with bringing old systems up to current building code standards has the effect of discouraging homeowners from making major improvements to their properties. At the extreme, potential homebuyers are dissuaded from purchasing the homes all together. The failure to improve properties leads to a general decline in the physical condition of older neighborhoods, in turn leading to disinvestment, abandonment, and demolition.

Impediment: Inadequate code enforcement, deteriorated conditions such as high weeds, junk/outside storage, abandoned substandard buildings.

Issues: Over a period of many years, owner neglect has allowed certain areas of the city to be neglected and deteriorate. Code enforcement efforts have proved inadequate to halt such decline. Over the course of years, the homes declined beyond the point of being salvageable.

Impacts: Inadequate code enforcement contributes to the deterioration of neighborhoods by allowing detrimental conditions that develop to remain unabated. Homes decline in habitability without an impetus to improve. Junk and weeds overtake vacant lots. Abandoned buildings attract vagrants and become fire and safety hazards. Over time neighborhood viability is lost.

STUDY OF IMPEDIMENTS TO FAIR HOUSING

This AI will look at current conditions, City CDBG beneficiaries, fair housing complaints filed in the City during the past ten years, public and private sector influence on fair housing issues, and finally conclusions and recommendations for fair housing matters in the City.

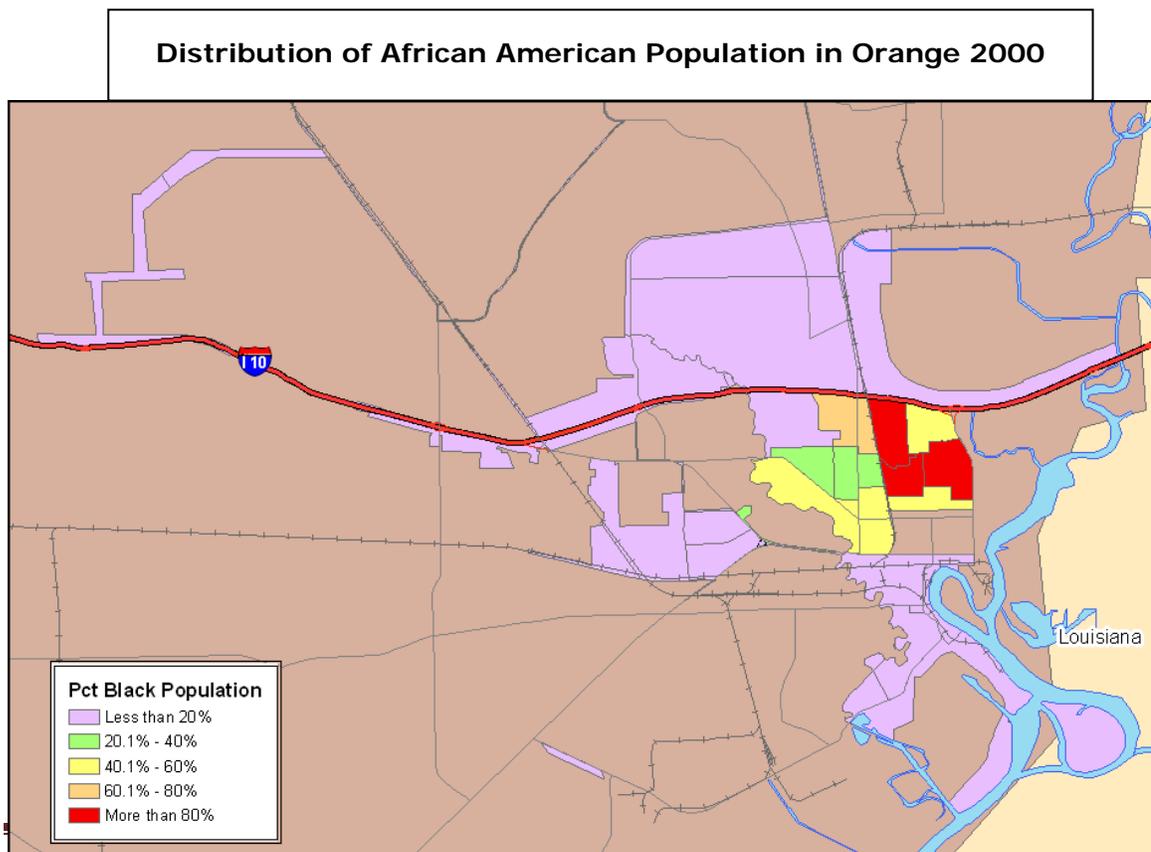
Section II: Demographic and Economic Overview

This section profiles the City of Orange's demographic and housing trends by examining and mapping data from the 2000 and 2010 decennial Census, American Community Survey and other relevant data. After describing demographic characteristics and trends, the section provides an analysis of the area's housing market and a household's ability to purchase a home.

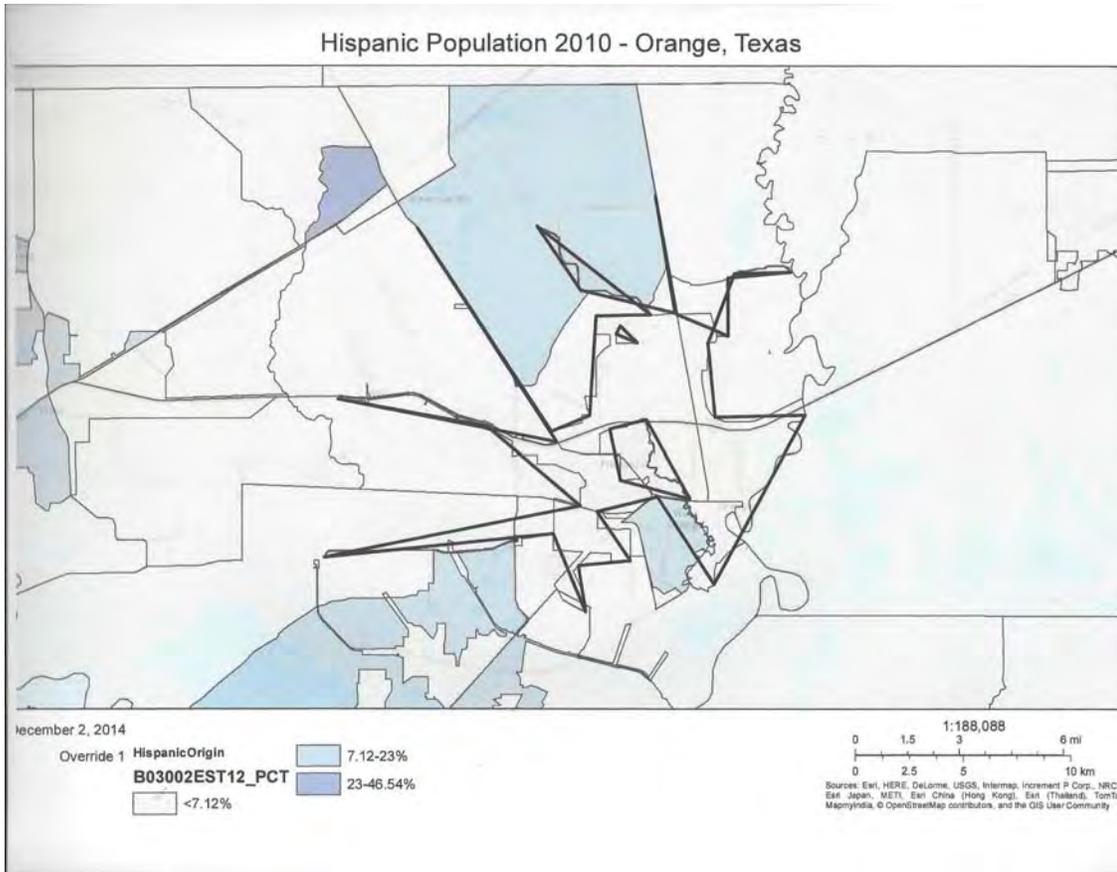
POPULATION

The total population of the City increased from 18,643 to 18,919 between 2000 and 2010.

The distribution of the African American population within the City did not change significantly between 2000 and 2010 with concentrations in the



The distribution of the Hispanic population within the City changed significantly between 2000 and 2010 with concentrations in the eastern disappearing and concentrations in the southern western portions of the City increasing. The Hispanic population increased from 675 to 976 but declined as portion of population from 5.6% to 5.2%



INCOME

The City of Orange's median household income in 2000 was \$29,519 and was \$40,991 in 2010, an increase of 72 percent. The current estimate of median household income is \$44,250¹.

¹ 2013 American Community Survey

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80- 100% HAMFI	>100% HAMFI
Total Households *	1,200	870	1,120	650	3,940
Small Family Households *	435	300	465	245	2,265
Large Family Households *	20	25	50	25	235
Household contains at least one person 62-74 years of age	215	170	155	160	725
Household contains at least one person age 75 or older	135	175	154	120	480
Households with one or more children 6 years old or younger *	220	165	185	50	245

* the highest income category for these family types is >80% HAMFI

Table 1 - Total Households Table

Data 2007-2011 CHAS
Source:

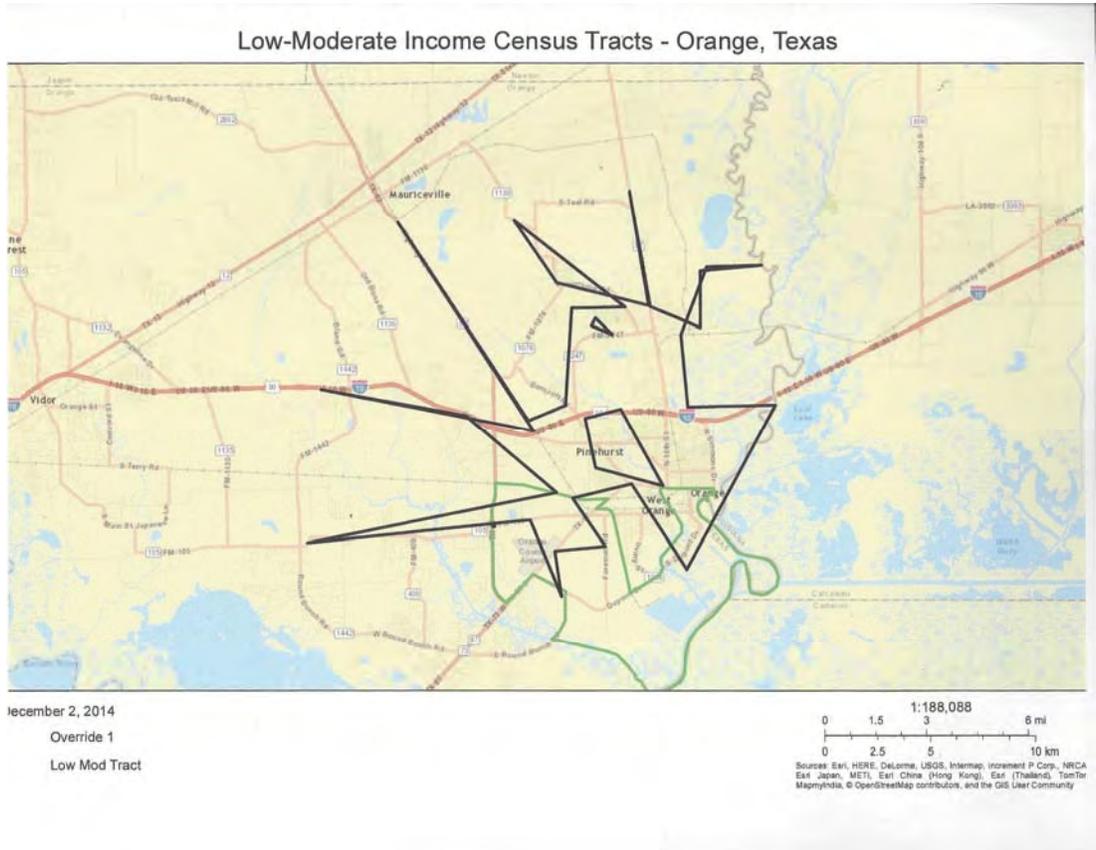
In 2000, the income bracket with the highest number of households in the City of Orange was less than \$10,000, with 18.8 percent of the population having an income in this range. The second highest earning level was \$35,000 to \$49,999, with 15.6 percent of households at this level (by a slim margin, 15.3 percent of the population earned between \$15,000 and \$24,999).

In 2010, the income bracket with the highest number of households in the City of Orange was \$50,000 to \$74,999, with 19.0 percent of the households having income in this range. The second earning level was less than \$10,000, with 13.5 percent of households at this level and the third earning

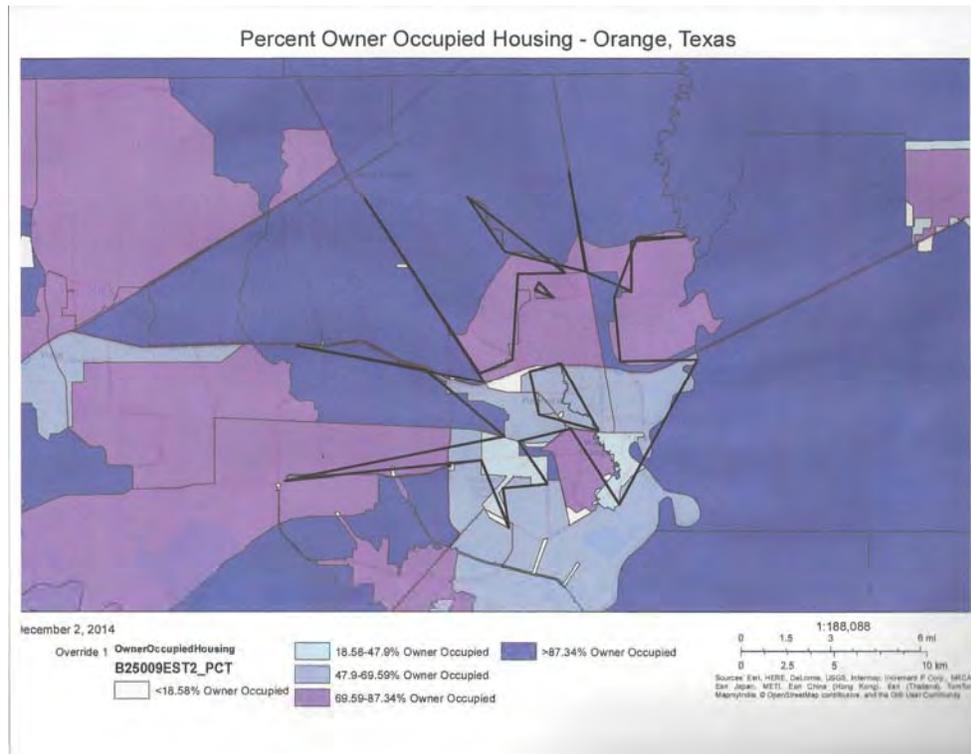
Analysis of the Impediments to Fair Housing

level was \$35,000 to \$49,999 with 11.8 percent of the households having an income in this range.

There are two Low to Moderate Income Census Tracts in the City, both located in the southern portion of the City.



TENURE



Overall the homeownership rate in the City increased from 59.6 percent to 63.2 percent from 2000 to 2010. The total number of homeownership units increased from 4,356 to 4,653, or 6.8 percent.*

The rental rate declined from 40.4 percent to 36.8 percent during the same period. The total number of rental units decreased from 2,954 to 2,707 or 9.1 percent. The overall vacancy rate for rental units was flat at 16.5 percent in 2000 and 2010.*

*SOURCE: U.S. Census: SELECTED HOUSING CHARACTERISTICS: Housing Tenure 2000 & U. S. Census: SELECTED HOUSING CHARACTERISTICS: Housing Tenure 2010

OVERVIEW OF HOUSING SUPPLY

In 2000, there were 8,309 housing units in City of Orange, a net decrease of -1.7 percent from that in 1990. The housing stock declined by an additional -51.2 percent between 2000 and 2007 to an estimated 4,054 housing units. Storm loss reports estimate that 4,139 housing units were lost during hurricanes Rita (2005), Ike and Gustav (2008).

By 2013 there were 8,868 housing units in the City, an increase of 118.7 percent from the post storm low in 2007 and an increase of 6.7 percent from the 2000 Census.

As noted in the Tenure section, homeownership continues to rise in the City, increasing from 58.9 percent in 2000 to 63.2 percent in 2010. City homeownership rates have been consistently below the national average of 64.8 percent.

