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

February 23, 2016
5:30 P.M.

1.	**CALL TO ORDER**		Mayor
2.	**INVOCATION and PLEDGE OF ALLEGIANCE**		Council Member Pullen
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 5, 2016 Planning and Zoning Meeting	5	Mayor/Council
	b) February 9, 2016 City Council Meeting	9	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. PUBLIC HEARING

a) Conduct a public hearing concerning the re-zoning of a 1160.870 acre tract or parcel of land out of the Charles Morgan Survey Abstract No. 18, the William Morgan Survey, Abstract No. 266, the Jacob Towensend Survey, Abstract No. 180, and the John Allen Survey Abstract No. 1, all in Orange County, Texas (International Paper Company) from “R-1" Low Density Residential to “I” Industrial. 13 Staff: Knauf

7. ORDINANCE

a) First 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 an 1160.870 acre tract or parcel of land out of the Charles Morgan Survey Abstract No. 18, the William Morgan Survey, Abstract No. 266, the Jacob Towensend Survey, Abstract No. 180, and the John Allen Survey Abstract No. 1, all in Orange County, Texas from “R-1" Low Density Residential Zoning District to “I” Industrial Zoning District; providing for the official Zoning Map of the City of Orange, Texas to reflect such change; and making certain findings relative thereto. 15 Staff: Knauf

8. PUBLIC HEARING

a) Conduct a public hearing concerning amending Article 12.1000 of the Code of Ordinances “Sign Regulations” in its entirety and Section 12.611 “Supplemental Regulations Applicable to All Zoning Districts” by regulating searchlights and beacons. 23 Staff: Knauf

9. ORDINANCE

a) First Reading:

Consider an ordinance of the City Council of the City of Orange, Texas amending Chapter 12.1000 “Sign Regulations” in its entirety; amending Section 12.611 “Supplementary Regulations Applicable to All Zoning Districts” by regulating searchlights and beacons; repealing all ordinances in conflict to the extent of any conflict, providing for a severability clause, and establishing an effective date. 24 Staff: Knauf

10. DISCUSSION/ACTION

a) Consider a motion acknowledging annual review of the City of Orange Investment Policy. 39 Staff: English

b) Consider a motion acknowledging receipt of the Quarterly Investment Report for the period ending December 31, 2015. 64 Staff: English

c) Consider a motion accepting the extension of the current Water Service Hardware Contract from March 1, 2016 through September 30, 2016. This contract is shared by Rural Pipe & Supply Company and MDN Enterprises, Inc. 71 Staff: Wolf

d) Consider a motion authorizing the Orange County Mosquito Control District to fly low altitudes as required for the application of insecticides for the abatement of mosquitoes within the limits of the City of Orange. 74 Staff: Oubre

11. REPORTS

a) City Manager Report

b) City Council Report

12. ADJOURN TO CLOSED EXECUTIVE SESSION

a) Deliberation with City Attorney pursuant to Chapter 551 of the Texas Government Code:

(1) Deliberation with City Attorney regarding pending or contemplated litigation as authorized by subsection 551.071 - CAUSE NO. D160030-C - LESLIE E. BARRAS and HISTORIC ORANGE PRESERVATION EMPOWERMENT, INC., *Plaintiffs* VS. THE CITY OF ORANGE, TEXAS, et al, *Defendants.* Mayor/Council

(2) Deliberation with City Attorney regarding pending or contemplated litigation as authorized by subsection 551.071 - Residents in violation of City of Orange Code of Ordinances Section 11.102 and Article 11.500 - requiring connection to water and sewer systems. Mayor/Council

13. RECONVENE IN OPEN SESSION

a) Take action as necessary regarding item 12 a (1) and (2) above. Mayor/Council

14. ADJOURNMENT

Texas Penal Code 30.06:

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun"

"De conformidad con la Sección 30.06 del código penal (entrada de persona con licencia de portar o llevar armas de mano oculta), una persona licenciada bajo el subcapítulo H, capítulo 411 del código de gobierno (ley de licenciación para portar o llevar armas de mano) no se permite entrar en esta propiedad con "ninguna armas de mano oculta"

Texas Penal Code 30.07:

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly"

"De conformidad con la Sección 30.07 del código penal (entrada de una persona con licencia de portar o llevar armas de mano visible), una persona licenciada bajo el subcapítulo H, capítulo 411 del código de gobierno (ley de licenciación para portar o llevar armas de mano visible) no se permite entrar en esta propiedad con ninguna "armas de mano visible"

No Firearms Allowed
No se permite ninguna armas de fuego

MEMORANDUM

To:	**Dr. Shawn Oubre Ph.D., City Manager**
From:	**Kelvin Knauf, Director of Planning and Community Development**
Subject:	**Consider and take any necessary action on approval of the minutes for the Planning and Zoning Commission meetings held on January 5, 2016**
Date:	**February 9, 2016**

Background

Attached are the minutes of the Planning and Zoning Commission meeting that was held on January 5, 2016. The P&Z approved these minutes at their meeting held on February 2, 2016.

Recommendation

I recommend that the City Council approve the minutes of the Planning and Zoning Commission meeting held on January 5, 2016.

PLANNING AND ZONING MEETING MINUTES

Tuesday, January 05, 2016

The Orange Planning and Zoning Commission and the City Council met for a joint session on **Tuesday, January 05, 2016,** in the meeting room of the Orange Public Library with the following members present to-wit:

Commissioners Present:
Cullin Smith . . . . . Chairman
Joe Love . . . . . Vice Chairman
Jim Pledger . . . . . Commissioner
Michael Smith . . . . . Commissioner

Commissioners Absent:
Jack Moore, Sr.

City Council Members Present:
None

Staff Present:
Dr. Shawn Oubre, Ph. D., City Manager
Jay Trahan, Director of Economic Development
Kelvin Knauf, Director of Planning & Community Development
Jennifer Krummel, Planning Secretary

Chairman Smith called the meeting to order at 3:00 p.m.

In reference to the December 01, 2015 minutes, Chairman Smith made a comment that in the "Special Event Sign" category on page 2 of the minutes, and "Exhibition Signs" of the 3rd paragraph, page 2, used two different terms. The first paragraph stated "an accredited institute of higher learning", and the third paragraph stated "an accredited educational institution". Mr. Knauf stated they both should be "an accredited educational institution". Chairman Smith stated he did not want the minutes changed, but requested to change the proposed ordinance wording. Mr. Knauf agreed.

Chairman Smith made a request for the minutes of the December 01, 2015 meeting to be approved.
Vote: 4 - 0
Motion Carried

WORK SESSION

Chairman Smith opened the work session, to consider changes to the City of Orange Code of Ordinances Article 12.100 "Sign Regulations". He turned the podium over to Mr. Kelvin Knauf for the City's presentation.

Mr. Knauf stated he was asked to gather some information and measurements requested at the last work session. He began with a Power Point presentation to provide the information he gathered, particularly on the The Northway Shopping Center sign. He and Chairman Smith contacted the manager of Northway and County Signs (who did the cabinet for the sign) and got the following measurements:

Base of the sign is 768.18 square feet
Total height is 53.58 feet
Shopping center identification sign is 17 feet tall and 32 feet wide
Shopping center identification sign is 544 total square feet
Total of whole sign is 1,312.18 square feet

Mr. Knauf proceeded to show some pictures from Google Earth, of the sign, looking at it from Interstate 10. He also presented some of the other master signs on 16th Street, south of the interstate:

Amco Auto insurance / Top Nails - Total height 29.25 feet & 385.22 total square feet
Putnam Plaza - 210 total square feet

Mr. Knauf also looked at other cities, specifically the Target Shopping Center and Prien Shopping Center in Lake Charles, as well as Anna's Linens in Beaumont, and Crossroads Shopping Center in Vidor. None of these shopping centers have large shopping center identification signs. Mr. Knauf noted the following sign limits for maximum square feet:

Port Arthur	-	600 square feet
Beaumont	-	672 square feet
Baytown	-	600 square feet

Commissioner Pledger asked if Mr. Knauf thought 600 square feet was enough. Mr. Knauf stated after researching surrounding cities, he felt it was. Vice Chairman Love asked if someone could get a variance if they wanted a large sign. Mr. Knauf stated they would have to ask for an amendment to the sign ordinance. Chairman Smith asked if West Orange and Pinehurst had any sign regulations. Mr. Knauf stated he did not check with those cities. Commissioner Pledger stated they wanted to make it long range, specifically looking at the businesses along 16th Street and the Interstate. Commissioner Pledger asked if new businesses came into town would we be pushed to give them fair advertising. Mr. Knauf felt 600 square feet was a very large sign. Chairman Smith asked if there is a regulation on height. Mr. Knauf stated the height in IDC is 100 feet. Chairman Smith asked if any information was obtained for the 15th Street area proposal. Mr. Knauf stated he did not receive a response, but if the ordinance needed to be amended at a later date, they should not let this one item hold up the proposed ordinance. Commissioner Smith asked if Northway would have to change their sign. Mr. Knauf stated they would be consider legal, non-conforming.

Chairman Smith stated that the perception on the street is that the City of Orange is a difficult city to build in, and he doesn't want this to be one more hurdle the builders have to overcome. Commissioner Pledger stated that Orange county, as a whole, is known to be difficult to build in, and that is the prevalent feeling in the area. Mr. Knauf commented that the permitting office for the City, receives compliments of the easiness compared to other cities.

Vice Chairman Love stated he feels there does need to be a limit and does not feel the 600 square foot limit would prevent someone from building a shopping center in Orange.

Chairman Smith stated on page 9 of the proposed ordinance "Special Events" & "Exhibition Signs", that the wording differences could be cleared up (discussed earlier). He also asked if someone is "for profit", can they not participate under this ordinance. Mr. Knauf stated that was correct. Commissioner Pledger asked if the Lion's Club Carnival, BassMaster, Mardi Gras parade would fall under these categories, and Mr. Knauf stated yes. Commissioner Pledger asked about the banners to be put across the road. Dr. Shawn Oubre stated the City of Orange has not let any banners be put across the roads in the last 12 years. Mr. Knauf stated he will amend / take out the part about "public right of way".

Commissioner Pledger stated this was some of the best work he had seen in a long time.

Chairman Smith asked if a light beacon could be clarified. Mr. Knauf stated it was a spot light, and he found an ordinance out of Euless, Texas.

Commissioner Pledger asked if the side of a building had a mural, painted by an artist, and then put something like the name of a restaurant, could that be done. Mr. Knauf stated not if it's advertising a commercial speech, but a mural would be considered a free expression.

Chairman Smith asked about the window painting on business windows for Christmas. Mr. Knauf stated he wouldn't regulate those or paintings such as the "WOS Mustang State Champs".

