City of Mineral Wells
P O Box 460, Mineral Wells, Texas 76068
Telephone: 940.328.7700 Fax: 940.328.7704

NOTICE OF MEETING

The Mineral Wells City Council will hold a regular meeting at 6:00 PM on Tuesday, July 7, 2026 in the City Council Chambers at the City Hall Annex, 115 S.W. 1st Street, Mineral Wells, Texas to consider the following agenda:

Call to Order

Invocation led by Pastor Beate Hall of First United Methodist Church Mineral Wells

Pledges of Allegiance to U.S. and Texas Flags

PRESENTATION

STAFF REPORTS

1. Introduction of new City employees.
   a. Building Official - Mr. Tony Stubblefield
   b. Dispatch Telecommunicator — Mrs. Lea Reneau

2. Recognition for City employees' years of service.

PUBLIC COMMENT

This is an opportunity for the public to address the City Council regarding an item on the agenda, except for public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing begins. Public comments are limited to three (3) minutes per speaker, unless the speaker requires the assistance of a translator, in which case the speaker is limited to six (6) minutes, in accordance with applicable law. To address the City Council, each speaker who is present at the site must complete a Speaker Form and provide it to the City Clerk prior to the start of the meeting. Each speaker shall approach the designated speaker location and state his/her name and city of residence before speaking. Speakers shall address the City Council with civility that is conducive to appropriate public discussion. Speakers can address only the City Council and not individual officials, commission members, committee members, or employees. The public cannot speak from the gallery but only from the designated speaker location.

CONSENT AGENDA

(4) 3. Consider and take appropriate action on the minutes of the regular meeting held on

June 16, 2026.

(8) 4. Consider and take appropriate action on an Interlocal Agreement for 9-1-1 addressing and GIS services between Palo Pinto County and the City of Mineral Wells, Texas, authorizing the City Manager to execute the agreement, and subject to review and approval of the City Attorney.

ITEMS FOR INDIVIDUAL CONSIDERATION

(12) 5. Consider and take possible action on an Ordinance Amending Chapter 26, Article V “Dangerous Buildings and Structures” of the Mineral Wells Code of Ordinances to Amend Various Processes for Dangerous Building Abatement.

(22) 6. Consider and take appropriate action on a resolution adopting the City of Mineral Wells Investment Policy; declaring that the City Council has completed its annual review of the investment policy and investment strategies; declaring that the policy incorporates all desired revisions; providing a repealing clause; providing a severability clause; and providing an effective date.

(36) 7. Discuss and consider adoption of a financial strategy directing staff to prepare the Fiscal Year 2027 Budget and Tax Year 2026 property tax rate utilizing the De Minimis Tax Rate for General Fund operations, transferring eligible financing obligations to the Interest and Sinking (Debt Service) Fund, and levying a debt service tax rate sufficient to fund those obligations.

(42) 8. Discuss the Fiscal Year 2027 Budget Adoption and 2026 Property Tax Rate Setting Calendar.

9. Future agenda items/requests by Councilmembers to be on next agenda—***Councilmembers shall not discuss or take action on any item that is not on the agenda. A Councilmember may request that an issue be placed on a future agenda and, if a second Councilmember supports the request, the item shall be placed on a City Council agenda within two Council meetings.***

10. **EXECUTIVE SESSION:** In accordance with Texas Government Code, Section 551.001, et seq., the City Council will recess into Executive Session (closed meeting) to discuss the following:

   a. § 551.072: Deliberate the purchase, exchange, lease, or value of real property, regarding: (i) Public Safety Facilities, (ii) 109 SW 1st Street.

   b. § 551.071(2): Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act, regarding: (i) Contract for Financial and Accounting Services.

11. **RECONVENE INTO OPEN SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

(52) 12. Consider and take possible action on a Resolution Authorizing the Purchase of Property Known as 109 SW 1st Street and Authorizing the Mayor to Execute All Documents for said purchase.

13. Adjourn

Notes: Disabled persons requiring special assistance are requested to notify the City of Mineral Wells 24 hours in advance of the meeting by calling the City Clerk's office at 940.328.7702.