Between 2000 and 2013 single-family detached housing was the most prevalent type of housing stock in the City. In total, single family detached housing represented 67.1 percent of all housing in the City in 2000 and 72.6 percent of all housing in 2010.

A significant shift occurred in the composition of multi-family housing between 2000 and 2010. Multifamily housing—that is, housing in 4 or more units per structure — was located in buildings that contain 3 or 4 units (26.6 percent) in 2000. In 2010, 12.1 percent of multifamily housing was located in buildings with 5 to 9 units and 10 to 19 units while buildings with 3 to 4 units only comprised 3.4 percent of multifamily housing.

In 2000, mobile homes represented 8.9 percent of all housing while in 2010 mobile homes represented 1.8 percent of all housing.

The change in composition of multifamily units and the reduction in mobile homes are at least in part attributable to the hurricanes.

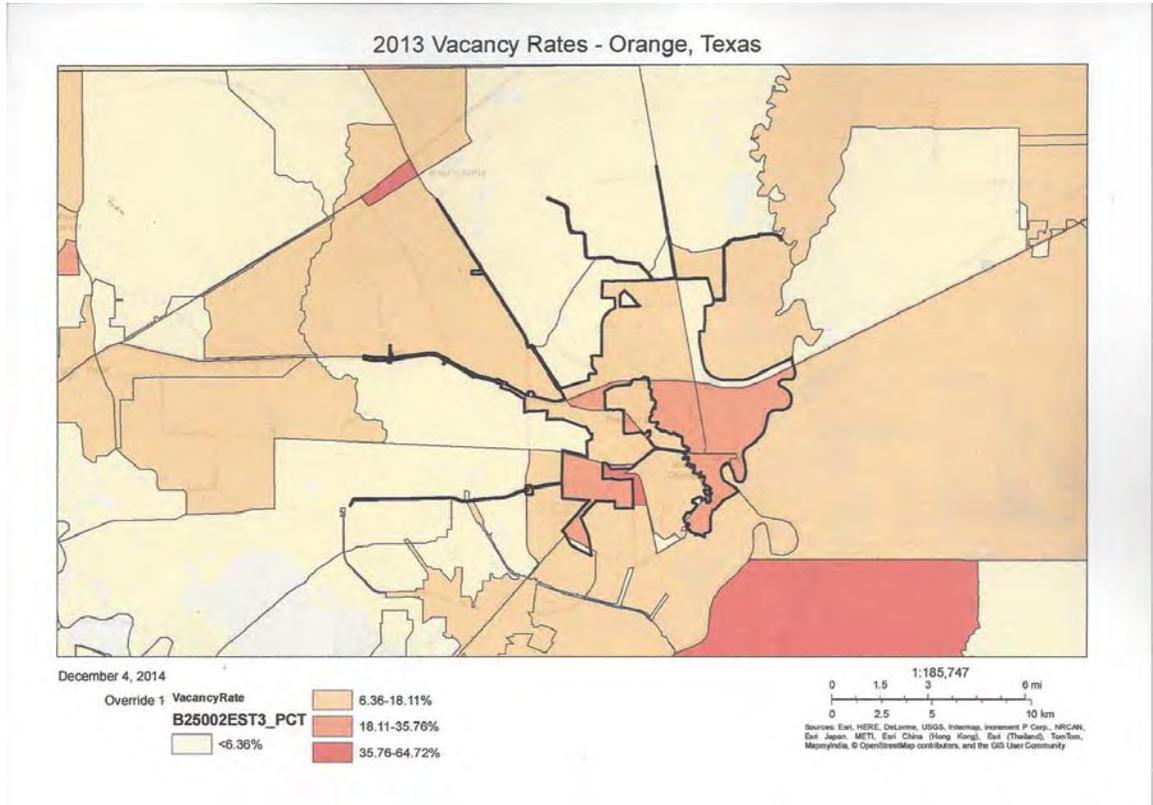
Age and Condition

Between 2000 and 2013 the age of the City's housing stock decreased as more new units were built and older units were torn down after substantial damage from the hurricanes. In the 2000 census, 42.4 percent of the total housing stock in the City of Orange was built in 1959 or earlier. By the 2013 American Community Survey (ACS) the percentage of housing built before 1959 had fallen to 39.6 percent of the City's housing stock.

In 2000 78.7 percent of the housing stock was built prior to 1980, making lead-based paint a potential hazard. By 2013 67.9 percent of the housing stock was built before 1980. Despite the improvement, over two-thirds of all housing stock in the City has the potential of lead-based paint.

When compared to the current national average of 57 percent, Orange's housing stock is considerably older than most and will need substantial financial investments in major structural systems to remain sound and livable. For low-income owners, these repairs are frequently unaffordable, and deferred maintenance hastens the deterioration of their units. Often, low-income rental housing does not generate enough revenue to make improvements without raising the rent to levels that are not affordable to lower income households.

Vacant Units



Vacancy is a proportion of unoccupied units to all housing units. The map above shows the distribution of vacancies throughout the City of Orange. The highest vacancy rate is found in block group 0202.00-3, described above as having among the highest black population, the lowest median income and the lowest homeownership rate.

Housing Affordability

SINGLE FAMILY

Housing affordability is calculated as 30 percent of income for rent, and 28 percent of income for homeownership. The difference is to allow for

additional costs, such as utilities, that are customarily included in a tenant household's rent, but are borne by the household's income as homeowners.

In the City of Orange, the 2013 median cost for a new home was \$129,900, while median value for all housing was \$95,800. Assuming a down payment of 5 percent (\$6,495) and an interest rate of 5.0 percent, the estimated monthly payment (PI) would be \$662 a month. The monthly payment makes the new home affordable to a household earning \$28,391 (or 63.8 percent of the area's median income).

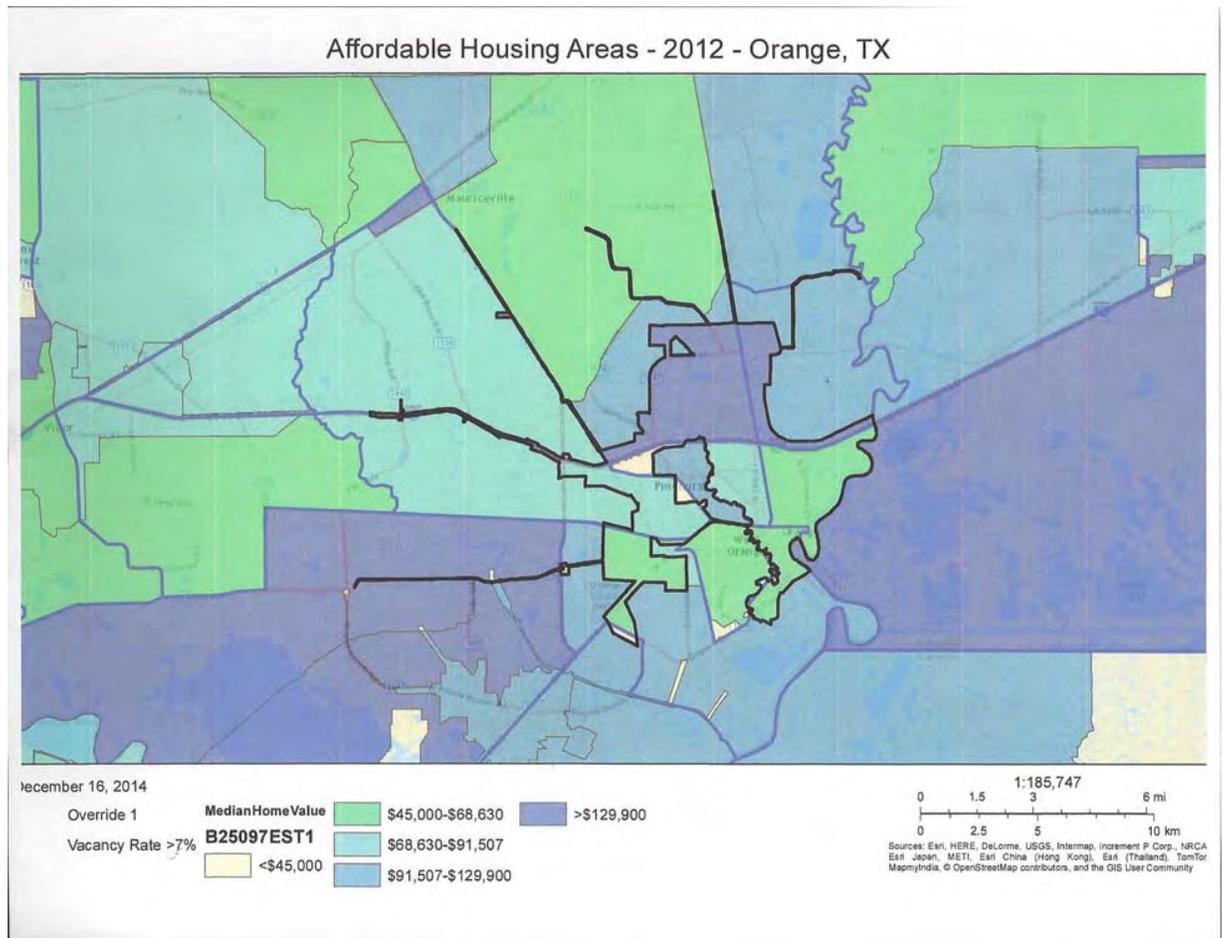
ANNUAL INCOME NEEDED TO PURCHASE NEW OR EXISTING HOUSING								
Type of Housing	Value	5% Down	Mortgage Amount	Interest Rate	Estimated Principal & Interest (Monthly)	Monthly Income Required at 28% Housing Expense	Annual Income	Percent of Median Income
Median New Construction Cost	\$ 129,900	\$ 6,495	\$ 123,405	5%	\$662.46	\$ 2,366	\$ 28,391	63.8%
Existing Median Value	\$ 95,800	\$ 4,790	\$ 91,010	5%	\$488.56	\$ 1,745	\$ 20,938	47.1%

The 2013 median value for an existing home was \$95,800. Assuming a down payment of 5 percent (\$4,790) and an interest rate of 5.0 percent, the estimated monthly payment (PI) would be \$489 a month. The monthly payment makes the existing home affordable to a household earning \$20,938, or 47.1 percent of the area's median income.

A second measure of affordability is the mortgage gap between what a family can pay at 28% of their household income and what mortgage is needed to acquire a newly constructed home or an existing home at median values.

MORTGAGE GAP BY HOUSEHOLD INCOME - ORANGE , TEXAS - 2014							
Household Income	Monthly 28% Housing Expense	Interest Rate	Maximum Mortgage	Down Payment	Maximum Affordable House Value	New Construction Mortgage Gap	Existing Housing Mortgage Gap
\$10,000	\$233	5%	\$43,466	\$2,288	\$45,753	(\$77,652)	(\$45,257)
\$15,000	\$350	5%	\$65,199	\$3,432	\$68,630	(\$54,775)	(\$22,380)
\$20,000	\$467	5%	\$86,931	\$4,575	\$91,507	(\$31,898)	\$497
\$25,000	\$583	5%	\$108,664	\$5,719	\$114,383	(\$9,022)	\$23,373
\$30,000	\$700	5%	\$130,397	\$6,863	\$137,260	\$13,855	\$46,250

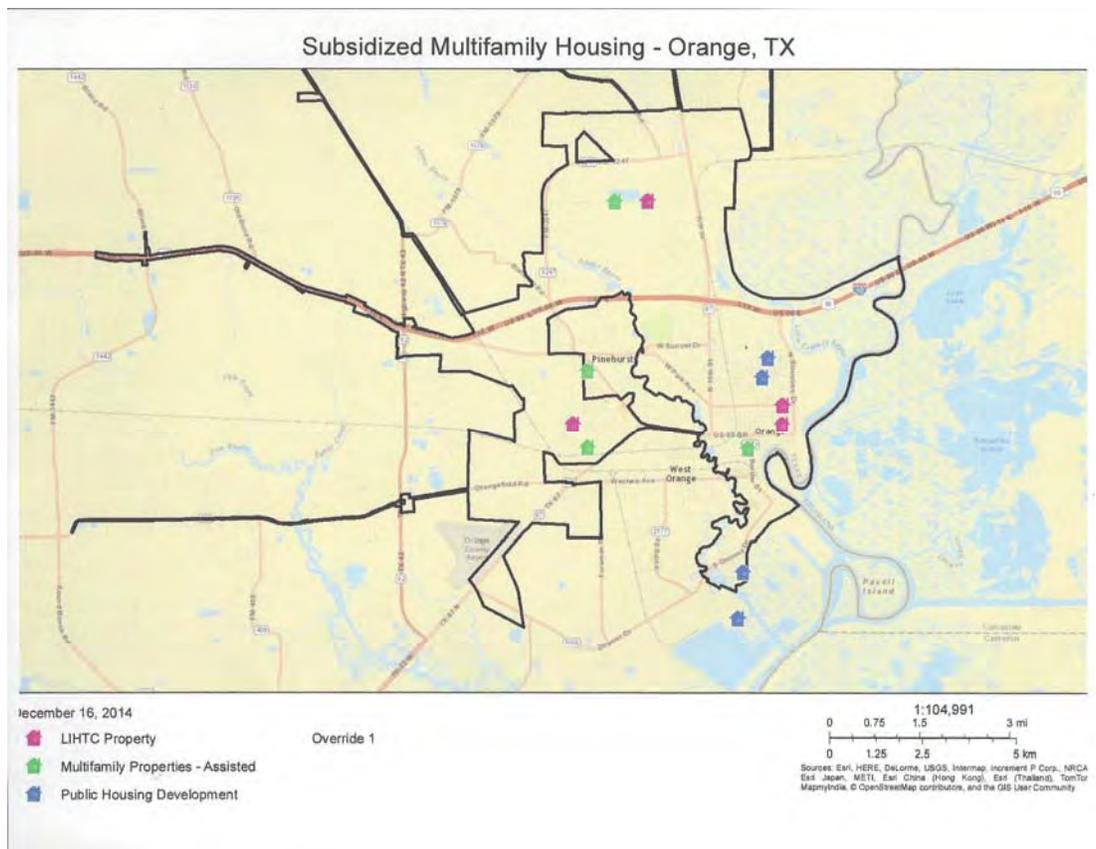
Housing value data from 2013 American Community Survey indicates 64.9 percent of median priced housing in the City is affordable to families whose household income exceeds \$30,000. For households earning \$20,000 or less 53% of existing housing is affordable.



MULTIFAMILY

The median rent in the City is \$713 a month. The range of rents and the percentage of all units combine to define rental affordability in the City².

Rental Affordability Summary				
Gross Rent	Units	Income Affordability: Low End	Income Affordability: High End	Percent of All Units
Less than \$200	61	--	\$ 8,000	2.3%
\$200 to \$299	174	\$ 8,000	\$ 11,960	6.6%
\$300 to \$499	297	\$ 12,000	\$ 19,960	11.3%
\$500 to \$749	1,004	\$ 20,000	\$ 29,960	38.4%
\$750 to \$999	769	\$ 30,000	\$ 39,960	29.4%
\$1,000 to \$1,499	271	\$ 40,000	\$ 59,960	10.4%
\$1,500 or more	41	\$ 60,000	--	1.6%



² U.S. Census Bureau, 2009-2013 5-Year American Community Survey

The City has provided funding to a number of low and very low income projects over the period 2009 through 2014, including:

Project	Type	Total Units	60% AMI	50% AMI	30% AMI
Arbor Pines	HOME/LIHTC	76	60	8	8
Oaks Apartments	LIHTC	200	180	10	10
Heritage Center	Frail & Elderly	62	50	6	6
Spindletop	MH/MR	19	0	19	0
Putnam House	MH	20	0	19	0
Palm Gardens	LIHTC/Senior	76	60	8	8
Neighborhood Development Corp	Homeless	10	0	0	10
Totals	---	463	350	73	42

Total number of units dedicated to low income, active elderly, frail elderly, disabled, homeless, chronic mental health and mental health/mental retardation is 467.

There is significant demand for additional units priced to target households at or below 50% of AMI as evidenced by the designation of Census Tract 202 as a difficult to develop area.