Chairman Smith said he would like to look at the building facade and try to clean up the way the buildings look and not just the signage, in the near future. Mr. Knauf said he would like discuss exactly what needs to be addressed.

Chairman Smith ended the work session.

Action/Discussion Item

A. Consider receiving agenda packets by email

Chairman Smith asked for a motion for members to grant permission to receive their agenda packets via email and the recipient who do not have email will continue to receive their agenda packets via regular mail.

Vice-Chairman Love motioned
Commissioner Smith 2nd
Vote 4 - 0
Approved

Planning Secretary Jennifer Krummel to confirm the members' emails.

Meeting adjourned at 3:39 p.m.

STATE OF TEXAS **}**

February 9, 2016

COUNTY OF ORANGE **}**

BE IT REMEMBERED THAT a Regular Meeting of the Orange City Council of the City of Orange, Orange County, Texas, was held in the Library Auditorium on Tuesday, February 9, 2016.

COUNCIL MEMBERS PRESENT:	Jimmy Sims	Mayor
	Mary McKenna	Mayor Pro Tem
	Patrick A. Pullen	Council Member
	Dr. Wayne Guidry	Council Member
	Essie Bellfield	Council Member
	Bill Mello	Council Member (left meeting at 10:17 A.M.)
	Larry Spears Jr.	Council Member
COUNCIL MEMBERS ABSENT:	None	
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
	Gail English	Director of Finance
	David Frenzel	Fire Chief
	Kelvin Knauf	Director of Planning and Community Development
	Brenna Manasco	Library Director
	Kelly Griffin	Police Evd. & ID Tech
	John Cash Smith	City Attorney (left meeting at 10:30 A.M.)
STAFF MEMBERS ABSENT:	Jim Wolf	Director of Public Works

Mayor Sims called the meeting to order at 9:00 A.M.

Council Member Spears 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.

Council Member Bellfield moved to approve the motion. Second to the motion was made by Council Member Pullen which carried unanimously.

APPROVAL OF MINUTES

Council Member Bellfield moved to approve the minutes of the January 26, 2016 Regular Meeting of the Orange City Council. Second to the motion was made by Council Member Spears which carried unanimously.

CITIZEN COMMENTS

David Meaux, 2403 Bear Trails, advised he thinks it was a mistake to remove the Nativity Scene from City Hall. He would like for it to be returned. He presented Council with letters from government officials in favor of returning the Nativity Scene to City Hall.

ORDINANCES

FINAL READING:

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 2016.

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

A copy of this ordinance is being made a part of these minutes as Ordinance Number 2016-3.

PUBLIC HEARING

CONDUCT A PUBLIC HEARING TO RECEIVE CITIZEN COMMENTS CONCERNING THE RE-PLATTING OF 1.56 ACRES OF LAND AND BEING ALL OF LOT 9, LOT 10, LOT 11, LOT 12, LOT13, LOT 18, LOT 19 AND LOT 20 IN BLOCK 4, BELMONT PARK, RECORDED IN VOLUME 3, PAGE 45, MAP RECORDS OF ORANGE COUNTY, TEXAS MORE COMMONLY KNOWN AS 2413, 2415, 2417, 2419 AND 2421 N. 16TH STREET (PUTNAM PLAZA).

The public hearing began a 9:06 A.M.

There were no citizen comments.

The public hearing ended at 9:08 A.M.

RESOLUTIONS

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS APPROVING A REPLAT OF 1.56 ACRES OF LAND AND BEING ALL OF LOT 9, LOT 10, LOT 11, LOT 12, LOT 18, LOT 19 AND LOT 20 IN BLOCK 4, BELMONT PARK, RECORDED IN VOLUME 3, PAGE 45, MAP RECORDS OF ORANGE COUNTY, TEXAS, MORE COMMONLY KNOWN AS 2413, 2415, 2417, 2419 AND 2421 N. 16TH STREET (PUTNAM PLAZA).

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

A copy of this resolution is being made a part of these minutes as Resolution Number 2016-11.

DISCUSSION/ACTION

MOTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH THE STARK FOUNDATION FOR INSTALLATION OF BANNERS ON LIGHT POLES LOCATED ON 16TH STREET.

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

CITY MANAGER REPORT

Dr. Oubre advised the City is considering the purchase of a pumper truck for the Fire Department and needed direction from Council if they would like a workshop or an agenda item to discuss this purchase.

It was the consensus of the Council to schedule a workshop.

CITY COUNCIL REPORT

Council Member Spears reminded everyone that March is Black History Month.

Council Member Mello appreciated David Meaux for his work regarding the Nativity Scene.

Mayor Pro Tem McKenna wished everyone a Happy Valentine's Day. She encouraged individuals to attend the Lamar State College - Orange Distinguished Lecture Series with Mary Matalin and James Carville.

Council Member Bellfield thanked everyone who was involved with the Mardi Gras Parade and Concert.

Council Member Guidry encouraged citizens to participate in the Trash-Off this Saturday.

Council Member Pullen thanked the Orange Police Department for doing a magnificent job. The Mardi Gras Parade was a great success.

Mayor Sims also encouraged citizens to participate in the Trash-Off this Saturday.

ADJOURN TO CLOSED EXECUTIVE SESSION

a) Deliberation with City Attorney pursuant to Chapter 551 of the Texas Government Code:

(1) Deliberation with City Attorney regarding pending or contemplated litigation as authorized by subsection 551.071 -CAUSE NO. D160030-C - LESLIE BARRAS and HISTORIC ORANGE PRESERVATION EMPOWERMENT, INC., *Plaintiffs* VS. THE CITY OF ORANGE, TEXAS, et al, *Defendants*.

The Council met in closed executive session at 9:34 A.M.

Council Member Mello left the meeting at 10:17 A.M.

Mr. Smith left the meeting at 10:30 A.M.

RECONVENE IN OPEN SESSION

The Council reconvened in open session at 10:30 A.M.

TAKE ACTION AS NECESSARY REGARDING ITEM 11 a (1) ABOVE.

No action was taken.

ADJOURNMENT

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

The meeting adjourned at 10:30 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**

Subject: **Conduct a public hearing concerning the re-zoning of a 1160.870 acre tract or parcel of land out of the Charles Morgan Survey Abstract No. 18, the William Morgan Survey, Abstract No. 266, the Jacob Towensend Survey, Abstract No. 180, and the John Allen Survey Abstract No. 1, all in Orange County, Texas (International Paper Company) from "R-1" Low Density Residential to "I" Industrial**

Date: **February 10, 2016**

Background

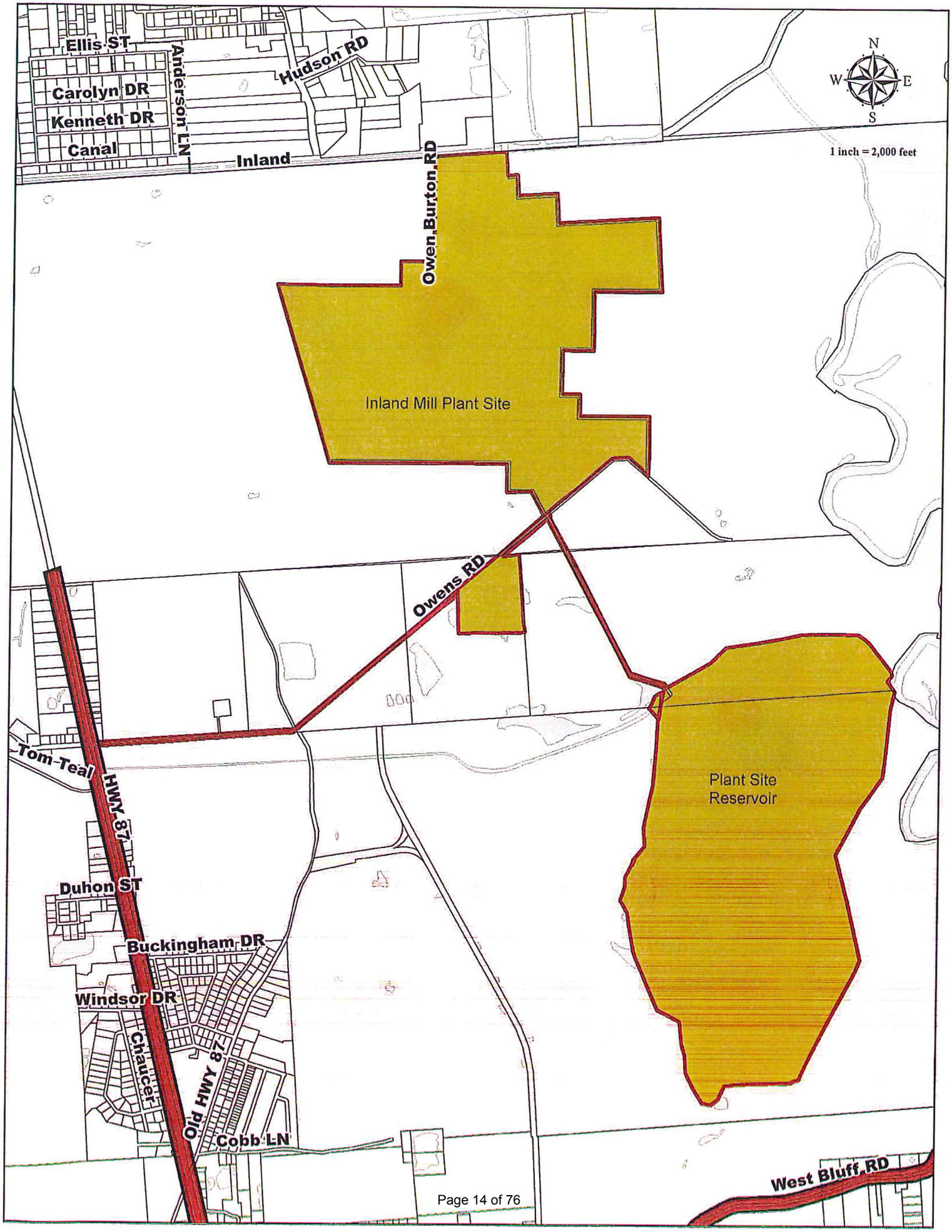
The City Council will need to conduct a public hearing on a proposed re-zoning of the 1160.870 acre International Paper Company property.

On August 14, 2015 the City Council approved on final reading the voluntary annexation of this property. A map of the annexed area is included in your agenda packet. Whenever property is annexed into the City, the property is automatically zoned R-1 Low Density Residential. The manufacture of paper products is listed under the Standard Industrial Classification (SIC) as Major Group 51. The zoning matrix allows SIC Major Group 51 establishments by right to be located only in the "I" Industrial zoning classification.