The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code Chapter 551, including §551.071, (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

State of Texas §
City of Mineral Wells §

I hereby certify that notice of this meeting of the Mineral Wells City Council was posted by 6:00 pm on the 30th day of June 2026.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 30th day of June 2026.

(SEAL)

Sharon McFadden, City Clerk

AGENDA ITEM COMMENTARY

ITEM TITLE

Consider and take appropriate action on the minutes of the regular meeting held on June 16, 2026.

INITIATOR/STAFF INFORMATION SOURCE

BACKGROUND

EXHIBITS

1. 2026-06-16 Minutes

ITEM NUMBER 3.
MEETING DATE 7/7/2026

MINUTES REGULAR MEETING
MINERAL WELLS CITY COUNCIL
CITY HALL ANNEX
June 16, 2026 – 6:00 pm

Mayor Johnson called the meeting to order at 6:01 p.m. Ms. Hannah Burkhall led the invocation, which included the recitation of the Pledge of Allegiance to the U.S. and Texas flags.

Councilmembers present were Mayor Regan Johnson, Mayor Pro-Tem Beth Watson, Jonathon Rusher, Charles Ramsay, Kyle Kelley, Glenn Mitchell, and Mike Rankin. A quorum of City Councilmembers was present.

Staff members present were City Manager Jason Weeks, Fire Chief Ryan Dunn, Police Chief Tim Denison, Finance Director/Assistant City Manager Aaron Bovos, Development Services Director Richard Glass, Public Works Executive Director Howard Huffman, Public Works Director Scott McKennon, Public Works Administration David Morgan, Community Services Manager Carrie Stevenson, Economic Development Executive Director Nate Dyhre, Marketing & Communications Manager/PIO Brittany Brown, Library Manager Katy Lipsey, Administrative Assistant Fern FreemanPratt, City Clerk Sharon McFadden, and City Attorney Ann Montgomery.

PRESENTATION/ STAFF REPORTS:

1. Introduction of new City employees.
   Police Chief Denison introduced new Police Officers, Nathan Groce and Joshua Almanza.

2. Recognition for City employees' years of service and promotions.
   Police Chief Denison announced that Police Officers Melissa Patino and Thomas Lively was recently promoted to the rank of Corporal.

PUBLIC COMMENT: No one signed up to speak.

STAFF REPORTS:

Mr. Weeks stated there were no additional staff reports.

CONSENT AGENDA:

Following a motion by Mr. Rankin and seconded by Mr. Kelley, the Consent Agenda was approved by a vote of 7-0.

3. Consider and take appropriate action on the minutes of the regular meeting held on June 2, 2026.

4. Approve the City of Mineral Wells Strategic Plan.

ITEMS FOR INDIVIDUAL CONSIDERATION:

5. HDR Water Treatment Plant Presentation.

   Mr. Huffman introduced Mr. Cory Shockley and Dr. Sophie De Respino from HDR. Mr. Shockley and Dr. De Respino presented the details of the Preliminary Engineering Report (PER) for the Hilltop Water Treatment Plant.

   No action was taken on this item.

6. Department Heads to provide the City Council with insight into the additional resources departments are requesting the 2026-2027 fiscal year budget.

   Mr. Weeks explained that the Department Heads of the City are requesting additional resources for the 2026-2027 fiscal year budget. The Department Heads presenting were as follows:
   General Fund
   Mr. Bovos – Technology; Chief Denison – Police and Animal Services; Chief Dunn – Fire and EMS; Mr. Glass – Development Services; Mr. Huffman – Streets; Mrs. Stevenson – Parks & Recreation, Parks Maintenance, and Cemetery; Mrs. Lipsey – Library.
   Water Fund
   Mr. Huffman – Public Works Administration and Water Distribution.
   Wastewater Fund
   Mr. Huffman - Facilities Maintenance.

   No action was taken on this item.

7. Consider and take appropriate action on the Mineral Wells Regional Airport Airfield Drainage Study prepared by Garver Engineering and authorize staff to coordinate with the Texas Department of Transportation Aviation Division to advance the highest-priority drainage improvement project identified within the study.

   Mr. Bovos presented to the Council requesting acceptance of the Mineral Wells Regional Airport Airfield Drainage Study that Garver Engineering has prepared. The request also includes the authorization of staff to coordinate with the Texas Department of Transportation Aviation Division.