PUBLIC HOUSING

The Orange Housing Authority operates separately from the City of Orange, with its own funding, administration, staff, buildings, and does its own reporting and environmental clearance. The City as Responsible Entity, reviews its consolidated plan, action plan, and certifies the plans as being consistent with the City’s consolidated plan. The City reviews, and certifies OHA’s environmental clearance.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available			431	808			0	0	0
# of accessible units									

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Table 2 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

The Orange Housing Authority has six (6) complexes: Arthur Robinson II has 70 units, James Zay Roberts has 80 units, Alexander Homes has 25 units, Craig Manor has 25 units, Cove Terrace has 34 units, and Anderson Villa has 21 units. OHA has two complexes that are scheduled to be rebuilt, Pine Grove and Velma Jeter. Whispering Oaks is located in West Orange.

Cove Terrace has 34 units in fair condition.

Whispering Oaks has 25 units in fair condition that are scheduled for demolition and rebuilding September of 2016.

Pine Grove, 100 units, demolition complete, property being cleared for rebuilding at the time of this report.

Arthur Robinson II has 70 units in fair condition submitting demolition application September of 2014, Green Space.

Craig Manor has 25 units in fair condition.

Anderson Villa has 21 units in good condition scheduled for homeownership by April 2015.

Alexander Homes has 25 units in fair condition.

Velma Jeter has 46 units, demolished, scheduled for rebuilding September of 2015.

James Zay Roberts Plaza, 80 units in good condition.

Housing Problems

By Department of Housing and Urban Development (HUD) standards, there are three criteria by which a household is determined to have a housing problem:

If a household pays more than 30 percent of its gross monthly income for housing, it is considered *cost burdened*. HUD considers households that pay more than 50 percent of their income on housing costs to be *severely cost burdened*.

If a household occupies a unit that lacks a complete kitchen or bathroom, the unit has a *physical defect*.

If a household contains more members than the unit has rooms, the unit is *overcrowded*.

The following tables provide the breakdown for each of the housing problems:

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs) are shown on the next page:

Analysis of the Impediments to Fair Housing

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	0	0	0	0	0	0	0	0	0	0
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	0	0	0	0	0	0	0	0	0	0
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	0	0	0	35	35	0	0	10	0	10
Housing cost burden greater than 50% of income (and none of the above problems)	305	110	15	0	430	345	95	60	0	500
Housing cost burden greater than 30% of income (and none of the above problems)	235	245	180	35	695	75	65	75	90	305
Zero/negative Income (and none of the above problems)	115	0	0	0	115	50	0	0	0	5

Table 3 – Housing Problems Table

Data 2007-2011 CHAS
Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	305	110	15	35	465	345	95	70	0	510
Having none of four housing problems	285	375	665	205	1,530	100	290	375	410	1,175
Household has negative income, but none of the other housing problems	115	0	0	0	115	50	0	0	0	50

Table 4 – Housing Problems 2

Analysis of the Impediments to Fair Housing

Data 2007-2011 CHAS

Source:

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	330	200	105	635	105	75	95	275
Large Related	0	15	19	34	10	0	20	30
Elderly	49	45	24	118	170	70	10	250
Other	160	94	40	294	140	15	20	175
Total need by income	539	354	188	1,081	425	160	145	730

Table 5 – Cost Burden > 30%

Data 2007-2011 CHAS

Source:

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	245	80	0	325	90	75	25	190
Large Related	0	0	15	15	10	0	20	30
Elderly	20	25	0	45	135	20	0	155
Other	40	4	0	44	110	0	20	130
Total need by income	305	109	15	429	345	95	65	505

Table 6 – Cost Burden > 50%

Analysis of the Impediments to Fair Housing

Data 2007-2011 CHAS
Source:

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	0	0	0	0	0	0	0	10	0	10
Multiple, unrelated family households	0	0	0	35	35	0	0	0	0	0
Other, non-family households	0	0	0	0	0	0	0	0	0	0
Total need by income	0	0	0	35	35	0	0	10	0	10

Table 7 – Crowding Information – 1/2

Data 2007-2011 CHAS
Source:

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	40	104	185	329	0	8	65	73

Table 8 – Crowding Information – 2/2

Two types of populations/households most affected by housing problems are those with seniors which are 62 years of age or older and those with one or more young children under the age of 6. At the extremely low income level (30% AMFI), there are 185 households with seniors and 295 households

with young children. For the 1,210 households at this income level 28% are senior households and 24% have young children. At the very low income level (30 – 50% AMFI), there are 370 households with seniors and 205 with young children. For those 885 households, 42% are seniors and 23% have young children. For the low income households (50 – 80% AMFI), there are 380 senior households and 175 with young children. For those 1,170 households, 32% are seniors and 15% have young children.

RECOMMENDATIONS

Continue to take measures to reduce racial and ethnic concentration by assuring that a variety of housing options are available throughout the City.

Section III: Fair Housing Status, 2014

Unlawful discrimination is one of the most blatant impediments to fair housing, and it is therefore important to make efforts to measure the extent to which unlawful discrimination occurs in the housing market. Analyzing complaints brought by those who believe they have been illegally discriminated against can shed light on the barriers to housing choice and accessibility. Though the number of complaints cannot provide a complete picture of the level of discrimination, it can provide a snapshot of some of the barriers that may exist. The 2014 Analysis of Impediments for the City of Orange can also shed some light on the City's perceptions of the fair housing environment.

This section will review both the evidence of unlawful discrimination (in the form of an analysis of discrimination complaints) and the recent fair housing related activities of the City of Orange. Another purpose of this section is to describe the current fair housing environment. Subsequent sections of this

report will analyze this information for the purpose of identifying current impediments and action steps to minimize the effect of those impediments.

COMPLAINTS OF UNLAWFUL DISCRIMINATION

During 2014, a consulting firm was commissioned to conduct an analysis of fair housing choice for the City of Orange. HUD defines this procedure as a “comprehensive review of policies, practices and procedures that affect the location, availability and accessibility of housing and the current residential patterns and conditions.” In order to accomplish this task the City has examined existing studies and literature, conducted an historical analysis, reviewed the public policies from a fair housing perspective, analyzed the effectiveness of existing fair housing activities and examined barriers to fair housing choice for each protected class.

PROGRESS IN DEALING WITH IMPEDIMENTS

The City’s 2014 Impediments to Fair Housing were divided into five sections, namely Real Estate Sales/Rental, Public Policy, Neighborhood Conditions, Banking/Finance, Real Estate Insurance, and Socio-economic. Progress was recorded in each of the areas; however, due to limited financial resources and the inability to complete the impediments found in the former AI, the City will continue to work on the original categories.

Real Estate Impediments

The City has sponsored forums each year with neighboring communities for appraisers, bankers, real estate agents, and housing advocates, to discuss and develop self-policing policies that provide guidelines for appraisal activities in the area, review procedures, and administrative actions by the

various Board of Realtors when violations occur involving their members.

Progress

The practice of holding industry wide training and forums has been a constant over the past years. Since the real estate industry has changed drastically during the period due to the economy and weather, this practice must continue.

Neighborhood Condition Impediments

The City continues to examine building codes to determine which rehabilitation activities often make improvements unaffordable especially in neighborhood areas of concentrated decline.

Progress

On an annual basis, the City currently spends 100% of CDBG funding in the Strategy areas while achieving maximum leverage of private funds to help achieve fair housing throughout.

Banking, Finance, and Insurance Related Impediments

The City continues to monitor the Home Mortgage Disclosure Act data to track progress that area lenders are making in equalizing home lending practices.

Progress

The City will continue monitoring of HMDA data as an important piece of program to insure protected class citizens have an equal opportunity as to fair housing opportunities.

Socioeconomic Impediments

The City needs to continue work to expand job opportunities through the provision of incentives for local corporations seeking expansion opportunities to reduce unemployment and expand the base of higher income jobs. The City should continue to work to rebuild housing through the replacement of demolished homes with infill or relocated housing, new development projects, and other activities aimed at expanding the supply of affordable housing. Finally, the City should continue to work with nonprofit organizations and developers to create project eligible for Low Income Housing Tax Credit funding.

Progress

The City continues work to expand job opportunities through the provision of incentives for local corporations seeking expansion opportunities to reduce unemployment and expand the base of higher income jobs. City communities have continued to work to rebuild housing through the replacement of demolished homes with infill or relocated housing, new multi-family rental development projects, and other activities aimed at expanding the supply of affordable housing. The City will continue to work to provide an income mix in the communities to lessen income segregation and to provide an income base to expand economic activities in the area. Finally, the City will

continue to work with nonprofit organizations and developers to create projects eligible for Low Income Housing Tax Credit funding.

Low-Moderate and Minority Population Benefit

As reported in the City's Annual Capex, 100% of the Orange CDBG funds benefit low-moderate income people. The City's population is one-third minority. A report from the U. S. Department of Housing & Urban Development's Integrated Disbursement and Information System (IDIS) for the City of Orange reveals that approximately 51% of beneficiaries receiving CDBG assistance are minorities³.

CONCLUSIONS AND FINDINGS

The number of complaints alleging racial or ethnic discrimination in the housing market also account for far less than the actual number of discriminatory acts suggested by recent studies. A series of national studies on the experiences of African Americans, Hispanics, and Asians and Pacific Islanders in the housing market has found evidence of consistent adverse treatment in roughly one of every five interactions with a sales or rental agent. A study on the experience of Native Americans in the rental market in three states found that they experience consistent adverse treatment in 28.5 percent of their interactions with a rental agent, on average.

In addition to presenting information on the level of racial, ethnic, or disability discrimination, recent HUD studies show that discrimination is often subtle. Much of the consistent adverse treatment reported in the aforementioned studies was uncovered using paired-testing—a method by

³ IDIS Report – December 12, 2014

which two persons, differing only on a single characteristic that is being tested (e.g., race), independently inquire about an advertised housing unit. Each of the testers independently records his or her experience, and any difference in treatment is often only apparent when an analyst compares the resulting information. Thus, the disparity between the number of complaints filed with HUD and FHAP agencies and the frequency of discrimination found in housing discrimination studies indicates that victims are often unaware that they have been discriminated against and suggests that discrimination is greatly underreported.

In January 2005, HUD established the Office of Systemic Investigations (OSI) to investigate discriminatory practices that are not reported by individuals. OSI uses methods such as paired-testing to investigate housing providers or other entities that it suspects of engaging in unlawful discrimination.

“Discrimination Against Persons with Disabilities: Testing Guidance for Practitioners”

The HUD published document “Discrimination Against Persons with Disabilities: Testing Guidance for Practitioners” is an aid for fair housing and disability-rights advocates, civil rights enforcement agencies, and others interested in testing for disability-based discrimination. The guidebook resulted from testing in the HUD-commissioned study entitled “Discrimination Against Persons with Disabilities: Barriers at Every Step”.

The guidebook describes the advantages and challenges of conducting telephone and in-person testing for discrimination against persons with disabilities. TTY testing was found to be an inexpensive effective testing strategy because it can be completed quickly, it does not require testers to

travel, and it can span a wide geographic area. Moreover, relay operators provide customers with a verbatim report on each telephone call, providing an independent narrative of what occurred in the disabled portion of the test. However, because telephone calls are generally brief, these tests do not offer the opportunity to capture as much information about differential treatment as in-person tests.

The report also addresses two particular challenges faced by persons with disabilities when conducting in-person tests—transportation and access to the property and/or unit. Deaf or hard-of-hearing testers were not able to access housing that contained an intercom/buzzer entry system and blind testers sometimes had difficulty finding the front door or gaining access to rental properties or management offices. Therefore, the report concluded that it might make sense to send testers to their assignments with someone who could help them gain entrance, but who would not accompany them during tests.

Another significant challenge for disability testing is determining whether the property is accessible enough so that persons with mobility impairments can test it. Before using a property as a test site, *Barriers at Every Step* used a drive-by survey to determine whether it was accessible. The report also suggested that proxy testers be used to test properties that are not accessible.

With proper planning and support, persons with disabilities were able to effectively serve as testers. The most common types of assistance provided for testers with disabilities were transportation to and from the test site, training materials in other formats, such as Braille, and assistance from project staff in completing the test report forms. Cognitively disabled testers

sometimes needed companions to accompany them during the test to help them remember and record the test experiences.

HUD intends for the study and report to serve as a guide for conducting disability discrimination testing. As such, they should be used in conjunction with other testing approaches that may be appropriate for the discriminatory practice being investigated. Copies of the report are available at <http://www.huduser.org>."

HUD Fair Housing Enforcement Activity

HUD investigates complaints of housing discrimination based on race, color, religion, national origin, sex, disability, or familial status. At no cost, HUD will investigate the complaint and attempt to conciliate the matter with both parties. If conciliation fails, HUD will determine whether "reasonable cause" exists to believe that a discriminatory housing practice has occurred. If HUD finds "no reasonable cause," the Department dismisses the complaint. If HUD finds reasonable cause, the Department will issue a charge of discrimination and schedule a hearing before a HUD administrative law judge (ALJ). Either party may elect to proceed in federal court. In that case, the Department of Justice will pursue the case on behalf of the complainant. The decisions of the ALJ and the federal district court are subject to review by the U.S. Court of Appeals.

It can be extremely difficult to detect unlawful discrimination, as an individual home-seeker, and the resolution of these complaints, following investigation, is also important to consider. Note, the following definitions:

Administrative Closure---Action taken as a result of a judicial proceeding, lack of jurisdiction due to untimely filing, inability to identify a respondent or locate a complainant, or if a complainant fails to cooperate.

Conciliation—Parties meet to work out a resolution. Meeting is generally initiated by the equivalent agency (TWC/CRD) or HUD.

Withdrawal/Relief—Situation where the complainant wishes to withdraw without relief or there is relief granted following a resolution between the parties.

No Reasonable Cause—Although there may have been an action taken that appears to be discriminatory under the Fair Housing Law, there is not sufficient evidence uncovered as a result of investigation, to prove the action was in fact discrimination, or in other words one of “Reasonable Cause” to transfer to the U.S. DOJ, District Judge or the HUD Administrative Law Judge for a judicial ruling.

Reasonable Cause—As a result of investigation, that may also be considered in a conciliation or other attempted resolution action; there is sufficient evidence or “Reasonable Cause” to present the case to the (DOJ) District Judge or the HUD (ALJ), for a judicial ruling.

Complaints Received by the U.S. Department of Housing and Urban Development, Southwest Office of Fair Housing and Equal Opportunity, 801 Cherry Street, P.O. Box 2905, Fort Worth, Texas 76113-2905 or 1-888-560-8913 under the Fair Housing Act, as amended are shown below:

City Title VIII Cases Received FY 2005 through FY 2012

Compliant Basis	Number	Conciliated	No Cause	Administrative Closure
Race	4	2	2	0
Race/Sex/Religion	1	1	0	0
Familial Status	2	1	0	1
Sex/Family Status	1	1	0	0
Disability	3	0	2	1
Total Filed - Outcomes	11	5	4	2

There were no cases filed based on color.

No Fair Housing cases have been filed with the City of Orange.

Due to confidentiality, the individual disposition of each case has not been provided by HUD, although it is expected that some level of discriminatory behavior may have occurred in cases that were not processed further.

You may file a complaint with the City of Orange Fair Housing Officer, by calling (409) 988-7399 or you may file a complaint with the U.S. Department of Housing and Urban Development (HUD). HUD may be contacted at U.S. Department of Housing and Urban Development,

Southwest Office of Fair Housing and Equal Opportunity, 801 Cherry Street, P.O. Box 2905, Fort Worth, Texas 76113-2905 or 1-888-560-8913. You can also file online at <http://www.hud.gov/complaints/housediscrim.cfm>.

Section IV: Public Sector Analysis

OVERVIEW

The Public Sector Analysis of the fair housing impediment analysis assesses how the City of Orange's building codes, zoning laws, and associated procedures may interfere with the furtherance of federal fair housing legislation. The Public Sector Analysis also provides information on current institutional structure and strategy.

The Fair Housing Act generally prohibits the application of special requirements through land-use regulations, restrictive covenants, and conditional or special use permits that, in effect, limit the ability of minorities or the disabled to live in the residence of their choice in the community. If large-lot minimums are prescribed, if a house must contain a certain minimum amount of square feet, or if no multi-family housing or manufactured homes are permitted in an area, the results can exclude persons protected by the Act. If local mandates make it unfeasible to build affordable housing or impose significant obstacles, then a community must affirmatively work toward eliminating this impediment to fair housing choice.