On February 2, 2016 the Planning and Zoning Commission voted to recommend that the zoning on the International Paper Company property be re-zoned from "R-1" Low Density Residential to "I" Industrial.

Recommendation

I recommend that the City Council conduct a public hearing on the proposed re-zoning of the International Paper Company site from "R-1" Low Density Residential" to "I" Industrial.


Ellis ST
Anderson LN
Carolyn DR
Kenneth DR
Canal
Hudson RD
Inland
Owen Burton RD
N
W
E
S
1 inch = 2,000 feet
Inland Mill Plant Site
Owens RD
Tom Teal
HWY 87
Duhon ST
Buckingham DR
Windsor DR
Chaucer
HWY 87
Cobb LN
Plant Site
Reservoir
West Bluff RD

MEMORANDUM

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

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

Subject: **Consider an ordinance re-zoning a 1160.870 acre tract or parcel of land out of the Charles Morgan Survey Abstract No. 18, the William Morgan Survey, Abstract No. 266, the Jacob Towensend Survey, Abstract No. 180, and the John Allen Survey Abstract No. 1, all in Orange County, Texas (International Paper Company property) from "R-1" Low Density Residential to "I" Industrial**

Date: **February 10, 2016**

Background

On August 14, 2015 the City Council approved on final reading the voluntary annexation of this property. A map of the annexed area is included in your agenda packet. Whenever property is annexed into the City, the property is automatically zoned R-1 Low Density Residential. The manufacture of paper products is listed under the Standard Industrial Classification (SIC) as Major Group 51. The zoning matrix allows SIC Major Group 51 establishments by right to be located only in the "I" Industrial zoning classification.

On February 2, 2016, the Planning and Zoning Commission voted unanimously to recommend that the International Paper Company property be re-zoned from "R-1" Low Density Residential to "I" Industrial.

Recommendation

I recommend that the City Council adopt an ordinance re-zoning a 1160.870 acre tract or parcel of land out of the Charles Morgan Survey Abstract No. 18, the William Morgan Survey, Abstract No. 266, the Jacob Towensend Survey, Abstract No. 180, and the John Allen Survey Abstract No. 1, all in Orange County, Texas (the International Paper Company property) from "R-1" Low Density Residential to "I" Industrial.

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 AN 1160.870 ACRE TRACT OR PARCEL OF LAND OUT OF THE CHARLES MORGAN SURVEY ABSTRACT NO. 18, THE WILLIAM MORGAN SURVEY, ABSTRACT NO. 266, THE JACOB TOWENSEND SURVEY, ABSTRACT NO. 180, AND THE JOHN ALLEN SURVEY ABSTRACT NO. 1, ALL IN ORANGE COUNTY, TEXAS FROM "R-1" LOW DENSITY RESIDENTIAL ZONING DISTRICT TO "I" INDUSTRIAL 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 February 2, 2016 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 a request to amend the zoning of a 1160.870 acre tract or parcel of land out of the Charles Morgan Survey Abstract No. 18, the William Morgan Survey, Abstract No. 266, the Jacob Towensend Survey, Abstract No. 180, and the John Allen Survey Abstract No. 1, all in Orange County, Texas from "R-1" Low Density Residential Zoning District to "I" Industrial Zoning District 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 a 1160.870 acre tract or parcel of land out of the Charles Morgan Survey Abstract No. 18, the William Morgan Survey, Abstract No. 266, the Jacob Towensend Survey, Abstract No. 180, and the John Allen Survey Abstract No. 1, all in Orange County, Texas as shown on the attached Exhibit "A" shall be amended from "R-1" Low Density Residential Zoning District to "I" Industrial 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.

SECTION IV

THAT, this ordinance shall be effective after the second and final approval and publication as required in the Orange City Charter and state law.

PASSED and APPROVED on the first reading this the 23rd day of February, 2016.

PASSED, APPROVED, and ADOPTED on the final reading on this the ____ day of _____, 2016.

_____

Jimmy Sims, Mayor

ATTEST:

_____

Rhonda Haskins, City Secretary

APPROVED AS TO FORM:

_____

City Attorney

Exhibit A:
LEGAL DESCRIPTION OF PROPERTY

June 5, 2015

Being a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation top Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al. , top Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc, dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, said 1160.870 acres of land to be more particularly described by meted and bounds as follows;

BEGINNING at a ½" iron rod set for corner in the West Boundary line of that certain 5.00 acre tract as described in a deed from Powell Lumber Company to M. Holden et ux recorded in Volume 58 Page 175, Deed Records of Orange County, Texas, said point for corner being at the intersection of the West boundary line of said 5.00 acre tract with the South Boundary line of a 40 foot wide road easement as recorded in a easement from Powell Lumber Company to Orange County and recorded in Volume 59 Page 383, Deed Records of Orange County, Texas said point for corner being the South 00 Deg. 14 Min. 09 Sec. West, a distance of 40.01 feet from the Northwest corner of said 5.00 acre tract, the Northwest corner of said 5.00 acre tract being on the North boundary line of said Chas. Morgan Survey ;

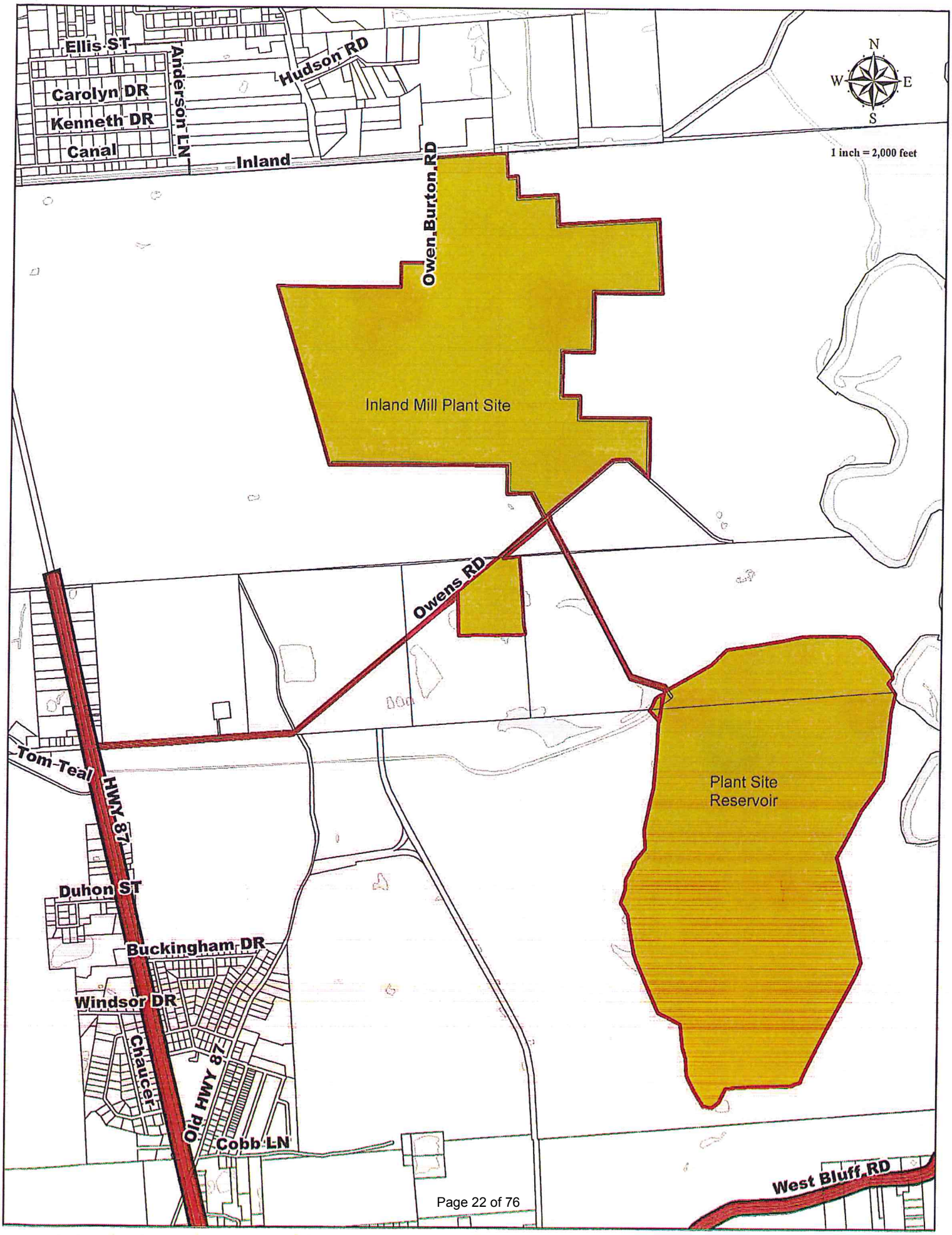
THENCE South 00 Deg. 14 Min. 09 Sec. West, for a distance of 374.93 feet, to a point for corner;
THENCE South 89 Deg. 54 Min. 56 Sec. East, for a distance of 701.27 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 358.45 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 667.39 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 506.71 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 1728.57 feet, to a point for corner;

THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 1280.78 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 1171.53 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1025.87 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 532.73 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 757.07 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 306.30 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 375.00 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 1211.05 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1015.38 feet, to a point for corner;
THENCE South 45 Deg. 21 Min. 28 Sec. East, for a distance of 1500.00 feet, to a point for corner;
THENCE South 59 Deg. 58 Min. 22 Sec. East, for a distance of 139.89 feet, to a point for corner;
THENCE South 77 Deg. 21 Min. 30 Sec. East, for a distance of 166.43 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 41.00 feet, to a point for corner;
THENCE North 00 Deg. 09 Min. 47 Sec. West, for a distance of 1028.48 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 602.25 feet, to a point for corner;
THENCE South 00 Deg. 09 Min. 47 Sec. East, for a distance of 1078.47 feet, to a point for corner;
THENCE South 89 Deg. 50 Min. 13 Sec. West, for a distance of 648.86 feet, to a point for corner;
THENCE North 77 Deg. 21 Min. 34 Sec. West, for a distance of 179.69 feet, to a point for corner;
THENCE North 59 Deg. 58 Min. 23 Sec. West, for a distance of 153.95 feet, to a point for corner;
THENCE North 45 Deg. 21 Min. 28 Sec. West, for a distance of 1962.76 feet, to a point for corner;
THENCE South 89 Deg. 03 Min. 24 Sec. West, for a distance of 238.81 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 39 Sec. West, for a distance of 1462.99 feet, to a point for corner;
THENCE South 25 Deg. 02 Min. 45 Sec. East, for a distance of 3103.09 feet, to a point for corner;
THENCE South 68 Deg. 19 Min. 45 Sec. East, for a distance of 631.62 feet, to a point for corner;
THENCE South 32 Deg. 45 Min. 48 Sec. East, for a distance of 204.10 feet, to a point for corner;
THENCE North 57 Deg. 13 Min. 01 Sec. East, for a distance of 1190.21 feet, to a point for corner;
THENCE North 81 Deg. 39 Min. 04 Sec. East, for a distance of 881.04 feet, to a point for corner;
THENCE South 85 Deg. 46 Min. 30 Sec. East, for a distance of 1309.86 feet, to a point for corner;
THENCE South 30 Deg. 18 Min. 50 Sec. East, for a distance of 890.06 feet, to a point for corner;
THENCE South 89 Deg. 32 Min. 19 Sec. East, for a distance of 129.48 feet, to a point for corner;
THENCE South 22 Deg. 45 Min. 29 Sec. East, for a distance of 162.94 feet, to a point for corner;
THENCE South 66 Deg. 33 Min. 02 Sec. West, for a distance of 92.41 feet, to a point for corner;
THENCE South 10 Deg. 31 Min. 39 Sec. West, for a distance of 1272.03 feet, to a point for corner;