   Mrs. Watson made the motion to accept the drainage study and authorize staff to Coordinate with the Texas Department of Transportation Aviation Division. Mr. Kelley seconded, and the motion carried 7-0.

8. Consider and take appropriate action on a resolution for a Texas Water Development Board Grant and funding for the Master Water Plan.

Mr. Huffman presented the request to consider the resolution.

Mr. Kelley made the motion to approve the resolution to accept the Texas Water Development Board Grant and funding for the Master Water Plan. Mr. Ramsay seconded, and the motion carried 7-0.

9. Future Agenda Items/Requests by Councilmembers to be on the next agenda.

   Mayor Johnson requested the appointment of a subcommittee for the Water Treatment Plant construction.

10. **EXECUTIVE SESSION:** In accordance with the Texas Government Code, Section 551.001, et seq., the City Council recessed into Executive Session (closed meeting) at 7:55 p.m. to discuss the following:

    a. § 551.071(2): Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act, regarding (i) Millsap Water Supply Wholesale Water Contract.

    b. § 551.087: To discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City, with which the City is conducting economic development negotiations, and/or to deliberate on the offer of a financial or other incentive to the business prospect, regarding airport projects: (i) Project Flying Car, (ii) Project Produce and (iii) Project Prestige.

11. **RECONVENE INTO OPEN SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council reconvened into Regular Session at 8:54 p.m. to consider action, if any, on matters discussed in Executive Session.

12. There was no further business, and the meeting was adjourned at 8:54 p.m.

____
Regan Johnson, Mayor

ATTEST:

____
Sharon McFadden, City Clerk

____
APPROVED

AGENDA ITEM COMMENTARY

ITEM TITLE

Consider and take appropriate action on an Interlocal Agreement for 9-1-1 addressing and GIS services between Palo Pinto County and the City of Mineral Wells, Texas, authorizing the City Manager to execute the agreement, and subject to review and approval of the City Attorney.

INITIATOR/STAFF INFORMATION SOURCE

Richard Glass, Development Services Director

BACKGROUND

This agreement continues the existing partnership between the City of Mineral Wells and Palo Pinto County for 9-1-1 addressing and emergency GIS mapping. The City will continue assigning addresses and collecting field information, while the County will continue maintaining the official 9-1-1 address database and mapping system. Having this agreement in place helps ensure emergency responders have accurate address and mapping information when responding to calls. Palo Pinto County Judge Long signed for the County on June 24, 2026; therefore, staff is recommending approval of the agreement.

EXHIBITS

1. 911 & GIS ILA2026

ITEM NUMBER 4.
MEETING DATE 7/7/2026

INTERLOCAL AGREEMENT FOR 9-1-1 ADDRESSING AND GIS SERVICES
between Palo Pinto County and the City of Mineral Wells, TX

This Interlocal Agreement ("Agreement") is entered into by and between **Palo Pinto County, Texas** ("County") and **Mineral Wells, Texas** ("City"), collectively referred to as the "Parties."

Purpose

The purpose of this Interlocal Cooperation Agreement is to establish coordination between Palo Pinto County ("County") and the City of Mineral Wells ("City"), for the administration and maintenance of 9-1-1 addressing and emergency response GIS mapping within the city limits.

The City operates a Public Safety Answering Point (PSAP) but does not maintain a separate Next Generation 9-1-1 (NG9-1-1) GIS dataset through the North Central Texas Emergency Communications District (NCT911). Through this Agreement, the County will maintain the 9-1-1 addressing and GIS data used for emergency response mapping within the city limits.

All addressing and roadway naming activities conducted under this Agreement shall follow the applicable standards established by NCT911, the National Emergency Number Association (NENA), and the Palo Pinto County 9-1-1 Addressing Standards to ensure accurate emergency call routing and response.

Responsibilities of the City

The City of Mineral Wells agrees to adhere to all addressing standards and procedures established by North Central Texas Emergency Communications District- NCT911, National Emergency Number Association- NENA, and the Palo Pinto County 911 Addressing Naming Roads and Assigning Address Number Standards.

The City is responsible for conducting the field verification and groundwork necessary for address assignment.