The Fair Housing Acts of 1968 and 1988, as amended, also make it unlawful for municipalities to utilize their governmental authority, including zoning and land use authority, to discriminate against racial minorities or persons with disabilities. Zoning ordinances segregate uses and make differentiations

within each use classification. While many zoning advocates assert that the primary purpose of zoning and land use regulation is to promote and preserve the character of communities, inclusionary zoning can also promote equality and diversity of living patterns. Unfortunately, zoning and land-use planning measures may also have the effect of excluding lower-income and racial groups.

Zoning ordinances aimed at controlling the placement of group homes is one of the most litigated areas of fair housing regulations. Nationally, advocates for the disabled, homeless and special needs groups have filed complaints against restrictive zoning codes that narrowly define “family” for the purpose of limiting the number of non-related individuals occupying a single-family dwelling unit. The ‘group home’ arrangement/environment affords many persons who are disabled the only affordable housing option for residential stability and more independent living. By limiting the definition of “family” and creating burdensome occupancy standards, disabled persons may suffer discriminatory exclusion from prime residential neighborhoods.

TRANSPORTATION

Transportation links are an essential component to successful fair housing. Residents who do not have access to commercial areas are limited in where they can shop for goods and services, as well as seek employment. The converse is true as well. Inadequate transportation routes limit the selection of housing to neighborhoods within transportation service areas. Convenient roads in good repair are as important for those who rely on their own vehicles for transportation as they are for those who rely on public transportation.

NEIGHBORHOOD REVITALIZATION

The City of Orange carries out federal programs administered by the U.S. Department of Housing and Urban Development. In 2014, the City of Orange published their Consolidated Five Year Strategic Plan which addressed housing and community development needs during the period of 2014-19. The one-year Action Plan describes the activities to be undertaken during the fiscal year and how the City will use federal and local resources to accomplish the stated objectives. The annual plan also describes how other community resources will be utilized to address the needs of the homeless, low to moderate income individuals and families, and other populations.

PROPERTY TAX POLICIES

Across the country, older cities – with the support of the federal government – have begun to invest in economic and community development programs designed to revitalize their decaying urban cores and Orange is no exception. The foundation upon which this kind of development is built is the ability to achieve fairness in the appraisal process within these neighborhoods. Since the starting point for most bank appraisals is the tax department, discriminatory assessment practices can undermine a homebuyer's ability to secure mortgage financing in an amount commensurate with the property's true market value.

Although the Fair Housing Act specifically prohibits the consideration of the racial or ethnic composition of the surrounding neighborhood in arriving at appraised values of homes, no practical means exist to investigate violations of this kind. One reliable approach, however, is to review, periodically, the

assessment policies and practices of the taxing jurisdiction since their valuations generally comprise the bases for private appraisals.

Property tax assessment discrimination against low-income groups occurs when lower value properties and/or properties in poorer neighborhoods are assessed for property tax purposes at a higher percentage of market value, on average, than other properties in a jurisdiction. Regressive assessments (the tendency to assess lower value properties at a higher percentage of market value than higher value properties) are not uncommon in this country. They result from political pressures, practical problems in assessment administration and the use of certain inappropriate appraisal techniques. Assessments tend to remain relatively rigid at a time when property values are rising in middle income neighborhoods and are declining or remaining at the same level in low-income neighborhoods.

Inequities in property tax assessments are a problem for both lower-income homeowners and low-income tenants. Millions of low-income families own homes. Variations in assessment-to-market value ratios between neighborhoods or between higher and lower value properties can make a difference of several hundred dollars or more each year in an individual homeowner's property tax bill. In addition to causing higher property tax bills, discriminatorily high assessment levels can also have an adverse impact upon property values. Buyers are less likely to purchase a property if the property taxes are perceived as too high thereby making the property less attractive and reducing its market value.

Another common inequity is the assessment of multifamily dwellings at a higher ratio to market value than single family dwellings. This type of inequity may be considered a form of discrimination against low-income groups because a higher percentage of low-income than middle-income

persons live in multifamily rental dwellings. The requirement to pay a higher assessment is passed on to the tenant in the form of higher rent. Quite often, higher assessments also make it difficult for landlords to maintain property within the limits of the property's rent structure leading to substandard housing conditions.

Most jurisdictions rely heavily on a market value approach to determining value when conducting their property assessment appraisals. Under this approach, an appraiser compares recent sale prices of comparable properties within the area – in addition to site visits and a good deal of expert speculation – in arriving at an appraised value. The limitations inherent in market value approaches are many. Most prominent among them are the cumulative result of decades of discriminatory valuations, especially where the neighborhood is a minority one. Unless some radical re-appraisal process has been conducted within the preceding 10-year period, the present market value approach merely compounds past discrimination.

While the market value approach may operate successfully in some jurisdictions, a substantial percentage of jurisdictions rely primarily on a replacement cost approach in valuing properties. Making determinations of value based on comparable sales is a complex task, which requires considerable exercise of judgment. Assessor's departments, which must appraise every property within a jurisdiction, often do not find it feasible to make the detailed individual analysis required to apply the market value approach.

In summary, neither property tax appraisals nor property taxes themselves appear to be impediments to fair housing in the City of Orange.

CONSOLIDATED PLAN HOUSING PROGRAMS

Community Development Block Grant Program

The Community Development Block Grant (CDBG) program is used to plan and implement projects that foster revitalization of eligible communities. The primary goal of the program is the development of viable urban communities. Program objectives include the provision of decent housing, a suitable living environment and expanded opportunities principally for low-to moderate-income individuals and families. The City of Orange has been an entitlement city for almost 40 years and receives its CDBG allocation directly from HUD.

STRATEGIC PLAN

The City's 2014 – 2019 Consolidated Plan contain the following decent affordable housing strategies:

1. Continue to increase homeownership throughout the City. During the next five years, homeownership in the City should be 25 homebuyers completing a counseling/education program and 10 low income homebuyers purchasing a home.
2. Reduction of the currently unmet needs for permanent supportive housing for special needs individuals and families is expected to be completed by the end of 2019.

3. Complete the Analysis of Impediments update and continue reduction of the number of incidents of fair housing violations and decrease in disparate treatment of protected class families pursuing private or public housing opportunities.

4. Improvement in the quality of life of low-moderate income, including homeless, families and individuals seeking decent housing opportunities in areas of revitalization that allow improved access to employment centers helping at least five special needs cases each year.

Institutional Structure

The City of Orange has a Planning and Community Development Department, which is responsible for CDBG. The Department also contains the code enforcement division. The Director of Planning and Community Development is responsible to the City Manager, who is responsible to City Council. All contracts originated for federally funded programs require City Council approval.

The Planning and Community Development Department (“the Department”) is responsible for the day to day operation of the various programs.

Annually, during Fair Housing Month, the cities of Orange, Beaumont and Port Arthur combine resources to hold the Southeast Texas Regional Fair Housing Conference. Additional sponsors in 2014 included: Lone Star Legal Aid; the Beaumont Convention and Visitors Bureau; Hardin County; the City of Bridge City; Entergy Texas, Inc; and Workforce Solutions of Southeast Texas. The 2014 conference included workshops on: Your Housing Rights; Fair Housing for Tenants; Transitioning from Renting to Owning; and

Avoiding Foreclosure. Over a hundred people attended the 2014 Conference.

Public Housing Improvements

The Orange Housing Authority (OHA) operates a total of 357 units. HAO annually receives Federal funds to modernize and repair public housing units. OHA renovates a number of units annually replacing kitchen cabinets, all countertops, water heaters, and completes bathroom renovations and painting. OHA has a replacement cycle on all appliances⁴.

Lead-Based Paint Hazard Reduction

Lead poisoning is one of the worst environmental threats to children in the United States. While anyone exposed to high concentrations of lead can become poisoned, the effects are most pronounced among young children.

All children are at higher risk to suffer lead poisoning than adults, but children under age six are more vulnerable because their nervous systems are still developing. At high levels, lead poisoning can cause convulsions, coma, and even death. Such severe cases of lead poisoning are now extremely rare, but do still occur. At lower levels, observed adverse health effects from lead poisoning in young children include reduced intelligence, reading and learning disabilities, impaired hearing and slowed growth.

Since the 1970s, restrictions on the use of lead have limited the amount of lead being released into the environment. As a result, national blood lead

⁴ Housing Authority City of Orange Five Year Plan 2006 <http://www.hud.gov/offices/pih/pha/approved/pdf/06/tx037v01.pdf>

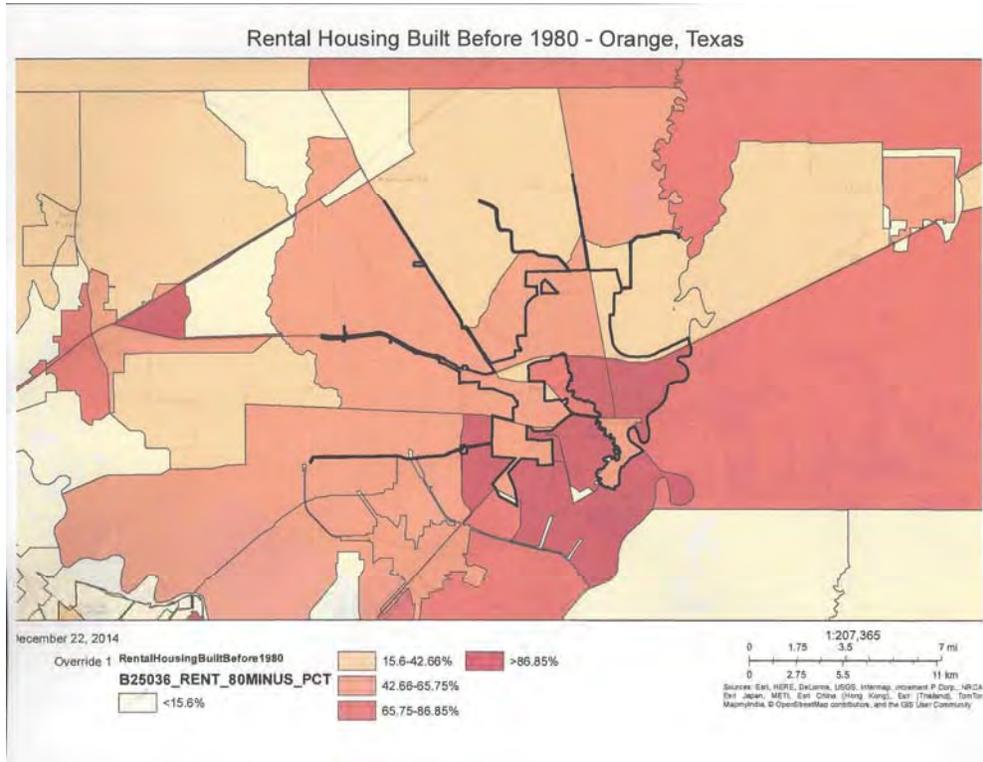
levels for children under the age of six declined by 75 percent over the 1980s and declined by another 29 percent through the early 1990s. Despite the decline in blood-lead levels over the past decade, recent data show that 900,000 children in the United States still have blood lead levels above 10µg/dL. These levels are unacceptable according to the Centers for Disease Control and Prevention (CDC) which lowered blood lead intervention level for young children from 25 to 10µg/dL (micrograms of lead per deciliter of whole blood) in 1991. Many of these lead-poisoned children live in low-income families and in old homes with heavy concentrations of lead-based paint. The CDC identified the two most important remaining sources of lead hazards to be deteriorated lead-based paint in housing built before 1978 and urban soil and dust contaminated by past emissions of leaded gasoline.

The national goal for blood lead levels among children ages six months to five years is to limit elevations above 15µg/dL to no more than 300,000 per year and to entirely eliminate elevations above 25µg/dL.

Estimated Units with Lead-Based Paint			
Source: American Healthy Homes Survey: 2011 & U.S. Census: SELECTED HOUSING CHARACTERISTICS: Housing Tenure 2010			
City of Orange, Texas			
Construction Year	Occupied Housing Units built before 1980	Housing with Lead-Based Paint	
		Units	Percent
Total	11,291	9,261	82%
1960 to 1979	6,835	5,195	76%
1940 to 1959	3,620	3,330	92%
Before 1940	836	736	88%

Based on these estimates, as many as 11,291 occupied housing units in the City of Orange may contain lead-based paint. Nationally, the presence of lead is even more widespread in public housing; 86 percent of all pre-1980 public housing family units have lead-based paint somewhere in the building.

Two important measures of the likelihood of lead-based paint poisoning are living in a rental structure that was built prior to 1978 (using census year 1980 as a proxy), and being in a low income household.



The map above provides the distribution of rental housing built before 1980 and the map below provides the distribution of low income households in the City.

The correlation between low income households and rental units built before 1980 is significant.

equity in their home for other expenses. Mortgage credit, home improvement loans, and refinancing loans together keep neighborhoods attractive and keep residents vested in their communities.⁵

Alternative Lending Sources

Sub-Prime Lenders

While conventional lenders focus their marketing efforts on consumers with few or no credit blemishes (those with “A” credit), an alternative source of loan funds for consumers with lower credit scores (“B” or “C” credit) is sub-prime lending institutions. While sub-prime lenders simplify the application process and approve loan applications more quickly and more often, these lenders also charge higher interest rates to help mitigate the increased risk in lending to consumers with poorer credit histories. Interestingly, consumers who borrow from sub-prime lenders often do qualify for loans from conventional lenders, but succumb to marketing tactics that encourage them choose sub-prime institutions over conventional. Recent studies by Freddie Mac, the government-sponsored entity that purchases mortgages from lenders and packages them into securities that are sold to investors, show that between 25 percent and 35 percent of consumers receiving high cost loans in the sub-prime market qualify for conventional loans.⁶ This may be a result of the loss of conventional lenders in the community. Having fewer lenders from which to choose, consumers select those that are conveniently located, even at a higher price.

⁵ Profile of Lima, Ohio, Federal Reserve Bank of Cleveland, Fall 2000.

⁶ Information for this discussion provided by Miami Valley Fair Housing Center.

“Payday Lenders”

Another source of loans is check cashing or “payday” lenders. Check cashing outlets (such as currency exchanges) cash payroll, government, and personal checks for a fee. Their popularity increases as customers lose access to banks or cannot afford rising fees associated with the inability to maintain minimum balance requirements. Consumers use these outlets for their banking needs and are charged for the services they receive. These businesses offer temporary “payday loans” by accepting a postdated check from the customer, who receives the funds immediately, minus a fee. When used regularly, these fees can equate to double-digit interest rates.

Although these services tend to be located in areas of highest minority and low-income concentration, they are also found in very close proximity to local lenders. Customarily, however, they fill the void left by banks that do not service an area or have moved from it.

Predatory Lenders

While most sub-prime lenders serve a need by targeting borrowers with sub-par credit histories, some go too far. Those that do are known as predatory lenders. Lending becomes predatory when lenders target specific populations (such as low-income, minority, or elderly homeowners), charge excessive fees, frequently refinance the loan, and often mislead the borrower. Since wealth is often tied to property ownership, this system threatens to deprive residents of their assets by overextending their home’s equity and, in some cases, foreclosing on the homes of people who cannot afford the high interest rates and associated fees.

OTHER PRIVATE ENTITIES THAT IMPACT FAIR HOUSING CHOICE

Real Estate and Housing Development Industry

Throughout the analysis period, the Nation's economy experienced a sustained economic decline although Orange has lost population and housing due to hurricane and flood damage. Since 2010 the Country is on a rebound following the recession of 2008.

Homeowners Insurance Industry

Fair housing is about expanding the housing choice for those restricted by economic, social, political, and other forces. The persistence of unfair housing underlies unequal education, unequal access to jobs, unequal income, and redlining. Redlining is an exclusionary practice of real estate agents, insurance companies, and financial institutions that exists when 'there is a lack of activity by [an] institution to extend credit or coverage to certain urban neighborhoods because of their racial composition; or they are denied because of the year-to-year change in racial composition and the age of structure in a neighborhood regardless of the creditworthiness or insurability of the potential buyer and policy holder or the condition of the property."⁷

Over 45 years ago, an observation was made that "insurance is essential to revitalize our [American] cities. It is the cornerstone of credit. Without insurance, banks and other financial institutions will not—and cannot—make loans. New housing cannot be repaired. New businesses cannot expand, or survive. Without insurance, buildings are left to deteriorate, and services,

goods and jobs diminish.”⁸ This statement can accurately describe many cities in 2014 as well as those in 1968. Investigations and statistical and applied research throughout the United States has shown that residents of minority communities have been discouraged in pursuit of homeownership, while many predominantly white neighborhoods have been successful in attracting those seeking the American dream of owning a home.