THENCE South 35 Deg. 23 Min. 04 Sec. West, for a distance of 737.88 feet, to a point for corner;
THENCE South 27 Deg. 45 Min. 18 Sec. West, for a distance of 889.40 feet, to a point for corner;
THENCE South 08 Deg. 49 Min. 03 Sec. East, for a distance of 1923.57 feet, to a point for corner;
THENCE South 32 Deg. 05 Min. 01 Sec. West, for a distance of 864.02 feet, to a point for corner;
THENCE South 31 Deg. 35 Min. 07 Sec. West, for a distance of 1425.04 feet, to a point for corner;
THENCE North 88 Deg. 06 Min. 05 Sec. West, for a distance of 1238.23 feet, to a point for corner;
THENCE South 46 Deg. 20 Min. 25 Sec. West, for a distance of 172.69 feet, to a point for corner;
THENCE South 87 Deg. 18 Min. 33 Sec. West, for a distance of 328.07 feet, to a point for corner;
THENCE North 23 Deg. 56 Min. 07 Sec. West, for a distance of 370.96 feet, to a point for corner;
THENCE North 05 Deg. 44 Min. 10 Sec. West, for a distance of 539.83 feet, to a point for corner;
THENCE North 16 Deg. 07 Min. 31 Sec. West, for a distance of 354.54 feet, to a point for corner;
THENCE North 61 Deg. 42 Min. 45 Sec. West, for a distance of 336.36 feet, to a point for corner;

THENCE North 04 Deg. 54 Min. 56 Sec. West, for a distance of 332.13 feet, to a point for corner;
THENCE North 23 Deg. 35 Min. 21 Sec. West, for a distance of 362.02 feet, to a point for corner;
THENCE North 16 Deg. 53 Min. 15 Sec. West, for a distance of 332.17 feet, to a point for corner;
THENCE North 07 Deg. 06 Min. 18 Sec. West, for a distance of 506.11 feet, to a point for corner;
THENCE North 07 Deg. 43 Min. 32 Sec. West, for a distance of 453.49 feet, to a point for corner;
THENCE North 18 Deg. 45 Min. 10 Sec. East, for a distance of 470.50 feet, to a point for corner;
THENCE North 22 Deg. 11 Min. 22 Sec. East, for a distance of 522.15 feet, to a point for corner;
THENCE North 00 Deg. 19 Min. 44 Sec. West, for a distance of 313.42 feet, to a point for corner;
THENCE North 13 Deg. 25 Min. 50 Sec. East, for a distance of 856.71 feet, to a point for corner;
THENCE North 05 Deg. 41 Min. 33 Sec. East, for a distance of 872.39 feet, to a point for corner;
THENCE North 17 Deg. 58 Min. 53 Sec. West, for a distance of 377.03 feet, to a point for corner;
THENCE North 59 Deg. 22 Min. 32 Sec. East, for a distance of 404.84 feet, to a point for corner;
THENCE North 32 Deg. 45 Min. 48 Sec. West, for a distance of 178.47 feet, to a point for corner;
THENCE North 68 Deg. 19 Min. 45 Sec. West, for a distance of 637.70 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 3117.47 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 37 Sec. West, for a distance of 982.05 feet, to a point for corner;
THENCE North 88 Deg. 41 Min. 09 Sec. East, for a distance of 215.34 feet, to a point for corner;
THENCE South 00 Deg. 55 Min. 27 Sec. East, for a distance of 1200.13 feet, to a point for corner;
THENCE South 89 Deg. 01 Min. 28 Sec. West, for a distance of 1000.01 feet, to a point for corner;
THENCE North 00 Deg. 55 Min. 45 Sec. West, for a distance of 683.83 feet, to a point for corner;
THENCE North 52 Deg. 42 Min. 37 Sec. East, for a distance of 1907.13 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 462.34 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 432.94 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 493.57 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 3085.48 feet, to a point for corner;
THENCE North 13 Deg. 14 Min. 29 Sec. West, for a distance of 3192.45 feet, to a point for

corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 2112.75 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 421.31 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 573.90 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 1800.00 feet, to a point for corner;
THENCE North 89 Deg. 08 Min. 23 Sec. East, for a distance of 300.00 feet, to a point for corner;
THENCE North 00 Deg. 51 Min. 37 Sec. West, for a distance of 5.00 feet, to a point for corner;
THENCE North 89 Deg. 13 Min. 27 Sec. East, for a distance of 443.45 feet, to a point for corner, which is the POINT OF BEGINNING, and containing 1,160.870 acres or 50,567,517.8 square feet.


Ellis ST
Carolyn DR
Kenneth DR
Canal
Anderson LN
Hudson RD
Inland
Owen Burton RD
N
W
E
S
1 inch = 2,000 feet
Inland Mill Plant Site
Owens RD
Plant Site
Reservoir
Tom Teal
HWY 87
Duhon ST
Buckingham DR
Windsor DR
Chaucer
Old HWY 87
Cobb LN
West Bluff RD

MEMORANDUM

To:	**Dr. Shawn Oubre Ph.D., City Manager**
From:	**Kelvin Knauf, Director of Planning and Community Development**
Subject:	**Conduct a public hearing concerning amending Article 12.1000 of the Code of Ordinances "Sign Regulations" in its entirety and Section 12.611 "Supplemental Regulations Applicable to All Zoning Districts" by regulating searchlights and beacons**
Date:	**February 15, 2015**

Background

The City Council will need to conduct a public hearing on the proposed changes to amendments to Article 12.1000 of the Code of Ordinances "Sign Regulations" and Section 12.611 "Supplemental Regulations Applicable to All Zoning Districts".

Recommendation

I recommend that City Council conduct a public hearing on amending Article 12.1000 of the Code of Ordinances "Sign Regulations" in its entirety and amending Section 12.611 "Supplemental Regulations Applicable to All Zoning Districts" by regulating searchlights and beacons.

MEMORANDUM

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

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

Subject: **Recommendation concerning amending the Orange Code of Ordinances Article 12.1000 "Sign Regulations" and Section 12.611 "Supplementary Regulations Applicable to All Zoning Districts"**

Date: **February 15, 2015**

Background

Attached for your consideration is a proposed ordinance that amends Article 12.1000 of the Code of Ordinances that regulates signs. The proposed amendments include the following:

- Renames "Temporary Event Signs" to "Promotional Signs" (to avoid confusion with the proposed "Special Event Signs");
- Adds blade signs, banners, balloons, feather flags, inflatables, air dancers, inflatable tubes, and pennants to the definition of a promotional sign;
- Changes the size of a master sign from 400 square feet with unlimited size for the shopping center identification to 600 square feet total including shopping center identification;
- Re-writes Section 12.1005.a. pertaining to pole signs and portable signs in the Historic Districts to clarify the regulations;
- Creates a sign classification of "Exhibition Signs" to address signs that may be for a cultural or performing exhibition, event or performance of a historic, cultural or artistic nature such as plays, concerts, and museum exhibits;
- Creates a sign classification of "Special Event Signs" that address signs for special events of a community-wide event or activity conducted by, or sponsored by, on or behalf of a unit of local government, an agency of the State of Texas, an accredited institute of higher learning, a charitable organization or a not-for-profit organization such as Bassmasters, and boat races;
- Creates a sign classification of "Window Signs" regulating the size of signs in windows; and
- Corrects typos, duplications and inconsistencies in the current ordinance and clarifies wording in the current ordinance.

The proposed ordinance also amends Section 12.611 "Supplementary Regulations Applicable to All Zoning Districts" by regulating searchlights and beacons. The proposed ordinance prohibits searchlights or beacons unless they have a sign permit and the searchlights/beacons can only be operated for 30-day periods three times a year with 30 day intervals between each 30-day period.

The Planning and Zoning Commission considered the proposed ordinance at their February 2, 2016 meeting and voted unanimously to recommend that the City Council adopt the ordinance amending the sign ordinance and establishing regulations for searchlights and beacons.

Recommendation

I recommend that the City Council to adopt an ordinance amending Article 12.1000 “Sign Regulations” and Section 12.611 “Supplementary Regulations Applicable to All Zoning Districts” as presented.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS AMENDING CHAPTER 12.1000 "SIGN REGULATIONS" IN ITS ENTIRETY; AMENDING SECTION 12.611 "SUPPLEMENTARY REGULATIONS APPLICABLE TO ALL ZONING DISTRICTS" BY REGULATING SEARCHLIGHTS AND BEACONS; REPEALING ALL ORDINANCES IN CONFLICT TO THE EXTENT OF ANY CONFLICT, PROVIDING FOR A SEVERABILITY CLAUSE, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Planning and Zoning Commission has reviewed Chapter 12.1000 "Sign Regulations" of the Orange Code of Ordinances and recommends that the current sign regulations be amended, and

WHEREAS, the Planning and Zoning Commission has reviewed Chapter 12.611 "Supplementary Regulations Applicable to All Zoning Districts" and recommends that regulations pertaining to searchlights and beacons be adopted; and

WHEREAS, there have been federal court rulings on the regulation of signs, and

WHEREAS, the City Council believes that regulating signs, searchlights and beacons is necessary to prevent signs from dominating the landscape or buildings; creating a nuisance to persons using the public rights-of-way; constituting a visual nuisance by their size, location or height; creating a hazard due to collapse, fire, decay or abandonment; obstructing firefighting or police surveillance, and do not create traffic hazards by confusing or distracting motorists, or their ability to read traffic signs or impair the driver's ability to see pedestrians, vehicles or obstacles, and

WHEREAS, a public hearing was conducted before the Planning and Zoning Commission on February 2, 2016 to receive comments from the public concerning the proposed changes to the sign ordinance and the regulation of searchlights and beacons; and

WHEREAS, the City Council conducted a public hearing to receive comments from the public concerning the proposed changes to the sign ordinance and the regulation of searchlights and beacons; now

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

Section 1. That Chapter 12.100 "Sign Regulations" is hereby amended in its entirety as shown on the attached Exhibit "A".

Section 2. That Section 12.611 "Supplementary Regulations Applicable to All Zoning Districts" is hereby amended to add the following:

Searchlights or beacons. Any apparatus capable of projecting a powerful beam or beams of light directed into the atmosphere or directed at one or more points not on the same zone lot as the light source; also any light with one or more beams that rotate or move. Does not include any kind of lighting device required or necessary under the safety regulations described by the Federal Aviation Agency or similar agencies and does not include commercially-produced laser light shows.

Time. A no-cost sign permit is required. The sign permit must be displayed in a conspicuous place visible from the street for the purpose of walk-up inspection. A sign permit shall not be issued until the city has issued a certificate of occupancy for the business that elects to display a searchlight or beacon. One searchlight or beacon can be placed for a thirty-day period three (3) times a year and with a minimum thirty-

day interval between placements. A single permit for a searchlight or beacon may be issued for only one 24-hour period at a time. A business can only display one searchlight or beacon at a time.

Place. A searchlight or beacon shall not be located in required parking spaces, or driveways that provide access to parking spaces or fire lanes, nor shall any searchlight or beacon or its securing devices encroach into a right-of-way. Searchlights and beacons are only permitted within a nonresidential zoning district.

Manner. Searchlights or beacons shall not be located within 200 feet of a residence and shall not shine into the eyes of occupants in any vehicle or into any residential window or where the illumination interferes with the readability of any traffic signal or device.

Section 3. That all Ordinances that are in conflict with the provisions of this Ordinance be repealed and all other Ordinances of the City not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section 4. That it is expressly ordained that if any section or subsection, clause, sentence or paragraph of the ordinance shall be found to be illegal, invalid, or void by any court of competent jurisdiction, then such findings shall not affect the remaining portions of this ordinance, but the same shall be valid and in effect, it being the expressed intention of the City Council of the City of Orange, Texas to pass each and every sentence, clause, paragraph or section individually.

Section 5. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code Chapter 551.

Section 6. That this ordinance shall become effective upon second and final passage by the City Council and publication as required by State law.

PASSED AND APPROVED on first reading this the _____ day of _____, 2016.

PASSED AND APPROVED on second reading this the _____ day of _____, 2016.

_____

Jimmy Sims, Mayor

ATTEST:

_____

Rhonda Haskins, City Secretary

APPROVED AS TO FORM:

_____

City Attorney

Exhibit “A”

ARTICLE 12.1000 - SIGN REGULATIONS

Sec. 12.1001 - Introduction

This section provides regulations for signs to achieve the following:

(1) Communication. To provide the opportunity for businesses to identify themselves or for a message to be presented.

(2) Public Welfare and Safety. To assure that:

(A) Signs do not dominate the landscape or buildings; and

(B) Signs do not create a nuisance to persons using the public rights-of-way; and

(C) Signs do not constitute a visual nuisance by their, size, location, or height; and

(D) Signs do not create a hazard due to collapse, fire, decay or abandonment; and

(E) Signs do not obstruct firefighting or police surveillance; and

(F) Signs do not create traffic hazards by confusing or distracting motorists, or their ability to read traffic signs or impair the driver's ability to see pedestrians, vehicles or obstacles.

Sec. 12.1002 - Definitions

The following definitions are applicable to the sign regulations only.

Awning. Means an overhanging shelter projecting from the exterior wall of a building

Building. Means a structure which has a roof supported by columns or walls for the shelter, support, or enclosure of persons, animals or chattel.

Building wall area. Means the area encompassed by the height and width of a building facade.

Facade. Means an exterior wall of a building.

Illumination, direct. Means a light source which is enclosed within the sign.

Illumination, indirect. Means a light source which is not enclosed within the sign.

Off-premise sign. Means a sign displaying advertising copy that pertains to a business, person, organization, activity, event, place, service, or product not principally located or primarily manufactured or sold on the premises on which the sign is located.

On-premise sign. Means a sign advertising products, goods, accommodations, services or activities on the premises where the sign is located or a sign of a noncommercial nature placed on the premise by the owner or occupant.

Public property. Means all publicly owned property, including streets, rights-of-way, easements and everything affixed thereto.

Roof line. Means the uppermost line of the roof of a building not including towers, spires, domes, cupolas, architectural embellishments or extended facades.

Exhibit "A"

Sight Triangle. Means the area bounded by the street gutter lines at corner lots and a straight line joining said street lines at points, measured along said street lines, that are twenty (20) feet distant from the point of intersection.

Sign. Means a structure, display, painting, inflatable object or other item that is designed, intended or used to attract attention, advertise or inform about a business, person, organization, activity, event, place, service, or product.

Sign area. Means the area in square feet of the smallest rectangle enclosing the total exterior surface of a sign or of one face of a double faced sign.

Sign height. Means the vertical distance between the highest part of the sign including the sign structure, and the nearest point of the ground surface.

Sign structure. Means a structure which supports a sign.

Street frontage. Means the linear frontage of a building or property abutting a street, excluding alleys.

Zoning board. Means the Zoning Board of Adjustment of the City of Orange, Texas.

(Ordinance 2014-2, § I(Exh. A(1)), adopted 1/14/14)

Sec. 12.1003 - General Provisions

The following regulations shall apply to signs in all districts unless otherwise provided for elsewhere in this chapter:

(1) All signs shall be constructed and erected in accordance with the building and electrical codes of the City of Orange.

(2) Location.

(A) No sign shall be erected as to prevent free ingress or egress from any door, window, or fire escape; and no sign shall be attached to a standpipe or fire escape.

(B) No sign shall be erected at the intersection of any streets in such a manner as to obstruct free and clear vision or at any location where, by reason of position, it may interfere with or obstruct the view of traffic sight lines or traffic control devices. However, where allowed in the zoning district, a sign is permitted within the sight triangle provided that the pole(s) on which it is mounted does not exceed twelve (12) inches in diameter and providing that the lowest extremity of the sign is at least ten (10) feet above ground level.

(C) Any sign attached to the wall of a building and extending out more than fifteen (15) inches shall be deemed a projecting wall sign. Such signs shall not extend more than six (6) feet from the building wall; and shall be at least ten (10) feet above the finished grade. Projecting wall signs shall be allowed to extend over public property only in the "Old Town Center" Zoning District and shall in no event extend closer than three (3) feet from the front of the curb.

(D) All business and advertising signs must be attached to or located on private property unless otherwise allowed in this chapter. To provide reasonable flexibility in these regulations, the Zoning Board of Adjustments may approve an application for a business sign or advertising structure that may not conform with the provisions of the district in which it is located, where the location, size or addition would not be inconsistent with the character of the area or neighborhood in which such sign or structure is to be located

Exhibit "A"

(E) All on-premises signs shall be set back ten (10) feet. The ten (10) foot setback shall be measured from the property line to the nearest point of the sign. The following are exempt from these height and setback requirements:

(1) If the sign is less than three (3) feet high, it may be located at the property line but not in the right-of-way; or,

(2) If the lowest edge of the sign is located ten (10) feet or more above the ground, it may be located at the property line but not in the right-of-way and within the sight triangle if allowed by the zoning district.

(F) No sign may be located closer than ten (10) feet from overhead electrical conductors which are energized in excess of seven hundred and fifty volts (750).

(G) No sign or sign structure may be erected on any light pole, utility pole, fire hydrant, or other similar object or structure.

(H) No off-premises signs are allowed, with the exception of billboard signs, real estate signs, political signs, special events signs or exhibition signs.

(I) No sign may be located in, or project over public property except for special event signs with prior approval of the Director of Planning and Community Development and the Director of Public Works; or in the OTC zoning district.

(J) No sign shall be placed on any publicly owned structure without the expressed consent and design approval of the City Council. Such signs shall be exempt from these regulations; however, the council should attempt to keep the design of such signs within the intent of the sign regulations.

(3) Illumination. The illumination of any sign within fifty (50) feet of and facing a residential use lot line shall be diffused or indirect and designed to prevent direct rays of light from shining into adjoining residential lots. Neon signs and plastic face signs with internal lighting are considered diffused or indirectly lighted signs.

(4) Revolving Signs. No revolving device or sign of any kind is allowed.

(5) Sign Maintenance.

(A) All signs and, their support systems, shall be maintained in good repair and shall be maintained in a safe, clean, sanitary, and no offensive condition, and shall be kept free and clear of all obnoxious substances and rubbish.

(B) Whenever a sign becomes structurally unsafe or endangers the public safety, the Building Official shall give written notice to the owner of the sign or the owner of the premises on which the sign is located that such sign be made safe or removed within ten (10) days.

(C) When a sign poses an immediate danger the building official shall contact the owner of the property or in the case of a billboard or a leased portable sign the owner of the sign and request the sign be removed or repaired to the satisfaction of the Building Official within twenty-four hours (24) or the Building Official shall have the sign removed or repaired at the city's expense. The owner of the property or in the case of a billboard the owner of the billboard will be billed for all expenses incurred and will submit payment within ten (10) working days. If the owner fails to remit the expenses the Building Official shall have a lien filed upon the property equal to the amount of the costs incurred for removing or repairing the sign and also any expenses incurred in the collection or filing processes.

Exhibit "A"

(6) Conformance with Sign Regulations.

(A) It shall be unlawful for any person, firm or corporation to erect, construct, enlarge, alter, repair, move, improve, convert, demolish, equip, use or maintain any sign or sign structure in the city, or cause or permit the same to be done, contrary to or in violation of any of the provisions of this article.

(B) Where a legal nonconforming sign exists at the effective date of adoption or amendment of this article that could not be erected under the terms of this article for reasons specified herein, such sign may be continued so long as it remains otherwise lawful, subject to the following provisions:

(i) No sign may be enlarged or altered in any way which increases its nonconformity.

(ii) Should the sign be destroyed by any means to an extent of more than fifty percent (50%) of its replacement cost at time of destruction, it shall not be reconstructed except in conformity with the provisions of this article.

(iii) Should the sign be moved for any reason for any distance whatever, it shall thereafter conform to the regulations after it is moved.

An illegal sign which exists at the effective date of adoption or amendment of this article shall be removed.

Sec. 12.1004 - Administration

The Director of Planning and Community Development has the responsibility for administering the sign regulations for proposed signs not specifically identified herein. The Director has the authority to utilize the regulations for the most closely associated sign identified in this section.

(1) Sign Permits. A sign permit must be obtained from the Department of Planning and Community Development prior to installation of a new sign, with the exception of a directional sign, real estate sign, occupant identification sign, or window sign, which complies with these regulations.