Discrimination in the provision of housing insurance has a lasting effect on the vitality of America’s neighborhoods. Many traditional industry underwriting practices which may have some legitimate business purpose also adversely affect minorities and minority neighborhoods. While more recent studies have found little evidence of differential treatment of mortgage applications, evidence does suggest that lenders may favor applicants from Community Reinvestment Act (CRA)-protected neighborhoods if they obtain private mortgage insurance (PMI). The requirement of obtaining this additional type of insurance may actually mask lender redlining of low-income and minority neighborhoods. For loan applicants who are not covered by PMI, there is strong evidence that applications for units in low-income neighborhoods are less likely to be approved. Furthermore, these potential homeowners are more likely to be subject to policies that provide more limited coverage in case of a loss, and are likely to pay more for comparable policies.

Another critical factor in marketing of insurance is the location of agents. Most of the property insurance policies sold by agents are to insure within neighborhoods in which the agent is located. Studies have shown that the

⁷ Hutchinson, Peter M., James R. Ostas, and J. David Reed, 1977, A Survey and Comparison of Redlining Influences in Urban Mortgage Lending Markets. *AREUEA Journal* 5(4):463-72.

⁸ National Advisory Panel on Insurance in Riot Affected Areas, 1968.

distribution of agent locations was clearly related to the racial composition of neighborhoods. A review of the local Orange Yellow Pages⁹ shows that the insurance companies who provide homeowners insurance have offices throughout the City. While these are mostly located on main roads, their services are uniformly accessible to households of all but the highest income levels.

Print Media Advertising

In the context of fair housing, discriminatory advertising is any advertising that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status or national original, or an intention to make any such preference, limitation, or discrimination. Overt or tacit discriminatory preferences or limitations are often conveyed through the use of particular words, phrases, or symbols.

The General Public

Three questions are usually asked of realtors, bankers, and insurance companies:

1. Has your company encountered any acts of discrimination by others against the families your company serves over the last five years?
2. Does your company sponsor any training or educational opportunities on equal opportunity and/or fair housing?

⁹ On-line review of www.yellowpages.com, accessed 8/10/09.

3. Does your company sponsor any training or educational opportunities on equal opportunity and/or fair housing?

The real estate industry was quick to say that there are no problems in fair housing. One group indicated they had been told by a landlord to say that a house could only be rented to one race or another. The realtor explained that the company could not help the landlord without violating Fair Housing laws.

The insurance industry was aware of no discrimination besides the disproportionate impact that credit scores have on insurance premiums. The insurance industry has not held fair housing training for themselves or their clients. One insurance Company stated that they usually try to talk thru issues with their potential clients, but none of the issues relate to Fair Housing.¹⁰

¹⁰ Interviews conducted in November and December 2014

Section VI: Conclusions and Recommendations

This section presents the Fair Housing Analysis Update for the City of Orange 2014-2019 Consolidated Plan. It includes existing impediments to fair housing choice currently being addressed – and the plans recommended to remedy them. The Update centers on the following subjects based on Public/Private information regarding the Real Estate, Insurance and Banking Industries, Housing Authority, Texas Workforce Commission, Texas Insurance Department, and the Fort Worth and Houston HUD Offices of Fair Housing and Equal Opportunity, and Community Planning and Development. The City's (Consortium's) final Analysis of Impediments was conducted in 2009.

IMPORTANT CONSIDERATIONS

Two key housing related groups in the City—the Department of Planning and Community Development and the Orange Housing Authority must work continually with the private sector to promote and explain the requirements of the Fair Housing Act. Local housing providers do receive calls when an alleged violation occurs, and provide information on the Act, and should provide guidance on how to lodge a formal complaint. Complaints relative to projects funded with federal dollars are directed to HUD and all other situations are directed to the City.

The City should encourage the Chamber of Commerce, other government officials, Realtors and individuals to become better informed about Fair Housing and the Fair Housing compliant process. Encouragement should include examples of discriminatory practices and complaints resolved successfully through mediation.

One frequent threat to Fair Housing is the development of housing options for special needs populations. In some instances, residents place significant pressure on local elected officials and zoning officers to deny variances, permits, etc.

The City must join with realtors to disseminate current information on fair housing training tools for housing industry professionals. The City and realtors should work to remove barriers to equal housing opportunities since some lenders have not been as proactive.

Throughout the year, the City and local housing providers must work together to promote fair housing, hold conferences, distribute materials, educate both tenants and landlords, and continually strive to limit the local violations to the Fair Housing Act.

As housing markets expand and become more competitive in the City, instances of NIMBYism, or “not in my backyard”, may become more common. Whether it is neighborhood opposition to density, low-income housing or housing for special population groups, obtaining a site and approval by communities is difficult. In many cases, the process leads to greater costs, making it difficult to maintain affordability for those who need them. In an effort to open the doors wider to fair housing options for all individuals, the City should work closely with local public housing providers, landlords, non-profits government, service providers, and funding institutions to assess the housing needs and promote an organized mechanism for addressing these needs.

At the same time, discussion about limiting sprawl, improving social service delivery centers, and placing special need populations back in the community will continue. This discussion will result in continued conflicts between

identifying appropriate housing for those who need the most assistance and finding a place for them to live. Therefore, it will be important to provide community education to ensure the ability to continue to develop affordable housing that will also take into account economic and health issues that are directly related the problems of deteriorated housing including the presence of lead based paint and literacy that relates to employability of the low/moderate income community in the City/Consortium.

Implementation of activities should include:

Developing fair housing brochures and flyers;

Disseminating fair housing brochures and flyers throughout the community, via conferences, housing fairs, and information racks in public facilities, etc.;

Reviewing proposed policies in the City land use plans;

Recommending the inclusion of policies allowing for a diversity of housing types and locations;

Reviewing existing zoning and land development policies for possible revisions to permit more affordable housing;

Reviewing successful models for developing new low- and moderate-income housing by other communities and private developers; and

Finally, the City should guide the work of fair housing enforcement and outreach strategies. By approaching the issue of fair housing in a comprehensive way, the City will identify the most effective means to

achieving compliance and enforcement through outreach, advocacy, investigative services, and testing. All of these efforts contribute to a more educated citizenry relative to increased public awareness and understanding of the issue of fair housing and of the appropriated corrective resources available to residents of the City.

Specifically based upon the current data available, the following are the impediments and suggested actions that have been identified for the City. The City will document and report its actions to HUD on the removal of impediments through Annual Reports which are a part of the Consolidated Plan Process.

Impediment # 1: Significant number of dilapidated and abandoned housing units in all neighborhoods

- Housing found in various places in the City is in substandard condition due to abandonment and/or flood damage and some neighborhood are plagued by a number of absentee owners.
- Demolition continues to be needed to address the flood damaged, as well as, dilapidated and abandoned buildings to allow for replacement housing. Flood damaged, as well as, abandoned, dilapidated, and deteriorating housing results in disinvestment and declining neighborhoods which ultimately leads to businesses and job opportunities leaving the area.

Suggested steps to remove this impediment

- The City needs to continue and expand efforts to rehabilitate or demolish substandard housing (including those flood damaged) and build on vacant lots.
- The City should consider the kinds of incentives that can be developed to encourage the private sector, non-profits, lenders, developers and contractors to develop partnerships that can assist in changing neighborhood perception through comprehensive revitalization efforts.

Impediment # 2: Need for financial education and literacy in homeownership/rental

- Surveys, interviews and feedback from meetings indicate that credit education and financial counseling are lacking in efforts to impact those most in needs of this service. With regards to efforts that are being made, there may be a need to survey local residents to determine what works best for them and hold sessions that are more convenient for their availability.
- Public education is lacking in giving people skills to be more economically independent.

Suggested steps to remove this impediment:

- The City should encourage efforts to provide literacy education. Efforts must be made to help those in the community to be pro-active in establishing and maintaining good credit instead of focusing on

correcting poor credit. Data showed that most of those experiencing problems in this area were Protected Classes.

- The City should work with local lenders and real estate professionals in helping to develop curriculum and providing instructors for some of the classes. Literacy education should not be limited to the public school, but should take place in neighborhoods and churches.



Budget Performance Report

Fiscal Year to Date 12/31/14

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year Total
REVENUE										
Department 000 - Revenue										
3102	Sales Tax	1,085,000.00	.00	1,085,000.00	90,093.14	.00	213,628.40	871,371.60	20	1,179,026.34
3141	Interest Earned	3,000.00	.00	3,000.00	248.41	.00	720.13	2,279.87	24	2,735.75
3183	Miscellaneous	500.00	.00	500.00	.00	.00	.00	500.00	0	.00
3185	Donations	.00	.00	.00	.00	.00	.00	.00	+++	150,000.00
3212	Interest Earnings EDC 2007 Sales Tax Bonds	250.00	.00	250.00	50.27	.00	74.23	175.77	30	212.10
3213	Interest Earnings EDC 2012 Sales Tax Bonds	1,000.00	.00	1,000.00	36.02	.00	159.98	840.02	16	826.44
Department 000 - Revenue Totals		\$1,089,750.00	\$0.00	\$1,089,750.00	\$90,427.84	\$0.00	\$214,582.74	\$875,167.26	20%	\$1,332,800.63
REVENUE TOTALS		\$1,089,750.00	\$0.00	\$1,089,750.00	\$90,427.84	\$0.00	\$214,582.74	\$875,167.26	20%	\$1,332,800.63
EXPENSE										
Department 998 - EDC - Debt Service										
4650	Interest Expense - EDC Series 2007 Sales Tax Revenue Bonds	70,775.00	.00	70,775.00	.00	.00	.00	70,775.00	0	77,175.00
4651	Interest Expense - EDC Series 2012 Sales Tax Revenue Bonds	166,281.00	.00	166,281.00	.00	.00	.00	166,281.00	0	168,781.25
4655	Bonds Paid - EDC Series 2007 Sales Tax Revenue Bonds	165,000.00	.00	165,000.00	.00	.00	.00	165,000.00	0	160,000.00
4656	Bonds Paid - EDC Series 2012 Sales Tax Revenue Bonds	130,000.00	.00	130,000.00	.00	.00	.00	130,000.00	0	125,000.00
4660	Service Fees - EDC Series 2007 Sales Tax Revenue Bonds	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	500.00
4661	Service Fees - EDC Series 2012 Sales Tax Revenue Bonds	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	550.00
Department 998 - EDC - Debt Service Totals		\$534,056.00	\$0.00	\$534,056.00	\$0.00	\$0.00	\$0.00	\$534,056.00	0%	\$532,006.25
Department 999 - Economic Development Corporation										
4010	Salaries & Wages	81,795.00	.00	81,795.00	10,440.32	.00	19,524.32	62,270.68	24	86,464.78
4060	Retirement Contributions	20,852.00	.00	20,852.00	2,848.46	.00	5,983.47	14,868.53	29	21,732.96
4061	Group Insurance	14,693.00	.00	14,693.00	1,364.29	.00	5,457.16	9,235.84	37	14,691.48
4062	Social Security Contr.	6,534.00	.00	6,534.00	873.66	.00	1,825.14	4,708.86	28	6,608.96
4063	Workers' Compensation	188.00	.00	188.00	.00	.00	(5.22)	193.22	-3	184.30
4064	Unemployment Compensation	49.00	.00	49.00	.00	.00	.00	49.00	0	45.90
4101	Office Supplies	2,000.00	.00	2,000.00	.00	.00	.00	2,000.00	0	1,938.71
4116	Printing	500.00	.00	500.00	.00	.00	.00	500.00	0	.00
4117	Postage	500.00	.00	500.00	29.79	.00	69.48	430.52	14	11.30
4118	Banking Expense	5,000.00	.00	5,000.00	.00	.00	.00	5,000.00	0	2,500.00
4125	Equipment	1,500.00	.00	1,500.00	.00	.00	.00	1,500.00	0	728.47
4207	Machinery Maintenance	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	.00
4220	Vehicle Allowances	3,600.00	.00	3,600.00	600.00	.00	1,200.00	2,400.00	33	3,600.00
4222	Special Services	6,029.00	.00	6,029.00	227.27	.00	4,082.27	1,946.73	68	7,855.76
4223	Periodicals	500.00	.00	500.00	.00	.00	.00	500.00	0	.00
4224	Advertising	3,000.00	.00	3,000.00	31.12	.00	31.12	2,968.88	1	67.84



Budget Performance Report

Fiscal Year to Date 12/31/14
Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year Total
Fund 099 - Economic Development Corporation										
EXPENSE										
Department: 999 - Economic Development Corporation										
4230	Electricity Expense	8,000.00	.00	8,000.00	925.29	3,319.11	925.29	3,755.60	53	5,393.81
4231	Communications Expense	1,000.00	.00	1,000.00	129.72	179.83	236.59	583.58	42	262.02
4232	Dues	34,000.00	.00	34,000.00	.00	.00	24,917.00	9,083.00	73	28,787.00
4243	Legal Expense	10,000.00	.00	10,000.00	937.50	.00	937.50	9,062.50	9	41,277.42
4247	Water Utility Expense	5,000.00	.00	5,000.00	.00	1,166.52	.00	3,833.48	23	5,066.74
4250	Audit Expense	6,000.00	.00	6,000.00	.00	5,610.00	.00	390.00	94	5,610.00
4251	Consultant Expense	5,000.00	.00	5,000.00	.00	.00	.00	5,000.00	0	15,400.00
4260	Conference & Training	10,000.00	.00	10,000.00	1,397.01	851.67	1,863.35	7,284.98	27	7,822.78
4270	EDC - City of Orange Staff Reimbursement	76,000.00	.00	76,000.00	.00	.00	.00	76,000.00	0	76,000.00
4330	EDC Economic Development Projects	700,000.00	.00	700,000.00	.00	.00	.00	700,000.00	0	.00
4331	EDC Capital Projects City of Orange	.00	.00	.00	.00	.00	.00	.00	+++	102,695.36
Department 999 - Economic Development Corporation Totals		\$1,002,740.00	\$0.00	\$1,002,740.00	\$19,804.43	\$11,127.13	\$67,047.47	\$924,565.40	8%	\$434,745.59
EXPENSE TOTALS		\$1,536,796.00	\$0.00	\$1,536,796.00	\$19,804.43	\$11,127.13	\$67,047.47	\$1,458,621.40	5%	\$966,751.84
Fund: 099 - Economic Development Corporation Totals										
REVENUE TOTALS		1,089,750.00	.00	1,089,750.00	90,427.84	.00	214,582.74	875,167.26	20	1,332,800.63
EXPENSE TOTALS		1,536,796.00	.00	1,536,796.00	19,804.43	11,127.13	67,047.47	1,458,621.40	5	966,751.84
Fund 099 - Economic Development Corporation Totals		(\$447,046.00)	\$0.00	(\$447,046.00)	\$70,623.41	(\$11,127.13)	\$147,535.27	(\$583,454.14)		\$366,048.79
Grand Totals										
REVENUE TOTALS		1,089,750.00	.00	1,089,750.00	90,427.84	.00	214,582.74	875,167.26	20	1,332,800.63
EXPENSE TOTALS		1,536,796.00	.00	1,536,796.00	19,804.43	11,127.13	67,047.47	1,458,621.40	5	966,751.84
Grand Totals		(\$447,046.00)	\$0.00	(\$447,046.00)	\$70,623.41	(\$11,127.13)	\$147,535.27	(\$583,454.14)		\$366,048.79



Trial Balance Listing

Through 12/31/14
Detail Listing
Exclude Rollup Account

Account	Account Description	Balance Forward	YTD Debits	YTD Credits	Ending Balance	Prior Year YTD Balance
Fund 099	Economic Development Corporation					
1108.001	Cash - Wells Fargo Debt Service Series 2007 EDC	49,975.98	59,584.59	.00	109,560.57	108,832.93
1108.002	Cash - Wells Fargo Debt Service Series 2012 EDC	51,646.24	73,740.70	.00	125,386.94	124,687.38
1108.003	Cash - Wells Fargo Reserve Fund Series 2012 EDC	297,734.13	147.92	.00	297,882.05	297,245.24
1112.001	Cash - Wells Fargo EDC	1,400,280.78	171,199.27	89,541.27	1,481,938.78	818,348.31
1117.002	Cash - Capital One EDC Investment Account	.00	.00	.00	.00	203,115.78
1126.001	Investments	249,871.67	.00	.00	249,871.67	249,717.50
1150.001	Due from Others	88,575.34	.00	88,575.34	.00	.00
1166.001	Prepays	1,364.29	.00	1,364.29	.00	1,224.29
2201.001	Accounts Payable	(16,993.04)	62,253.72	45,438.04	(177.36)	(21.90)
2206.001	Retainage Payable	.00	.00	.00	.00	(34,604.78)
2208.001	Salaries Payable	(5,528.01)	28,628.13	23,100.12	.00	.00
2269.001	Compensated Absences Payable	(9,707.10)	.00	.00	(9,707.10)	(5,982.34)
2290.001	Fund Balance	228,490.38	.00	.00	228,490.38	.00
2290.030	Fund Balance - Restricted for: Debt Service	(399,356.23)	.00	.00	(399,356.23)	(397,368.06)
2290.090	Fund Balance - Assigned to: Economic Development	(350,000.00)	.00	.00	(350,000.00)	(123,497.79)
02290.110	Fund Balance - Unassigned	(1,220,305.64)	.00	.00	(1,220,305.64)	(1,220,305.64)
Department 000	Revenue					
05102	Sales Tax	.00	.00	213,628.40	(213,628.40)	(182,323.73)
3141	Interest Earned	.00	.00	720.13	(720.13)	(429.05)
3212	Interest Earnings EDC 2007 Sales Tax Bonds	.00	.00	74.23	(74.23)	(25.33)
3213	Interest Earnings EDC 2012 Sales Tax Bonds	.00	.00	159.98	(159.98)	(133.16)
	Department 000 - Revenue Totals	\$0.00	\$0.00	\$214,582.74	(\$214,582.74)	(\$182,911.27)
Department 999	Economic Development Corporation					
4010	Salaries & Wages	.00	21,900.12	2,375.80	19,524.32	16,572.60
4060	Retirement Contributions	.00	6,572.91	589.44	5,983.47	4,601.49
4061	Group Insurance	.00	5,457.16	.00	5,457.16	3,672.87
4062	Social Security Contr.	.00	2,006.89	181.75	1,825.14	1,377.54
4063	Workers' Compensation	.00	.00	5.22	(5.22)	(3.97)
4117	Postage	.00	69.48	.00	69.48	.00
4125	Equipment	.00	.00	.00	.00	49.97
4220	Vehicle Allowances	.00	1,200.00	.00	1,200.00	900.00
4222	Special Services	.00	4,692.77	610.50	4,082.27	621.64
4224	Advertising	.00	31.12	.00	31.12	.00
4230	Electricity Expense	.00	925.29	.00	925.29	1,547.00
4231	Communications Expense	.00	236.59	.00	236.59	.00
4232	Dues	.00	24,917.00	.00	24,917.00	25,402.00
4243	Legal Expense	.00	1,838.40	900.90	937.50	3,122.11
4247	Water Utility Expense	.00	427.26	427.26	.00	1,034.37
4251	Consultant Expense	.00	.00	.00	.00	2,500.00



Trial Balance Listing

Through 12/31/14
Detail Listing
Exclude Rollup Account

Account	Account Description	Balance Forward	YTD Debits	YTD Credits	Ending Balance	Prior Year YTD Balance
Fund 099	Economic Development Corporation					
Department 4260	999 - Economic Development Corporation Conference & Training	.00	1,863.35	.00	1,863.35	2,210.67
4331	EDC Capital Projects City of Orange	.00	.00	.00	.00	97,912.06
Department 999	Economic Development Corporation	\$0.00	\$72,138.34	\$5,090.87	\$67,047.47	\$161,520.35
	Totals					
	P/Y Fund Equity Adjustment	(366,048.79)	.00	.00	(366,048.79)	.00
Fund 099	Economic Development Corporation Totals	\$0.00	\$467,692.67	\$467,692.67	\$0.00	\$0.00
	Grand Totals	\$0.00	\$467,692.67	\$467,692.67	\$0.00	\$0.00

Payment Register

From Payment Date: 10/1/2014 - To Payment Date: 12/31/2014

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
EDC Operating - EDC Operating Account									
Check									
2869	10/14/2014	Reconciled		10/31/2014	Accounts Payable	JAY TRAHAN	\$258.84	\$258.84	\$0.00
2870	10/23/2014	Reconciled		10/31/2014	Accounts Payable	CITY OF ORANGE EMPLOYEE BENEFIT TRUST	\$1,565.59	\$1,565.59	\$0.00
2871	10/23/2014	Reconciled		10/31/2014	Accounts Payable	ENERGY	\$353.70	\$353.70	\$0.00
2872	10/23/2014	Reconciled		10/31/2014	Accounts Payable	John Cash Smith	\$900.90	\$900.90	\$0.00
2873	10/23/2014	Reconciled		10/31/2014	Accounts Payable	MHC Datacomm	\$3,775.00	\$3,775.00	\$0.00
2874	10/23/2014	Reconciled		10/31/2014	Accounts Payable	ORANGE COUNTY ECONOMIC DEVELOPMENT CORPORATION	\$24,917.00	\$24,917.00	\$0.00
2875	10/23/2014	Reconciled		10/31/2014	Accounts Payable	TEXAS MUNICIPAL RETIREMNT SYST	\$2,020.19	\$2,020.19	\$0.00
2876	10/28/2014	Reconciled		11/30/2014	Accounts Payable	CITY OF ORANGE	\$427.26	\$427.26	\$0.00
2877	10/28/2014	Reconciled		11/30/2014	Accounts Payable	TRIANGLE BLUE PRINT COMPANY	\$610.50	\$610.50	\$0.00
2878	10/30/2014	Reconciled		10/31/2014	Accounts Payable	JAY TRAHAN	\$207.50	\$207.50	\$0.00
2879	11/04/2014	Reconciled		12/31/2014	Accounts Payable	ARCHITECTURAL ALLIANCE, INC	\$10,800.00	\$10,800.00	\$0.00
2880	11/04/2014	Reconciled		11/30/2014	Accounts Payable	GERMER GERTZ LLP ATTORNEYS AT LAW	\$34.08	\$34.08	\$0.00
2881	11/06/2014	Reconciled		11/30/2014	Accounts Payable	John Cash Smith	\$2,775.90	\$2,775.90	\$0.00
2882	11/11/2014	Reconciled		12/31/2014	Accounts Payable	MANNIX MEDIA	\$80.00	\$80.00	\$0.00
2883	11/11/2014	Reconciled		11/30/2014	Accounts Payable	VERIZON WIRELESS	\$106.87	\$106.87	\$0.00
2884	11/20/2014	Reconciled		11/30/2014	Accounts Payable	CITY OF ORANGE EMPLOYEE BENEFIT TRUST	\$1,565.59	\$1,565.59	\$0.00
2885	11/20/2014	Reconciled		12/31/2014	Accounts Payable	TEXAS MUNICIPAL RETIREMNT SYST	\$2,043.50	\$2,043.50	\$0.00
2886	11/25/2014	Reconciled		12/31/2014	Accounts Payable	Maglin Site Furniture	\$2,840.00	\$2,840.00	\$0.00
2887	12/04/2014	Reconciled		12/31/2014	Accounts Payable	ENERGY	\$430.63	\$430.63	\$0.00
2888	12/04/2014	Reconciled		12/31/2014	Accounts Payable	JAY TRAHAN	\$211.50	\$211.50	\$0.00
2889	12/09/2014	Reconciled		12/31/2014	Accounts Payable	VERIZON WIRELESS	\$64.86	\$64.86	\$0.00
2890	12/16/2014	Reconciled		12/31/2014	Accounts Payable	John Cash Smith	\$825.00	\$825.00	\$0.00
2891	12/18/2014	Open			Accounts Payable	ORANGE LEADER INC	\$31.12		
2892	12/30/2014	Open			Accounts Payable	ENERGY	\$494.66		
2893	12/31/2014	Open			Accounts Payable	CITY OF ORANGE EMPLOYEE BENEFIT TRUST	\$1,566.27		
2894	12/31/2014	Open			Accounts Payable	TEXAS MUNICIPAL RETIREMNT SYST	\$3,107.90		

Payment Register

From Payment Date: 10/1/2014 - To Payment Date: 12/31/2014

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
Type Check Totals:									
EDC Operating - EDC Operating Account Totals									
					26 Transactions		\$62,014.36	\$56,814.41	\$0.00

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	4	\$5,199.95	\$0.00
	Reconciled	22	\$56,814.41	\$56,814.41
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	26	\$62,014.36	\$56,814.41

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	4	\$5,199.95	\$0.00
	Reconciled	22	\$56,814.41	\$56,814.41
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	26	\$62,014.36	\$56,814.41

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	4	\$5,199.95	\$0.00
	Reconciled	22	\$56,814.41	\$56,814.41
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	26	\$62,014.36	\$56,814.41

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	4	\$5,199.95	\$0.00
	Reconciled	22	\$56,814.41	\$56,814.41
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	26	\$62,014.36	\$56,814.41

MOTION

Motion acknowledging receipt of the Orange Economic Development Corporation's financial report for the period ending December 31, 2014.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

January 27, 2015

**Orange Economic Development Corporation
Investment Report - Quarter Ended December 31, 2014**

	<u>Original Purchase Cost</u>	<u>Accrued Book Value</u>	<u>Present Market Value</u>	<u>Maturity Value</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Yield %</u>	<u>Earnings</u>	<u>Annualized Earnings</u>	<u>Term Days</u>	<u>Days to Maturity</u>
313396GY3 FMDN	249,871.67	249,930.42	249,725.00	250,000.00	12-Aug-14	16-Jun-15	0.0609%	128.33	152.08	308	167
Total	249,871.67	249,930.42	249,725.00	250,000.00			0.0609%	128.33	152.08	308	

<u>Investment Activities 09/30/2014-12/31/2014</u>	
Prior Balance	\$249,871.67
Investment Purchases	0.00
Investment Maturities	0.00
Ending Balance	\$249,871.67

	<u>12/31/2014</u>	<u>09/30/2014</u>
Quarter Ending Information		
Investment Purchase Cost	\$249,871.67	\$249,871.67
Accrued Book Value	\$249,930.42	\$249,930.42
Present Market Value	\$249,725.00	\$249,535.00
Maturity Value	\$250,000.00	\$250,000.00
Earnings on Investments at Maturity	\$128.33	\$128.33
Annualized Earnings	\$152.08	\$152.08
Average Length to Maturity	308	308
Average Rate of Return	0.0609%	6.0900%
Quarterly Trust Fee (\$2,500 Annually)	(\$625.00)	(\$625.00) *
Annualized Rate of Return - Net	-0.199%	-0.199%
Cash Balance and CD's - EOQ	\$2,014,768.34	\$1,799,637.13
Collateral Pledged (Market) - EOQ	\$2,017,221.00	\$1,783,356.00
Quarterly Interest Earned on Checking	\$954.34	\$893.02
Average Monthly Cash Balance	\$1,893,188.93	\$1,773,354.46
Average Annualized Earnings on Checking	\$3,786.24	\$3,542.96
Average Annualized Rate on Checking	0.2000%	0.1998%
Annualized Rate of Return - Adj for Checking	0.0671%	0.0591% *
Type Breakdown:		
Treasury Bills	\$0.00	0.00%
Government Agencies	\$249,725.00	100.00%
Certificates of Deposit	\$0.00	0.00%
Issuer Breakdown:		
US Treasury Bills	\$0.00	0.00%
FHLDN	\$0.00	0.00%
FMDN	\$249,725.00	100.00%
Certificates of Deposit	\$0.00	0.00%
Maturity Breakdown:		
Less Than 90 Days	\$0.00	0.00%
90 to 180 Days	\$0.00	0.00%
181 to 365 Days	\$249,725.00	100.00%

The Orange Economic Development Corporation is currently in compliance with the Public Funds Investment Act. The EDC Board will continue to receive quarterly investment reports.

Submitted by: 
Shawn Oubre, City Manager


Gail English, Director of Finance


Sherry Jackson, Accounting Manager

MOTION

Motion acknowledging receipt of the Orange Economic Development Corporation Investment Report for the quarter ending December 31, 2014.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

January 27, 2015

**City of Orange, Texas
Investment Policy
Table of Contents**

I	<u>Scope</u> Policy Funds	1 1
II	<u>Objectives</u> Safety Liquidity Yield	2 3 3
III	<u>Standards of Care</u> Delegation of Authority Prudence Ethics and Conflicts of Interest Nepotism	4 5 5 5
IV	<u>Safekeeping and Custody</u> Authorized Financial Dealer and Institution Internal Controls Delivery vs. Payment	6 6 8
V	<u>Suitable and Authorized Investments</u> Investments Authorized by the Public Funds Investment Act Approved List of Investment for the City of Orange, Texas Collateralization Repurchase Agreements	9 9 10 10
VI	<u>Investment Parameters</u> Diversification Maximum Maturities	11 11
VII	<u>Reporting</u> Methods Performance Standards Marking to Market	12 12 13
VIII	<u>Policy</u> Exemption Amendment Education	14 14 14
IX	<u>Investment Pools</u> Definition	15
X	<u>Glossary</u>	16
XI	<u>Supplemental Information</u>	22

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

I. Scope

1. Policy

It is the policy of the City of Orange to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and in a manner that conforms to all state and local statutes governing investment of public funds.

2. Funds

This investment policy applies to the investment activities of the City of Orange, except for its employee retirement and deferred compensation funds which are organized and administered separately as provided by law. All financial assets of all present City funds and other funds that may be created from time to time, shall be administered in accordance with these policies.

The investment policy covers all the financial assets of the following funds:

- (a) General Fund
- (b) Special Revenue Funds
- (c) Debt Service Fund
- (d) Enterprise Funds
- (e) Internal Service
- (f) Capital Project Funds
- (g) Trust and Agency Funds
- (h) Any new funds created by the City of Orange, unless specifically exempt by law.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

II. Objectives

I. Safety

Safety of principal is the foremost objective of the City of Orange. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value.

A. Credit Risk

Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by limiting investments to the safest types of securities; prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which an entity will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

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 worthy of the public trust. The governing body, however, recognizes that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment return, provided adequate diversification has been implemented. Action shall be taken to inform the public, and the press shall receive information concerning the rationale for this diversification strategy.

B. Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

2. 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 securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

3. Yield

The investment portfolio of the government of the City of Orange shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the government's risk constraints and the cash flow characteristics of the portfolio. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk assumed. Securities shall not be sold prior to maturity with the following exceptions: (1) a declining credit security could be sold early to minimize loss of principal; (2) a security swap would improve the quality, yield, or target duration in the portfolio; or (3) liquidity needs of the portfolio require that the security be sold.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

III. Standards of Care

1. Delegation of Authority

Management responsibility for the investment program is established by the City Charter. "Section 6.01 Director - The City Manager shall be Director of Finance, or the director shall be appointed by him." "Section 6.03 Powers and Duties - The Director of Finance shall have charge of the administration of the financial affairs of the City, and to that end, he shall have authority and shall be required to:(j) Have custody of all investments and invested funds of the city government, or in possession of such government in a fiduciary capacity, and have the safe keeping of all bonds and notes of the City and the receipt and delivery of city bonds and notes for transfer, registration or exchange."

Responsibility for the operation of the investment program is hereby delegated to the Director of Finance, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the City staff.

2. Prudence

The standard of prudence to be used by investment officials shall be the 'prudent person' and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, that 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.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

Governing body officials and investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

3. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business relationships that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

The Investment Act describes personal business relationship to be (1) ownership of 10% or more of the voting stock or shares of the business organization (2) ownership of \$5,000 or more of the fair market value of the business organization, (3) funds received from the business organization exceed 10% of the investment officers gross income for the previous year, and/or (4) during the previous year the investment officer acquired from the business organization investment with a book value of \$2,500 or more for their personal account.

Once a business relationship is determined the investment officer must file a statement with the Texas Ethics Commission and the City of Orange City Council.