(2) Sign Permit Fees. A sign permit fee of ten dollars ($10.00) shall be paid to the City of Orange for each sign to be erected before a sign permit is issued with the exception of Construction Signs, Promotional Signs, Special Events Signs and Exhibition Signs.

(3) An inspection shall be conducted by the building official or his designee on all sign installations to assure the foundation, sign structure, and electrical service are placed as to code.

(4) All permits shall expire one hundred eighty (180) days after date issued. If said sign is not erected within this time a new permit (including applicable fee) shall be secured.

(5) Any person, firm, or corporation violating any of the provisions of this article shall be guilty of a misdemeanor, and each such person shall be deemed guilty of a separate offense for each and every day or portion thereof during which any violation of any of the provisions of this article is committed, continued or permitted, and upon conviction of any such violation such person shall be punishable by a fine of not more than $200.00 with each day the violation occurs being a separate offense.

Sec. 12.1005 - Number and Location Regulations

(a) Number of Signs Allowed.

Exhibit "A"

(1) No more than one pole sign or one monument sign per store

(2) No more than one master sign per location

(3) No more than one awning sign per occupant

(4) No more than one projecting wall sign or allowed wall signs per street frontage per occupant.

(4) One (1) under awning sign per building occupant (only allowed with awning sign).

(5) One (1) Promotional Sign per building occupant.

(b) Exempt Signs. The following signs are exempt from the requirements of the sign regulations:

(1) A memorial or historic landmark sign;

(2) A sign from a governmental agency used to carry out its responsibility to notify or inform the public, or protect the health, safety, or welfare of the public;

(3) Residential address or occupant sign;

(4) A city, county, state or national flag;

(5) A sign which directs people to a publicly owned facility;

(6) An official state inspection sign identifying inspection service carried out;

(7) A sign attached to a publicly owned structure

Sec. 12.1005.a. - Historic Overlay Zoning Districts

Within a historic overlay district: Signs within a historic overlay district shall comply with all sign regulations and the following additional requirement:

(1) Pole-mounted or monument signs shall not exceed thirty-two (32) square feet in area

(Ordinance 2001-10, § I, adopted 3/13/01)

Sec. 12.1006 - Types of Signs Allowed and Specific Sign Regulations

(a) Awning Sign: A sign that is part of an awning, canopy or marquee. Allowed in commercial and industrial zoning districts.

(1) An awning sign shall not extend outside the line of the awning.

(2) An awning sign may be located on the front or side of an awning.

(3) An awning sign for any business shall not exceed one (1) square foot per linear foot of store frontage.

(4) An awning sign may be placed in conjunction with either a projecting wall sign or a wall sign but not both. The square footage requirements for each type of sign shall comply with this ordinance, however the total of the awning sign and the projecting wall sign or wall sign shall in no instance exceed thirty (30) percent of the facade surface.

(b) Under Awning Sign: A sign attached to the underside of an awning, canopy or marquee. Allowed in commercial and industrial zoning districts.

(1) Shall not exceed four (4) square feet.

Exhibit "A"

(2) Under awning signs shall have a clearance of seven and one-half feet (7½) feet between the ground and the bottom of the sign.

(c) Billboard: A sign which serves to provide a message or advertise a business that is located on property other than where the sign is placed.

(1) Billboards are allowed in three commercial zoning districts, "IDC", "C-2" and "I" and shall only be placed on property fronting state highways within these districts, less and except the following:

(A) MacArthur Drive from Adams Bayou to 16th Street.

(B) Green Avenue from 16th Street to Simmons Drive.

(C) 16th Street from Main Avenue to IH-10.

(2) Size of billboards.

(A) Static and digital billboards fronting IH-10 shall not exceed six hundred seventy-two (672) square feet.

(B) Digital billboards shall not exceed two hundred sixty (260) square feet in any other allowed location.

(C) Static billboards shall not exceed four hundred fifty (450) square feet in any other allowed location.

(3) Reserved.

(4) All billboard signs meet the requirements of the State of Texas as set out in the Texas Highway Beautification Act, Texas Transportation Code, Chapter 391 and implementing regulations published in Title 43 Texas Administrative Code Chapter 21, except as specifically modified and set out in this section.

(5) All legally existing billboards outside the "IDC", "C-2" or "I" Districts shall be considered nonconforming structures and shall not be enlarged or altered except to conform to the provisions of this section. Nothing contained herein shall be construed to prevent normal maintenance and repairs, repainting, or posting of such signs. Reasonable repair and maintenance shall be conduction on such signs.

(6) Digital Billboards are allowed in the city limits and shall meet the same location, size and building requirements as all other billboards as stated in this section and shall also meet the following:

(A) The image or message shall be static or fixed and lasting no less than ten (10) seconds. Each screen message is to contain a single advertisement;

(B) The image or message shall change to another image or message in a period of two (2) seconds or less;

(C) The image or message shall not be animated, flashing, scrolling or contain video imagery;

(D) The image or message shall adjust its brightness as ambient light levels change so as not to be visually distracting; and

(E) The digital billboard shall contain a default design that will freeze the sign's image or message if a malfunction occurs.

(7) No billboard can be placed on a building or any other structure not specifically designed for the placement of a billboard as determined by the director.

Exhibit “A”

(d) Construction Sign. A sign erected in connection with project identifying the building or structure, owners, architects, building contractor, subcontractors and other persons or firms affiliated with the project. Allowed in all zoning districts. No permit is required.

(1) Shall not be erected for longer than thirty (30) days prior to the beginning of the project, nor thirty (30) days following the completion of the project.

(2) Shall not exceed fifty (50) square feet in area.

(3) Shall not exceed twelve (12) feet in height.

(e) Directional Sign: An on-premises sign designed to guide or direct pedestrians or vehicles.

(1) Shall not exceed six (6) square feet in area.

(2) Shall not exceed three (3) feet in height.

(f) Electronic Reader Board: A sign which displays a continuous digital message. For permitting, the square footage of an electronic reader board, with the signage on which it is located such as a pole mounted, wall, master sign, etc. Allowed in Commercial and Industrial Zoning Districts.

(g) Flashing Sign: A sign which contains or is illuminated by lights which are intermittently cut on or off, change in intensity or otherwise create the illusion of flashing or movement.

Flashing signs are not permitted.

(h) Master Sign: A sign which identifies the name and/or occupants, or both, of a shopping center, industrial park, office building or other building having three (3) or more tenants. Allowed in commercial and industrial zoning districts.

(1) One (1) master sign shall be allowed for each location. The master sign shall be used only for the purpose of identifying the name of the building and the name(s) of the individual business establishment(s) located therein.

(2) No master sign shall be located closer than fifty (50) feet to any adjacent residential property.

(3) The maximum height of any master sign shall be fifty (50) feet except in the "IDC" Interstate Development Corridor Zoning District which shall not exceed one hundred (100) feet.

(4) The maximum sign area of a master sign is six hundred (600) square feet.

(5) A master sign is allowed only where a monument sign or a pole sign is not erected.

(i) Monument Sign: A sign having its base on the ground. Monument signs are supported primarily by an internal structural framework or integrated into landscaping or other solid structural features except support poles.

(1) Shall not exceed one hundred (100) square feet.

(j) Occupant Identification Sign: A sign located on a building identifying the name of the occupant of the premises or the occupation, address, floor number or suite number of the occupant. Allowed in all zoning districts. No permit required.

(1) An occupant identification sign shall not exceed two (2) square feet in area or project more than six (6) inches beyond the face of the building.

(2) An occupant identification sign shall not be illuminated.

Exhibit "A"

(k) Pole Sign: A sign mounted on a freestanding pole permanently attached to the ground which identifies a single business, message, or activity. Allowed in commercial and industrial zoning districts.

(1) A pole sign shall not exceed one hundred fifty (150) square feet in area

(2) A pole sign shall not exceed twenty four (24) feet in height.

(3) A pole sign is not allowed where a master sign is erected.

(4) Businesses located within a shopping center, mall, office building or any other group arrangement:

(A) Shall be required to have a master sign if such building has five (5) or more tenant spaces;

(B) Shall be permitted a pole sign or monument sign for each tenant space in all such buildings existing at the date of adoption of this article;

(C) Shall replace all existing pole or monument signs with a master sign if an existing said building is altered by more than fifty (50) percent of its value within a one year period.

(5) Any single business having in excess of two hundred (200) feet of frontage on any one street may install a second pole sign. Such sign shall conform to all requirements within this article.

(l) Political Sign: A sign urging the election or defeat of any candidate seeking a political office, or urging the passage or defeat of a ballot measure. Allowed in all zoning districts.

(1) One no-cost sign permit shall be issued to cover all political signs erected by a candidate or person sponsoring a particular issue. The permit will reflect the name of the local individual responsible for placing the signs for the term of the political campaign.

(2) It shall be unlawful for any person to post a political sign on or over any public property in the City of Orange. Any political sign removed from public property by city personnel shall be disposed of immediately.

(3) No political sign shall be illuminated, directly or indirectly, except for a billboard sign.

(4) No political sign shall be larger than fifty (50) square feet in effective sign area, except for billboard signs.

(5) Freestanding political signs shall not exceed a maximum height of ten (10) feet. In addition, no freestanding political sign shall be located in any sight triangle.

(6) All political signs shall be removed within ten (10) days after the election.

(m) Portable Sign: A sign that is not permanently affixed to a structure or the ground. This includes all signs having a changeable copy panel board mounted on a metal or wood frame with wheels or legs allowing it to be moved from site to site, A-frame signs, or other portable signs. This does not include real estate signs, Promotional signs, Special Event signs, Exhibition signs, or Construction signs. Portable Signs will not be allowed for use in any zoning district under any circumstance. All existing portable signs legally placed at the time of passage of the ordinance from which this subsection is derived shall be designated as non-conforming uses. As nonconforming portable signs are removed by the property owner or fall into disrepair, they cannot be replaced.

(n) Projecting Wall Sign: A sign which projects perpendicular from the wall of a building. Allowed in commercial and industrial zoning district.

Exhibit "A"

(1) A projecting wall sign shall not rise above the top of the parapet, eaves, or building facade of the building on which it is located.

(2) A projecting wall sign shall not project more than six (6) feet from the building wall.

(3) A projecting wall sign shall not exceed eighteen (18) square feet in area.

(4) A projecting wall sign shall not have visible guy wires, rods, chains or ropes for support.

(o) Real Estate Sign: A sign which advertises the sale, trade, lease or rental of a residence, lot, land, group of lots, group of residences or open house. No permit is required by the city.

(1) A real estate sign that is less than five (5) square feet in area in single-family residential districts or thirty-two (32) square feet in multifamily residential or commercial districts is exempt from the sign regulations.