4. Nepotism

The Public Funds Investment Act requires that an individual investment officer who is related within the second degree by affinity (marriage) or consanguinity (blood) to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. The statement must be filed with the Texas Ethics Commission and the City of Orange City Council.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

VI. Safekeeping and Custody

1. Authorized Financial Dealer and Institution

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by creditworthiness (minimum capital requirement \$10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following, as appropriate, (1) Audited financial statements, (2) Proof of National Association of Securities Dealers (NASD) certification, (3) proof of state registration, (4) completed broker/dealer questionnaire (5) certification of having read the entity's investment policy, and (6) Certification by Business Organization of Qualified Representative.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Orange City Council or designated Investment Committee.

2. Internal Controls

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity 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 recognized 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 judgements by management.

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

- a. Control of collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

- b. Separation of transaction authority from accounting and record keeping - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- c. Custodial safekeeping - Securities purchased from any bank or dealer including appropriate collateral (as defined by State Law) shall be placed with an independent third party for custodial safekeeping.
- d. Avoidance of physical delivery securities - Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- e. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- f. Written confirmation or telephone transactions for investments and wire transfers - Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.
- g. Development of a wire transfer agreement with the lead bank or third party custodian - This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

From time to time, investors may choose to invest in instruments offered by minority and community financial institutions. These financial institutions may not meet all the criteria under Authorized Financial Dealer and Institution. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. Also, these types of investment purchases should be approved by the appropriate legislative body in advance.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

3. Delivery vs. Payment

All trades, except Investment Pool transactions, will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third party custodian or the trust department at the eligible financial institution as evidenced by safekeeping receipts.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

V. Suitable and Authorized Investments

1. Investment authorized by the Public Funds Investment Act

Consistent with the GFOA Recommended Practice on State Statutes Concerning Investment Practices, the following investments are authorized investments under Chapter 2256, Public Funds Investment Act, of the Local Government Code and are more fully defined for approval and limitations within the applicable Sections of this Chapter:

1. Obligations of, or guaranteed by, governmental entities-Section 009
2. Certificates of Deposit-Section 010
3. Repurchase Agreements-Section 011
4. Bankers' Acceptances-Section 012
5. Commercial Paper -Section 013
6. Mutual Funds-Section 014
7. Investment Pools-Section 016

All of the investment types listed above have specific conditions and limitations which must be reviewed before a determination could be made as to the legality of the investment within the scope of Chapter 2256, Public Funds Investment Act.

2. Approved list of investments for the City of Orange, Texas

Listed below are the specific investment instruments and dealers authorized for use by the City of Orange.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

B. Instruments:	Maximum Maturity	Maximum % of Portfolio
1. Collateralized Bank Certificates of Deposit as per City's Depository Contract	1 Year	20%
2. Direct Obligations of Federal Government	2 Year	100%
3. Direct Obligations of Federal Agencies or Instrumentalities	1 Year	50%
4. Investments in Certificates of Deposit at Federally Insured Banks or Savings & Loan Associations	1 Year	20%
5. Collateralized Savings Accounts at the City's Depository Bank	n/a	100%
6. Collateralized Savings Accounts at other Federally Insured Banks or Savings & Loan Associations.	n/a	20%
6 7. Texpool	n/a	5%

C. Financial Institutions or Broker/Dealers:

1. Wells Fargo Institutional Brokerage and Sales.
2. J. P. Morgan Securities Inc.
3. Capital One Investment Securities, Inc

All other State authorized investment instruments, listed in Section 1. above, must be specifically approved by the City Council before investment use by the City of Orange.

3. Collateralization

In accordance with State law and the GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on two types on investments: certificates of deposit and repurchase agreements. Collateral will be held by a third party with whom the City has a Custodial Agreement.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

4. Repurchase Agreements

Use of repurchase agreements should be consistent with GFOA Recommended Practices on Repurchase Agreements. (Current Policy does not allow investment in Repurchase Agreements)

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

VI. Investment Parameters

1. Diversification

It is the policy of the City of Orange to diversify its investment portfolio within the investments specifically authorized within this policy. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be revised periodically by the City Council.

2. Maximum Maturities

Investments of the capital project funds, bond construction funds, insurance reserve funds nonexpendable trust funds and designated operating reserves of any funds may be invested in instruments maturing up to two years from the time of purchase. All other funds shall be limited to instruments maturing within one year of the time of purchase unless otherwise expressly provided by the City Council. Investment income shall be retained by each individual fund in an amount pro-rata to its proportion of the investment unless otherwise expressly provided by the City Council.

3. Weighted-Average Maturities

The Dollar Weighted Average Maturity for all of the City's Funds will not exceed 274 days (9 months).

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

VII. Reporting

1. Methods

The Director of Finance shall prepare an investment report at least quarterly, including a management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the entity to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the City Manager and the City Council. The report will include the following information as required by Chapter 2256 Section 023 Subsection (b) Government Code:

“(b) the report must:

- (1) Describe in detail the investment position of the entity on the date of the report.
- (2) be prepared jointly by all investment officers of the entity,
- (3) be signed by each investment officer of the entity,
- (4) contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled fund group that states the:
 - (A) beginning market value for the reporting period,
 - (B) additions and changes to the market value during the period,
 - (C) ending market value for the period, and
 - (D) fully accrued interest for the reporting period;
- (5) state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
- (6) state the maturity date of each separately invested asset that has a maturity date,
- (7) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and
- (8) state the compliance of the investment portfolio of the state agency or local government as it relates to:
 - (A) the investment strategy expressed in the agency’s or local government’s investment policy; and
 - (B) relevant provisions of this chapter.”

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

3. Marking to Market

A statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility. Review should be consistent with the GFOA Recommended practice on Mark-to-Market Practices for State and Local Government Invest Portfolios and Investment Pool.

4. Compliance

Section 2256.005 requires that the City shall have a Compliance Audit on management controls and compliance with established Investment Policies and Strategies. This audit shall be performed in conjunction with the City's Annual Audit.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

VIII. Policy

1. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. Amendment

This policy must be reviewed on an annual basis. Any changes must be approved by the City Council.

3. Educational Requirements

The Public Funds Investment Act Section 2256.008 requires that the investment officers of the City shall:

- “(1) attend at least one training session relating to the treasurer’s or officer’s responsibilities under this subchapter within 12 months after taking office of assuming the duties; and
- (2) attend an investment training session not less than once in a two-year period and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.
- (3) Training under this section must include education in investment controls, security risks, strategy risks, market risks, and compliance with this chapter.”

The City of Orange Investment Policy gives approval of required investment Training endorsed by the Texas Municipal League (TML), Texas City Managers’ Association (TCMA), Government Finance Officers’ Association of Texas (GFOAT), Municipal Treasurers’ Association of Texas (MTAT) or University of North Texas, Center for Public Management, Government Treasurers’s Organization of Texas.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

IX. Investment Pools

1. Definition

In most states there are provisions for the creation and operation of a government investment pool. The purpose of the Pool is to allow political subdivisions to pool investable funds in order to achieve a potentially higher yield.

2. Selection

Prior to any participation in any investment pool a thorough investigation of the pool and its policies and procedures must be reviewed. The Act requires investment pools to provide detailed information statements with specific information, transaction confirmations, and monthly detailed reporting.

In order to be considered first approved as an eligible investment pool the pool must first furnish all applicable information and meet all criteria as established by Section 2256.016 of the Public Funds Investment Act. Investment pools must be continuously rated no lower the AAA or AAA-M by one nationally recognized rating service.

Any participation in an Investment Pool must then be approved by the City Council and the Pool added to the approved list of investment options.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

X. Glossary

Glossary of commonly used investment terms:

Agencies	Federal agency securities.
Asked	The price at which securities are offered.
Bankers' Acceptance	A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the issuer.
Bid	The price offered by a buyer of securities.
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.
Certificate of Deposit	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 which 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 of Orange. It includes five combined statements and basic financial statements 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	There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is 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 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.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

Discount Securities	Non interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value, e.g. US 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. e.g. S&L's, small business firms, students, farmers, far cooperatives, and exporters.
Federal Deposit Insurance Corporation (FDIC)	A federal agency that insures bank deposits, currently up to \$100,000 per deposit.
Federal Funds Rate	The rate of interest at which Fed 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)	FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporations' purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are 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 created by Congress and consisting of a seven member Board of Governors in Washington, DC, 12 regional banks and about 5,700 commercial banks that are member of the system.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

Government National Mortgage Association (GNMA or Ginnie Mae)	Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the US Government. Ginnie Mae securities are backed by FHA, VA of FMHM mortgages. The term “passthroughs” is often used to describe Ginnie Maes.
Liquidity	A liquid asset is one that can ben 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 size can be done 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	A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.
Maturity	The date upon 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’ acceptance, 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 tools.
Portfolio	Collection of securities held by an investor.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

Primary Dealer	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are 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 judgement 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 which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the law 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 Public Deposit Protection 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 hld in the bank's vaults for protection.
Secondary Market	A market made for the purchase of sale of outstanding issues following the initial distribution.
Securities & Exchange Commission	Agency created by Congress to protect investors in securities transactions by administering securities legislation.
Sec Rule 15C3-1	See Uniform Net Capital Rule.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

Treasury Bills	A non interest bearing discount security issued by the US Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.
Treasury Bond	Long-term US Treasury securities having initial maturities of more than 10 years.
Treasury Notes	Intermediate-term coupon bearing US 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 ration of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ration. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among member of underwriting syndicates. Liquid capital includes cash and assets easily converted to 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 for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Investment Policy
for the City of Orange, Texas
As Reviewed January 2015**

X. Supplemental Information

The following GFOA Recommended Practices or Policy Statements/Recommended Practice are included as supplemental information:

- GFOA Recommended Practice - Governmental Relationships with Securities Dealers
- GFOA Policy Statement and Recommended Practice - Repurchase Agreements
- GFOA Recommended Practice - Collateralization of Public Deposits
- GFOA Policy Statement and Recommended Practice - Collateralization of Public Deposits
- GFOA Recommended Practice - Use of Various Types of Mutual Funds by Public Cash Managers
- GFOA Policy Statement and Recommended Practice - Federal Regulation of Investment Advisers
- GFOA Recommended Practice - State Statutes Concerning Investment Practices
- GFOA Recommended Practice - Use of Derivatives by State and Local Governments
- GFOA Recommended Practice - Market Risk (Volatility) Ratings
- GFOA Recommended Practice - Reverse Repurchase Agreements, Leveraging, and Prudent Investment Practices for Cash Management
- GFOA Recommended Practice - Mark-to-market Practices for State and Local Government Investment Portfolios and Investment Pools
- GFOA Recommended Practice - Master Trust and Custodial Bank Security Lending Programs
- GFOA Recommended Practice - Use and Application of Voluntary Agreements and Guidelines

Adopted:

City of Orange, Texas

Jimmy Sims, Mayor

Date

MOTION

Motion acknowledging annual review of the City of Orange Investment Policy.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

_____, 2015

City of Orange Investment Report
For the Quarter Ending December 31, 2014

On September 12, 1995 the City Council adopted an investment policy in compliance with recently revised state law. This policy was last reviewed on January 27, 2015. Chapter 2256 Section 023 Subsection (b) of the Government Code requires that the Director of Finance shall prepare an investment report at least quarterly. The investment report must include a management summary and the detail as set forth in the Subsection (b).

Cash and Investment Summary

The following chart shows the change in the City investment portfolio over the last quarter. Detailed information for each fund is attached.

<i>Investment of all Funds at:</i>	<i>12/31/2014</i>	<i>9/30/14</i>	<i>6/30/14</i>	<i>3/31/14</i>	<i>12/31/13</i>	<i>9/30/13</i>
<i>Investments/Purchase Cost</i>	\$ 5,186,871.67	\$ 5,186,871.67	\$ 5,186,717.50	\$ 5,415,488.02	\$ 5,415,290.67	\$ 5,415,089.11
<i>Accrued Book Value</i>	\$ 5,186,962.50	\$ 5,186,962.50	\$ 5,186,962.50	\$ 5,415,662.19	\$ 5,415,389.84	\$ 5,415,111.61
<i>Fair Value</i>	\$ 5,186,725.00	\$ 5,186,535.00	\$ 5,186,865.00	\$ 5,415,635.52	\$ 5,415,255.67	\$ 5,414,961.61
<i>Maturity Value</i>	\$ 5,187,000.00	\$ 5,187,000.00	\$ 5,187,000.00	\$ 5,415,770.52	\$ 5,415,573.17	\$ 5,415,371.61
<i>Average Length to Maturity</i>	35	35	41	39	40	39
<i>Annualized Rate of Return- Net of Fees</i>	0.019%	0.193%	0.137%	0.154%	0.154%	0.174%
<i>Treasury Bills</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>Government Agencies</i>	4.82%	4.82%	4.81%	4.61%	4.61%	4.61%
<i>Certificated of Deposit</i>	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<i>Savings</i>	95.18%	95.18%	95.19%	95.39%	95.39%	95.39%
<i>Cash Balances, Savings and CD's (Covered by Collateral)</i>	\$ 8,367,549.88	\$ 8,545,046.42	\$ 13,291,690.86	\$ 16,207,969.78	\$ 7,982,689.35	\$ 11,209,266.07
<i>Collateral Pledged (Market)</i>	\$ 14,027,976.33	\$ 14,753,445.48	\$ 18,791,244.70	\$ 19,556,884.47	\$ 11,728,029.44	\$ 13,221,629.59

Performance

The Investment Policy specifies that the portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. One benchmark to use is the average yield rate for six month treasury bills. We use the weekly sale information from the Wall Street Journal to compute an average rate of return for the quarter. For the quarter ending December 31, 2014 the average rate of return on six month treasury bills was .063%. The City's annualized earnings rate was 0.137% which is more than the average treasury bill rate. By the end of this quarter the City had 0% in Treasury Bills, 4.82% in Government Agencies, 0% in Collateralized CD's and 95.18% in Collateralized Savings Account. The City always attempts to receive the best

City of Orange, Investment Report, December 31, 2014

Page 1

rate that fits (1) investment policy provisions for portfolio split and (2) maturity dates to match payments or payrolls. The City's present rate annualized would mean \$10,026, in earnings if we maintained the level of investments and yields we currently have. At the end of fiscal year 2013 the City had actual interest earnings of \$30,669 and at the end of fiscal year 2014 the City has actual interest earnings of \$23,900. The total interest earnings for the fiscal years includes interest earnings that the City receives on our cash accounts.

The interest rate on six month treasury bills was 0.13% at the end of December 31, 2014, with the average for the quarter being 0.063%. During the last three years we have seen the interest rate on six month treasury bills increase .006%. Rates have been below 1% for the last twenty four quarters. The rate on the six month treasury bill went from 0.04% at the beginning of the quarter to 0.13% at the end of the quarter. For the last year we have seen the average six month rate go from .071% to 0.063%.

<u>Quarter Ending Date</u>	<u>Average Interest Rate Per Quarter</u>	<u>Change</u>
12/31/11	0.057%	
3/31/12	0.107%	0.050%
6/30/12	0.142%	0.035%
9/30/12	0.140%	-0.002%
12/31/12	0.138%	-0.002%
3/31/13	0.111%	-0.027%
6/30/13	0.086%	-0.025%
9/30/13	0.056%	-0.030%
12/31/13	0.071%	0.015%
3/31/14	0.078%	0.007%
6/30/14	0.054%	-0.024%
9/30/14	0.052%	-0.002%
12/31/14	0.063%	0.011%

The 35 day average length to maturity, at the end of the quarter, was the same as the prior quarter. The City has now completed the first quarter of fiscal year 2015 and the rates on all investment options continue to stay very low.

For several years now the City has been keeping investment short time to take advantage of any increase in yields. Interest rates on six month treasury bills are still well below the 1% level. With the financial crisis the City has not seen any change in the interest rates on Treasuries and Agencies.

City of Orange, Investment Report, December 31, 2014

Page 2

Our investments are being held at J. P. Morgan Trust as delivery versus payment.

In June 2013 the City was able to start allowing customers to view and pay their utility billings online through the City's ESuite module. This was one of the final phases on the City's conversion to New World Systems software modules for Finance, Human Resources, Code Enforcement and Utility Management. The payment link is located on the City of Orange website at orangetexas.net. The number of payments processed online was slow at first, but we are receiving more payments online every day. For the most recent month approximately 6% of our payment came through online.

We also continue to offer to debit customer's bank accounts for water/sewer/garbage billings. We presently have approximately 9% of our customers who are using this option. This percentage went down slightly when we started offering the online payment option.