(2) A real estate sign located within an "IDC" district shall meet the regulations as set forth by the State of Texas in the State Department of Highways and Transportation's Control of Outdoor Advertising Signs.

(p) Roof Sign: A sign which is erected on or extends above the roof line of a building.

(1) Roof signs are not permitted, except as Promotional Signs and subject to the regulations for Promotional Signs.

(q) Promotional Sign: A sign which is used for a temporary period of time by a business to advertise or promote a business activity and is not permanently affixed to a structure or the ground. Promotional signs include but are not limited to: blade signs, banners, balloons, feather flags, inflatables, air dancers, inflatable tubes, and pennants,

(1) A Promotional sign shall not exceed fifty (50) square feet in sign area.

(2) No business shall install more than one (1) Promotional sign at a time

(3) A Promotional sign can only be placed for a thirty-day period three (3) times a year and with a minimum thirty-day interval between placements and may not be placed in the sight triangle.

(4) A no cost permit is required.

(r) Special Event Sign. A sign advertising or announcing a communitywide event or activity conducted by, or sponsored by, on or behalf of a unit of local government, an agency of the State of Texas, an accredited educational institution, a charitable organization or a not-for-profit organization and is open to the public. A communitywide event or activity is one that typically lasts less than one week, occurs not more than twice in any 12-month period and seeks to attract attendees, participants, vendors or sponsors.

(1) A Special Event Sign shall not be displayed for more than 45 days and shall be removed within five (5) days following the event unless displayed on a billboard.

(2) A Special Event Sign shall not exceed fifty (50) square feet in sign area unless displayed on a billboard.

(3) A no cost permit is required.

(4) A Special Event Sign may be located off-premises but not in a public right-of-way.

Exhibit "A"

(s) Exhibition Sign. A sign advertising an exhibition, event or performance of a historic, cultural, or artistic nature and conducted by, or sponsored by, on or behalf of a unit of local government, a museum, an accredited educational institution, an agency of the State of Texas, a charitable institution or a not-for-profit organization and the exhibition or performance is open to the public. A museum is a facility that: has a gross floor area greater than 2000 square feet; is used for educational or preservation purposes; owns or utilizes tangible inanimate objects of historical or cultural significance; is organized for the care of those objects and exhibits them to the public on a regular schedule; interprets the cultural heritage or history of the city, the state or the nation, natural history, the history of science, technology or business; exhibits sculptures, paintings, pottery ceramics or other objects depicting art; and devotes less than fifteen percent (15%) of the floor area of the primary building for retail, restaurant or other commercial purposes, excluding any parking facilities.

(1) An exhibition sign shall be removed within five (5) days after the exhibit or performance has closed;

(2) An exhibition sign shall not be larger than thirty percent (30%) of the facade, fence or other structure on which it is placed.

(3) A no cost permit is required.

(4) An exhibition sign may be located off-premises but not in a public right-of-way.

(t) Wall/Facade Sign: A sign which is affixed to an exterior wall of a building, including individual letters, box-signs, or signs painted directly on a wall. Allowed in commercial and industrial zoning districts.

(1) Shall not cover more than thirty (30) percent of the facade on which the sign is located. In the case of a painted sign, the sign shall be measured by the square area of the smallest rectangle that encompasses the lettering and any other logo or design included in the sign. Multiple signs may be used but shall not cover more than the thirty (30) percent allowed.

(2) Shall not project more than eighteen (18) inches from the building wall.

(3) A wall sign may be placed on a structure which extends above the roof line of the building if it is architecturally integrated into the building design as determined by the building official. The area of said structure shall not be used when calculating the amount of square footage allowed for wall signs.

(u) Window Sign. A sign that is applied to or attached to the exterior or interior of a window or located in such a manner within a building that it is visible from the exterior of the building through a window, but excludes merchandise in a window display.

(1) Window Signs advertising or directing attention to a commercial activity shall not cover more than thirty (30) percent of the window square footage. Multiple signs may be used but shall not cover more than the thirty (30) percent of the window square footage. No combination of window signs and wall signs shall exceed thirty (30) percent of the total façade.

Sec. 12.1007 - Interstate Development Corridor (IDC) Sign Regulations

(a) On-Premises Signs.

(1) Lots with Highway Interstate 10 Frontage.

(A) A pole sign in the IDC zone shall not exceed one (1) square foot of sign area for every one (1) foot of frontage along Interstate 10, not to exceed four hundred (400) square feet.

Exhibit “A”

(B) A pole sign in the IDC zone shall not exceed one (1) foot of sign height for every one (1) foot of frontage along Interstate 10, not to exceed one hundred (100) feet in height.

(C) A pole mounted or master sign in the IDC zone shall have a minimum distance of thirty (30) feet from a side lot line.

(2) Lots fronting other streets.

(A) All on-premises signs on lots within the "IDC" District fronting any street other than Interstate 10 shall comply with all regulations pertaining to on-premises signs stated herein.

MOTION

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

_____
Jimmy Sims, Mayor

ATTEST:

_____
Rhonda Haskins, City Secretary

_____, 2016

City of Orange, Texas
Investment Policy
Table of Contents

I	Scope	
	Policy	1
	Funds	1
II	Objectives	
	Safety	2
	Liquidity	3
	Yield	3
III	Standards of Care	
	Delegation of Authority	4
	Prudence	5
	Ethics and Conflicts of Interest	5
	Nepotism	5
IV	Safekeeping and Custody	
	Authorized Financial Dealer and Institution	6
	Internal Controls	6
	Delivery vs. Payment	8
V	Suitable and Authorized Investments	
	Investments Authorized by the Public Funds Investment Act	9
	Approved List of Investment for the City of Orange, Texas	9
	Collateralization	10
	Repurchase Agreements	10
VI	Investment Parameters	
	Diversification	11
	Maximum Maturities	11
VII	Reporting	
	Methods	12
	Performance Standards	12
	Marking to Market	13
VIII	Policy	
	Exemption	14
	Amendment	14
	Education	14
IX	Investment Pools	
	Definition	15
X	Glossary	17
XI	Supplemental Information	23

Investment Policy
for the City of Orange, Texas
As Reviewed February 2016

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 February 2016

II. Objectives

1. 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; prequalifing 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.

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 February 2016

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.

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.

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 quality 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.

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.

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 February 2016

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. Guaranteed Investment Contracts - Section 015
8. 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.

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%
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. Federally insured bank or savings & loan associations

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.

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)

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).

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.

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.

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 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 and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties; and
>
> (2) except as provided by Subsections (b), (e), and (f), attend an investment training session not less than once in a two year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction related 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."

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.

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.

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 or 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.
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.
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.
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.
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 February 2016

X. Supplemental Information

The following GFOA Best Practices are included as supplemental information:

Collateralizing Public Deposits
Establishing a Policy for Repurchase Agreements
Government Relationships with Securities Dealers
Local Government Investment Pools
Managing Market Risk in Investment Portfolios
Mark to Market Reporting for Public Investment Portfolios
Using Mutual Funds for Cash Management Purposes
Using Safekeeping and Third Party Custodian Services

Adopted:

City of Orange, Texas

_____
Jimmy Sims, Mayor

_____
Date

MOTION

Motion acknowledging receipt of the Quarterly Investment Report for the period ending December 31, 2015.

_____
Jimmy Sims, Mayor

ATTEST:

_____
Rhonda Haskins, City Secretary

_____, 2016

City of Orange Investment Report
For the Quarter Ending December 31, 2015

On September 12, 1995 the City Council adopted an investment policy in compliance with recently revised state law. This policy was last reviewed on February 23, 2016 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.

Investment of all Funds at:	12/31/2015	9/30/2015	6/30/15	3/31/15	12/31/14	9/30/14
Investments/Purchase Cost	$ 5,182,000.00	$ 5,182,000.00	$ 4,937,000.00	$ 5,186,871.67	$ 5,186,871.67	$ 5,186,871.67
Accrued Book Value	$ 5,182,000.00	$ 5,182,000.00	$ 4,937,000.00	$ 5,186,967.92	$ 5,186,962.50	$ 5,186,962.50
Fair Value	$ 5,182,000.00	$ 5,182,000.00	$ 4,937,000.00	$ 5,186,905.00	$ 5,186,725.00	$ 5,186,535.00
Maturity Value	$ 5,182,735.00	$ 5,182,735.00	$ 4,937,000.00	$ 5,187,000.00	$ 5,187,000.00	$ 5,187,000.00
Average Length to Maturity	45	48	30	35	35	35
Annualized Rate of Return-Net of Fees	0.348%	0.281%	0.240%	0.163%	0.146%	0.146%
Treasury Bills	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Government Agencies	0.00%	0.00%	0.00%	4.82%	4.82%	4.82%
Certificates of Deposit	4.730%	4.730%	0.000%	0.000%	0.000%	0.000%
Savings	95.27%	95.27%	100.00%	95.18%	95.18%	95.18%
Cash Balances (Covered by Collateral) Savings	$ 11,830,315.00	$ 12,832,783.07	$ 10,128,931.97	$ 11,571,125.87	$ 3,430,213.21	$ 3,608,046.42
CD's (Covered by Collateral)	$ 245,000.00	$ 245,000.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Savings (Covered by Collateral)	$ 4,937,000.00	$ 4,937,000.00	$ 4,937,000.00	$ 4,937,000.00	$ 4,937,000.00	$ 4,937,000.00
Total Covered by Collateral	$ 17,012,315.00	$ 18,014,783.07	$ 15,065,595.30	$ 16,508,125.87	$ 8,367,213.21	$ 8,545,046.42
Collateral Pledged (Market)	$ 19,182,151.00	$ 20,287,136.25	$ 17,381,114.60	$ 18,481,571.55	$14,027,976.33	$ 14,753,445.48

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, 2015 the average rate of return on six month treasury bills was .317% The City's annualized earnings rate was 0.348% which is more than the average treasury bill rate. By the end of this quarter the City had 0% in Treasury Bills, 0% in Government Agencies, 4.73% in Collateralized CD's and 95.27% in Collateralized Savings Account. The City always attempts to receive the best 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 $18,014.50, in earnings if we maintained the level of investments and yields we currently have. At the end of fiscal year 2014 the City had actual interest earnings of $23,900 and at the end of fiscal year 2015 the City has actual interest earnings of $30,978. 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 0.550% at the end December 31, 2015, with the average for the quarter being 0.317%. During the last three years we have seen the average interest rate on six month treasury bills increase .18%. Rates have been below 1% for the last twenty eight quarters. The rate on the six month treasury bill went from 0.105% at the beginning of the quarter to 0.550% at the end of the quarter. For the last year we have seen the average six month rate go from .138% to 0.317%.

Quarter Ending Date	Average Interest Rate Per Quarter	Change
12/31/12	0.138%	0.000%
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%
3/31/15	0.092%	0.029%
6/30/15	0.088%	-0.004%
9/30/15	0.180%	0.092%
12/31/15	0.317%	0.137%

The 45 day average length to maturity, at the end of the quarter, is down slightly from the prior quarter. The City has now completed the first quarter of fiscal year 2016 and the rates on all investment options continue to stay very low.

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

This quarter the City was not able to purchase agencies or treasuries that were close to the rate we were earning on our savings accounts or certificates of deposit at our local depositories. In June 2015 the City opted to close our trust account at J.P. Morgan Trust. At this time we are not purchasing any investments that need to be kept as delivery versus payment. Since June we have looked into other investment opportunities. We have contacted local banks to see if it is feasible to place funds in local certificates of deposits. We have one local bank where the City was able to set up an account for this purpose.

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 City is averaging about 5% of our utility payment through online payments.

We also continue to offer to debit customer's bank accounts for water/sewer/garbage billings. We presently have approximately 8% of our customers who are using this option.

Compliance

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

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, 2015 the City had 95.27%, $4,937,000.00, of the portfolio balance in the collateralized high yield savings accounts. On December 31, 2015 the Investment Savings were earning 0.35% (on 365 day basis). The savings rate is presently higher than other quotes the City is receiving on other allowable investments.

During the prior quarter the City invested in a certificate of deposit at First Financial Bank. This investment is earning 0.30% which is slightly less than the Investment Savings account current rate.

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 our present 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. The City is presently unable to obtain instruments backed by the full faith and credit of the federal government the City's investments are not as diverse as they have been in the past.

The City is currently in compliance with the Public Funds Investment Act. The present investment 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
for the Quarter Ending December 31, 2015

	Total All Funds	General	Debt Service	CIP General	Water & Sewer	W/S I&S	Utility CIP	Sanitation	Internal Service	Special Revenue
Investments 09/30/2015										
Purchase Cost	5,182,000.00	3,707,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Accrued Book Value	5,182,000.00	3,707,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Fair Value	5,182,000.00	3,707,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Maturity Value	5,182,735.00	3,707,735.00	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	1,909.06	1,558.29	0.00	0.00	0.00	0.00	0.00	65.40	22.59	262.78
Average Length of Maturity	48	55	0	0	0	0	0	31	31	31
Annualized Earnings	2.810%	2.810%	0.000%	0.000%	0.000%	0.000%	0.000%	0.240%	0.240%	0.240%
Quarterly Trust Fees	0.00									
Annualized Earnings (Net of Fees)	2.810%									
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 12/31/2015										
Purchase Cost	5,182,000.00	3,707,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Accrued Book Value	5,182,000.00	3,707,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Fair Value	5,182,000.00	3,707,000.00	0.00	0.00	0.00	0.00	0.00	275,000.00	95,000.00	1,105,000.00
Maturity Value	5,182,735.00	3,707,735.00	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	2,202.58	1,764.12	0.00	0.00	0.00	0.00	0.00	81.75	28.24	328.47
Average Length of Maturity	45	50	0	0	0	0	0	31	31	31
Annualized Earnings	0.348%	0.347%	0.000%	0.000%	0.000%	0.000%	0.000%	0.350%	0.350%	0.350%
Quarterly Trust Fees	0.00									
Annualized Earnings (Net of Fees)	0.348%									
Change in Market Value	0.00	0.00	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	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%									
CD Covered by Collateral	245,000.00	245,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Percentage of Portfolio	4.73%									
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	95.27%									
Total	5,182,000.00	3,707,000.00	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	245,000.00	245,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	5,182,000.00	3,707,000.00	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, 2015

			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	3,462,000.00	01-Dec-15	31-Dec-15	0.350%	1,029.12	12,117.00	31	92
1	1	First Financial	245,000.00	245,000.00	245,000.00	245,735.00	13-Aug-15	13-Aug-16	0.300%	735.00	735.00	365	318
			3,707,000.00	3,707,000.00	3,707,000.00	3,707,735.00			0.347%	1,764.12	12,852.00	50	
28	1	WF Savings	275,000.00	275,000.00	275,000.00	275,000.00	01-Dec-15	31-Dec-15	0.350%	81.75	962.50	31	92
			275,000.00	275,000.00	275,000.00	275,000.00			0.350%	81.75	962.50	31	
30	1	WF Savings	95,000.00	95,000.00	95,000.00	95,000.00	01-Dec-15	31-Dec-15	0.350%	28.24	332.50	31	92
			95,000.00	95,000.00	95,000.00	95,000.00			0.350%	28.24	332.50	31	
40	1	WF Savings	525,000.00	525,000.00	525,000.00	525,000.00	01-Dec-15	31-Dec-15	0.350%	156.06	1,837.50	31	92
50	1	WF Savings	350,000.00	350,000.00	350,000.00	350,000.00	01-Dec-15	31-Dec-15	0.350%	104.04	1,225.00	31	92
51	1	WF Savings	50,000.00	50,000.00	50,000.00	50,000.00	01-Dec-15	31-Dec-15	0.350%	14.86	175.00	31	92
56	1	WF Savings	25,000.00	25,000.00	25,000.00	25,000.00	01-Dec-15	31-Dec-15	0.350%	7.43	87.50	31	92
63	1	WF Savings	50,000.00	50,000.00	50,000.00	50,000.00	01-Dec-15	31-Dec-15	0.350%	14.86	175.00	31	92
64	1	WF Savings	25,000.00	25,000.00	25,000.00	25,000.00	01-Dec-15	31-Dec-15	0.350%	7.43	87.50	31	92
65	1	WF Savings	5,000.00	5,000.00	5,000.00	5,000.00	01-Dec-15	31-Dec-15	0.350%	1.49	17.50	31	92
70	1	WF Savings	75,000.00	75,000.00	75,000.00	75,000.00	01-Dec-15	31-Dec-15	0.350%	22.29	262.50	31	92
			1,105,000.00	1,105,000.00	1,105,000.00	1,105,000.00			0.350%	328.47	3,867.50	31	
			5,182,000.00	5,182,000.00	5,182,000.00	5,182,735.00			0.348%	2,202.57	18,014.50	45	

MOTION

Motion accepting the extension of the current Water Service Hardware Contract from March 1, 2016 through September 30, 2016. This contract is shared by Rural Pipe & Supply Company and MDN Enterprises, Inc.

_____
Jimmy Sims, Mayor

ATTEST:

_____
Rhonda Haskins, City Secretary

Rural Pipe & Supply

Serving the greater East Texas Region

2/15/2016

RE: 2015-2016 City of Orange Annual Waterworks Contract Extension

Mr. David Trahan,

All of our vendors have agreed to extend your 2015-2016 annual waterworks contract through September 30, 2016. We will be able to hold your current contracted pricing through that date.

Please contact us if you have further questions.

Thanks,

John Spears

John Spears
2/15/2016

MDN ENTERPRISES

Your *"One-Stop"* Source
For Water & Sewer Supplies
"24 Hour Service - 7 Days a Week"

21371 US Hwy 59 N
New Caney, TX 77357
Phone (281) 354-9621
Wats (800) 360-6025
Fax (281) 354-9637

7929 Loop 540
Beasley, TX 77417
Phone (979) 387-3180
Wats (877) 774-4289
Fax (979) 387-3182

To whom it may concern, 01/14/2016

Per your request we have agreed to extend The City of Orange's current annual contract until September 30, 2016. Should you have any further questions please feel free to give me a call directly at 281-841-4893. Thank you for your business.

Thank you,

David Knighten Sr.

Sales Manager

Cast Iron Frames & Grates ♦ Fittings ♦ Valves ♦ Hydrants ♦ Brass ♦ Saddles ♦ Clamps ♦ Pre-Cast Products
PVC Pipe ♦ DI Pipe ♦ Steel Pipe ♦ Corrugated Steel Pipe ♦ P/E Drainage Pipe ♦ Re-Bar & Accessories
We Appreciate Your Business!

ORANGE COUNTY MOSQUITO CONTROL DISTRICT

409/883-5717
1-888-882-3621
409/882-5333 FAX

PATRICK D. BEEBE
DIRECTOR

123 SOUTH 6TH STREET
ORANGE, TEXAS 77630

February 10, 2016

Mayor's Office
City of Orange
P.O. Box 520
Orange, TX. 77631

Dear Mayor:

With the 2016 mosquito season nearing, the Orange County Mosquito Control District will request that the governing bodies of all municipalities within Orange County furnish a waiver permitting the Orange County Mosquito Control District aircraft to fly at low altitudes over the territory under their jurisdiction.

It is respectfully requested that the Mayor representing each incorporated area of Orange County sign the enclosed waiver granting permission to the Orange County Mosquito Control District to operate aircraft over the incorporated area for mosquito abatement purposes.

Federal Regulations place the responsibility of complying with all rules and regulations upon the operator of the aircraft and the company or district in which their employed. Records of all flights and aerial applications made will be kept on file and open for inspection.

The Orange County Mosquito Control District requests that you sign and return the waiver, by mail or fax, to our main office for record keeping purposes as soon as possible. Signed waivers must be submitted with Aerial Operations Manual to the FAA for review and approval prior to aerial applications being conducted in 2016.

If you have any questions or require additional information, please contact Patrick D. Beebe, Director for assistance.

Respectfully,

Patrick D. Beebe, Director

Cc: Orange County Judge Stephen Brint Carlton
Commissioner David Dubose, Pct. 1
Commissioner Barry Burton, Pct. 2
Commissioner John Banken, Pct. 3
Commissioner Jody Crump, Pct. 4

ORANGE COUNTY MOSQUITO CONTROL DISTRICT

409/883-5717
1-888-882-3621
409/882-5333 FAX

PATRICK D. BEEBE
DIRECTOR

123 SOUTH 6TH STREET
ORANGE, TEXAS 77630

February 10, 2016

AERIAL WAIVER

Mayor's Office
City of Orange
P.O. Box 520
Orange, TX. 77631

The Orange County Mosquito Control District is authorized to fly low altitudes as required for the application of insecticides for the abatement of mosquitoes within the limits of the City of Orange, Texas. The Orange County Mosquito Control District operates in accordance with all Federal and State Rules and Regulations governing this type of application.

Signature: _____

Mayor's Office
City of Orange, Texas

Date: _____

Patrick Beebe, Director
Orange County Mosquito Control District

MOTION

Motion authorizing the Orange County Mosquito Control District to fly low altitudes as required for the application of insecticides for the abatement of mosquitoes within the limits of the City of Orange.

_____
Jimmy Sims, Mayor

ATTEST:

_____
Rhonda Haskins, City Secretary

February 23, 2016