Compliance

The City is presently investing in Government Agencies, and collateralized savings accounts. At the end of this quarter the City did not have any investments in Treasury Bills or collateralized Certificates of Deposit.

The savings accounts are collateralized, or covered by FDIC Insurance, in the same manner in which the City's cash accounts and CD's are collateralized or insured. On December 31, 2014 the City had 95.18%, \$4,937,000.00, of the portfolio balance in the collateralized high yield savings accounts. On December 31, 2014 the High Yield Savings were earning 0.20% (on 365 day basis). The savings rate is presently higher than other quotes the City is receiving on other allowable investments.

The investment policy specifies that the investments, in order of priority, be (1) suitable for the entity (2) provide for preservation and safety of principal (3) liquid (4) marketable if the need arises (5) diverse types of investments in the portfolio and (6) able to achieve a fair yield.

For the City this mix of investments meet all the requirements. With the setting of percentage factors for portfolio investment types (within our Investment Policy as required by State Law) the City is striving to diversify its investments and still maximize the rate of return.

The specific reason for the diversity of a portfolio is to eliminate the risk of loss from over concentration of assets in a specific maturity, specific issuer, or specific class of securities. Given the fact that treasury bills are backed by the full faith and credit of the federal government the need for more diversity is not as large a factor as if we were investing in other forms of investments. The diversity that the City is seeking is to maximize returns while still maintaining investment that are backed by the full faith and credit of the federal government (Treasuries, Agencies, or Collateralized Agencies).

The City is currently in compliance with the Public Funds Investment Act. The present investment

City of Orange, Investment Report, December 31, 2014

options have made it very difficult to stay within the City's Investment Policy and Strategies. The City also is getting less diversification within the portfolio than normally recommended.

The City Council will continue to receive financial information on a quarterly basis and the quarterly investment report.

Submitted by City of Orange Designated Investment Officers:



Shawn Oubre, City Manager



Gail English, Director of Finance



Sherry Jackson, Accounting Manager

City of Orange, Investment Report, December 31, 2014

Page 4

**City of Orange Investment Report
for the Quarter Ending December 31, 2014**

	Total All Funds	General	Debt Service	CIP General	Water & Sewer	W/S I&S	Utility CIP	Sanitation	Internal Service	Special Revenue
Investments 09/30/2014										
Purchase Cost	5,186,871.67	3,711,871.67	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Accrued Book Value	5,186,962.50	3,711,962.50	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Fair Value	5,186,535.00	3,711,535.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Maturity Value	5,187,000.00	3,712,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Earnings on Investments at Maturity	966.95	716.40	0.00	0.00	0.00	0.00	0.00	46.71	16.14	187.70
Average Length of Maturity	35	37	0	0	0	0	0	31	31	31
Annualized Earnings	0.193%	0.191%	0.000%	0.000%	0.000%	0.000%	0.000%	0.200%	0.200%	0.200%
Quarterly Trust Fees	625.00									
Annualized Earnings (Net of Fees)	0.146%									
Investment Change										
Investment Purchases (Reinvestments)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment Maturities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments 12/31/2014										
Purchase Cost	5,186,871.67	3,711,871.67	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Accrued Book Value	5,186,962.50	3,711,962.50	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Fair Value	5,186,725.00	3,711,725.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Maturity Value	5,187,000.00	3,712,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Earnings on Investments at Maturity	966.95	716.40	0.00	0.00	0.00	0.00	0.00	46.71	16.14	187.70
Average Length of Maturity	35	37	0	0	0	0	0	31	31	31
Annualized Earnings	0.193%	0.191%	0.000%	0.000%	0.000%	0.000%	0.000%	0.200%	0.200%	0.200%
Quarterly Trust Fees	625.00									
Annualized Earnings (Net of Fees)	0.146%									
Change in Market Value	190.00	190.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Percentage of Portfolio	0.00%									
Government Agencies	249,871.67	249,871.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Percentage of Portfolio	4.82%									
CD Covered by Collateral	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Percentage of Portfolio	0.00%									
Savings Account	4,937,000.00	3,462,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Percentage of Portfolio	95.18%									
Total	5,186,871.67	3,711,871.67	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Percentage of Total Portfolio	100%	72%	0%	0%	0%	0%	0%	5%	2%	21%
Maturity Less Than 90 Days	4,937,000.00	3,462,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Maturity 90-180 Days	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maturity 181-365 Days	249,871.67	249,871.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	5,186,871.67	3,711,871.67	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00

City of Orange Investment Analysis

December 31, 2014

		Original Purchase Cost	Accrued Book Value	Present Market Value	Maturity Value	Purchase Date	Maturity Date	Yield %	Earnings	Annualized Earnings	Term Days	Days to Maturity
1	1	WF Savings	3,462,000.00	3,462,000.00	3,462,000.00	01-Dec-14	31-Dec-14	0.200%	588.07	6,924.00	31	0
1	1	FMDN	249,871.67	249,725.00	250,000.00	12-Aug-14	16-Jun-15	0.061%	128.33	152.08	308	167
			3,711,871.67	3,711,725.00	3,712,000.00			0.191%	716.40	7,076.08	37	
28	1	WF Savings	275,000.00	275,000.00	275,000.00	01-Dec-14	31-Dec-14	0.200%	46.71	550.00	31	0
			275,000.00	275,000.00				0.200%	46.71	550.00	31	
30	1	WF Savings	95,000.00	95,000.00	95,000.00	01-Dec-14	31-Dec-14	0.200%	16.14	190.00	31	0
			95,000.00	95,000.00	95,000.00			0.200%	16.14	190.00	31	
40	1	WF Savings	525,000.00	525,000.00	525,000.00	01-Dec-14	31-Dec-14	0.200%	89.18	1,050.00	31	0
50	1	WF Savings	350,000.00	350,000.00	350,000.00	01-Dec-14	31-Dec-14	0.200%	59.45	700.00	31	0
51	1	WF Savings	50,000.00	50,000.00	50,000.00	01-Dec-14	31-Dec-14	0.200%	8.49	100.00	31	0
56	1	WF Savings	25,000.00	25,000.00	25,000.00	01-Dec-14	31-Dec-14	0.200%	4.25	50.00	31	0
63	1	WF Savings	50,000.00	50,000.00	50,000.00	01-Dec-14	31-Dec-14	0.200%	8.49	100.00	31	0
64	1	WF Savings	25,000.00	25,000.00	25,000.00	01-Dec-14	31-Dec-14	0.200%	4.25	50.00	31	0
65	1	WF Savings	5,000.00	5,000.00	5,000.00	01-Dec-14	31-Dec-14	0.200%	0.85	10.00	31	0
70	1	WF Savings	75,000.00	75,000.00	75,000.00	01-Dec-14	31-Dec-14	0.200%	12.74	150.00	31	0
			1,105,000.00	1,105,000.00	1,105,000.00			0.200%	187.70	2,210.00	31	
			5,186,871.67	5,186,725.00	5,187,000.00			0.193%	956.94	10,026.08	35	

MOTION

Motion acknowledging receipt of the Quarterly Investment Report for the period ending December 31, 2014.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

_____, 2015

ECONOMIC DEVELOPMENT DEPARTMENT

MEMORANDUM

DATE: January 15, 2015

TO: Dr. Shawn Oubre, City Manager

FROM: Jay Trahan, EDC Director

RE: 15th STREET INFRASTRUCTURE IMPROVEMENTS PROJECT

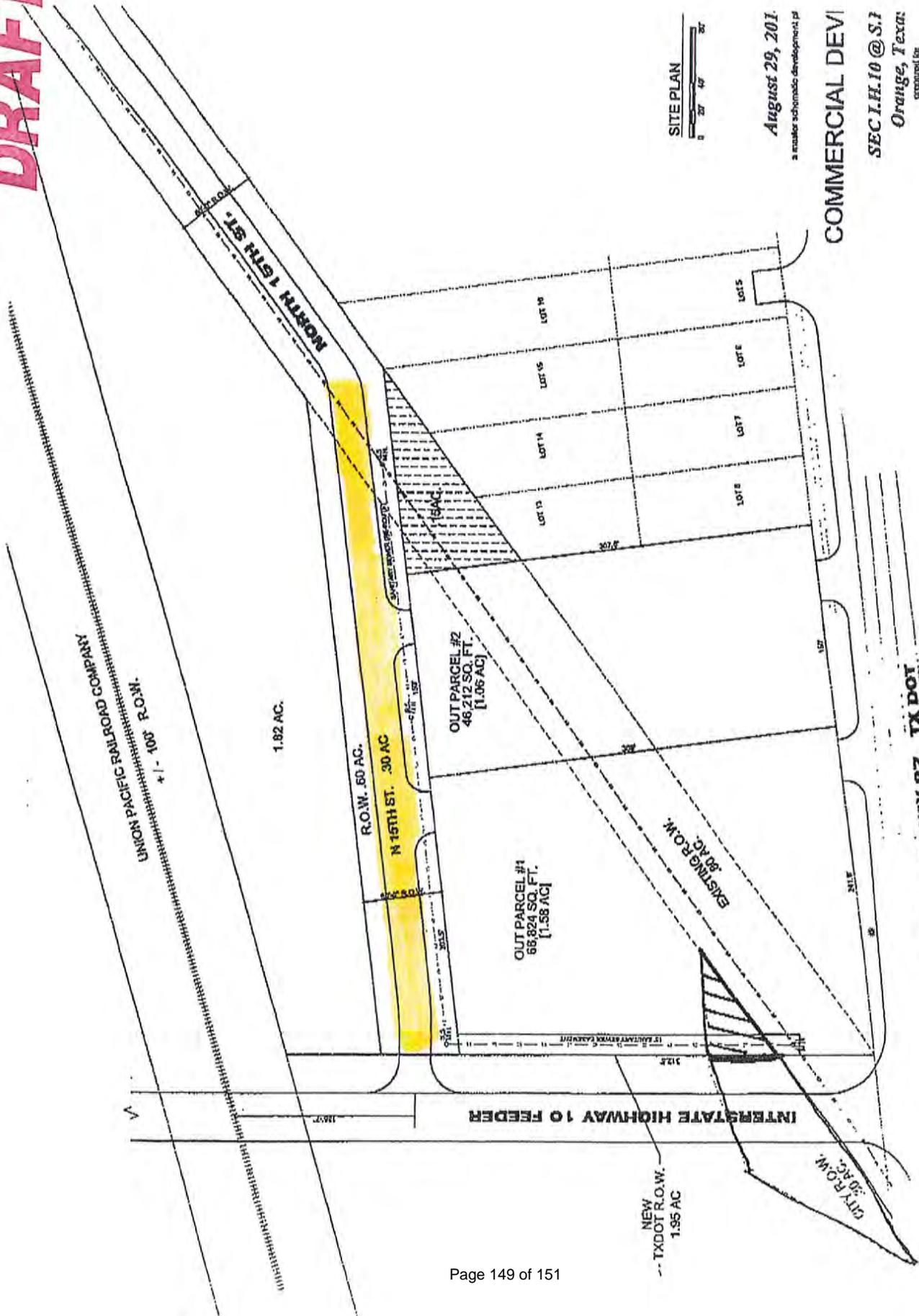
In year 2013, the City of Orange EDC and City Council approved an economic development incentive to Mallett Commercial Development, aka Jadco, of \$350,000 to relocate a 27" sanitary sewer line that was located in the 15th Street area of the City of Orange for the purpose of economic development. Mr. Jeff Mallett has been in negotiations with TxDOT regarding property along Interstate 10 and 15th Street, which he currently owns. At this time there is an agreement between TxDOT and Jadco, which would extend the frontage road from 16th Street to Bob Hall Road, and relocate 15th Street to the east from its current intersection with 16th Street to allow more depth and setback for proposed retail projects.

As part of the agreement between TxDOT and Jadco, and in an effort to support retail development, the City of Orange EDC has been asked to consider an expenditure of \$75,000 to Mallett Commercial Development for the relocation of 15th Street, which will be funded by the development company.

Please see the attached DRAFTS of the proposed site plans that reflect the relocation of 15th Street, which will be confirmed as part of the final agreement between TxDOT and Jadco.

Subject to your review and approval, please place this request on the next EDC Board meeting agenda as part of a public hearing and discussion and action to consider the \$75,000 incentive with a Motion of Intent. Please contact me at extension 1077 for additional information.

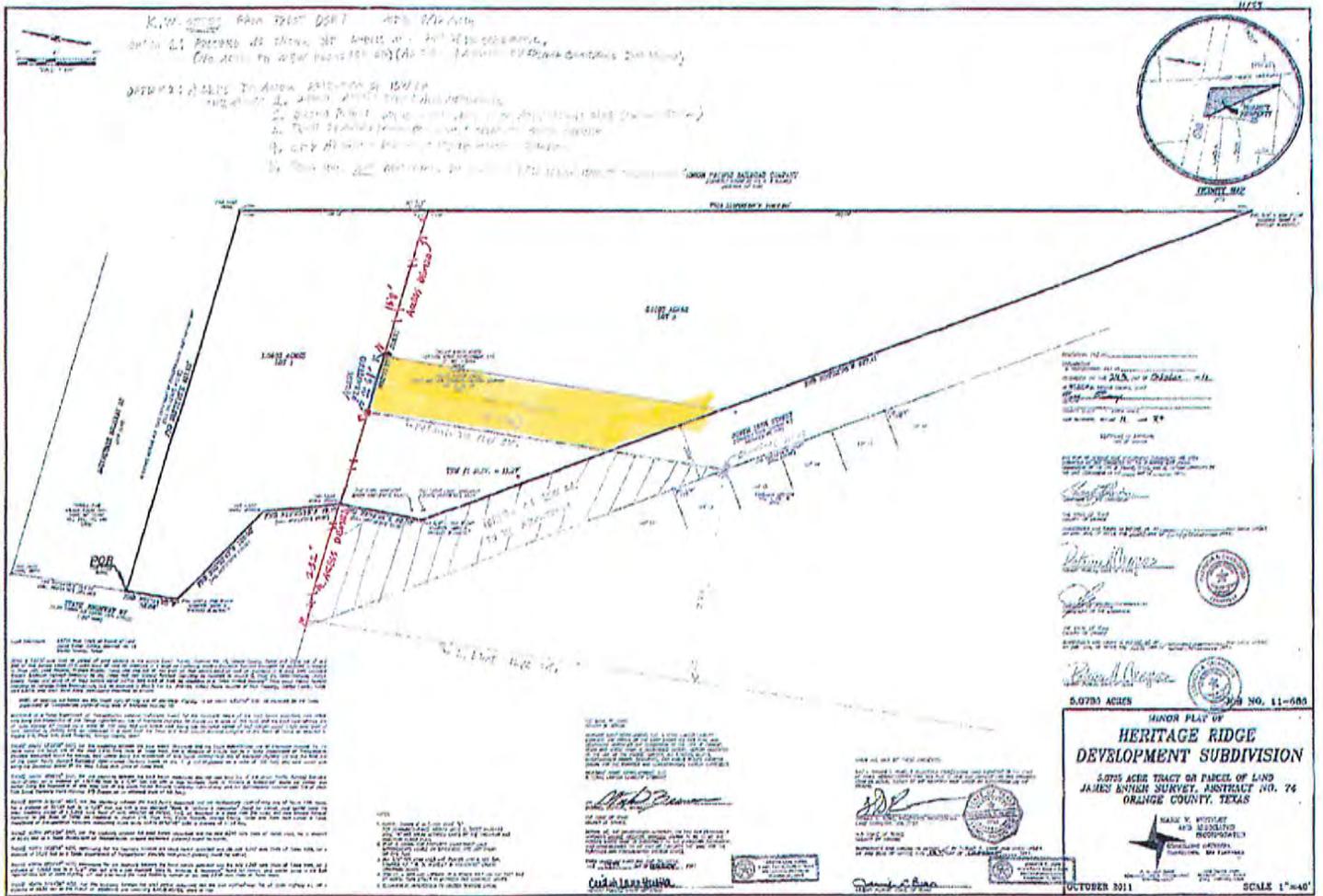
DRAFT



August 29, 201.
a realtor schomada development, pl

COMMERCIAL DEVI
SECT. 10 @ S. 1
Orange, Texas
prepared for

DRAFT



MOTION

Motion approving the Orange Economic Development Corporation's motion of intent to expend funds for the relocation of 15th Street infrastructure improvements in an amount not to exceed \$75,000.00 for the purpose of economic development.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

January 27, 2015