The City agrees that roadway names, private or public, will not be officially assigned or adopted until the Palo Pinto County 9-1-1 Addressing Coordinator has had the opportunity to review the proposed name for compliance with these standards.

The City shall provide the Palo Pinto County 9-1-1 Addressing Coordinator with timely documentation of any changes affecting addressing or emergency response mapping within the City limits, including but not limited to:

- newly assigned addresses
- subdivision developments or replats
- street name changes
- roadway construction or modifications
- annexations or boundary adjustments
- other changes affecting emergency response routing

The City agrees that all addressing activities will be conducted in accordance with established addressing standards to maintain accurate emergency response data.

Responsibilities of the County

The Palo Pinto County 9-1-1 Addressing Coordinator / GIS Data Provider shall maintain the official 9-1-1 addressing and GIS database used for emergency response within Palo Pinto County, including the areas located within the City of Mineral Wells.

Upon receipt of proper documentation from the City, the County shall:

- review submitted addressing information for compliance with NENA, NCT911, and County addressing standards
- if a conflict or inconsistency is identified during review, notify the City and provide guidance so the issue may be resolved in accordance with applicable addressing standards
- enter and maintain address information within the official 9-1-1 GIS database
- update GIS layers used for emergency response mapping
- provide official address confirmation documents

The County is responsible for GIS entry and compliance review, not field verification inside the City limits.

The County will provide official address confirmation documents to the City once the addressing information has been reviewed and incorporated into the official 9-1-1 addressing system.

Term

This Agreement shall commence on ________________ and shall continue for a period of 10 years, unless terminated earlier as provided herein. This Agreement may be renewed upon written agreement of both parties. Either party may terminate this Agreement upon 90 days written notice. Upon termination, the County shall provide the City with a current export of address and GIS data in a mutually agreed format. The parties agree to cooperate to ensure continuity of 9-1-1 addressing services. This Agreement may be amended only by written agreement approved by the governing bodies of both parties.

Conflict Resolution

During the review of roadway names, address assignments, or other addressing information within the City limits, the Palo Pinto County 9-1-1 Addressing Coordinator may identify conflicts, inconsistencies, or errors in the submitted data.

If such conflicts are identified, the County will notify the City of Mineral Wells and provide information regarding the issue. The City agrees to work cooperatively with the County in a timely manner to review and correct any identified conflicts or errors in accordance with the addressing standards and procedures referenced in Attachment A and Attachment B of this Agreement.

Both parties agree to coordinate as necessary to maintain the integrity of the countywide addressing system and ensure accurate emergency response mapping.

Liability

The City of Mineral Wells agrees to release, indemnify, and hold harmless Palo Pinto County, and its representatives, officials, agents, officers, and employees, from and against any and all claims, suits, demands, losses, damages, or liabilities arising from inadvertent errors or omissions that may occur in the development, maintenance, or use of the Mineral Wells 9-1-1 emergency mapping system or associated addressing data.

Both parties acknowledge that geographic and addressing data are developed from multiple sources and may contain inaccuracies. This Agreement does not guarantee the complete accuracy of the mapping data but represents the best available information for emergency response purposes.

SIGNATURES

COUNTY:

Palo Pinto County, Texas

By: ____________________

Name: Shane Long

Title: CO Judge

Date: 6-24-26

ATTEST:

____

Janette K. Green, County Clerk

Palo Pinto County, Texas

by:____________________, Deputy

CITY:

Mineral Wells, Texas

By: ____________________

Name: ____________________

Title: ____________________

Date: ____________________

ATTEST:

____

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____

AGENDA ITEM COMMENTARY

ITEM TITLE

Consider and take possible action on an Ordinance Amending Chapter 26, Article V "Dangerous Buildings and Structures" of the Mineral Wells Code of Ordinances to Amend Various Processes for Dangerous Building Abatement.

INITIATOR/STAFF INFORMATION SOURCE

Richard Glass - Development Services Director

BACKGROUND

This ordinance updates the City's dangerous building procedures by removing the review process from the Board of Adjustment and Building & Standards Commission. Instead, dangerous building cases will be presented to the City Council, which will serve as the final decision-making authority. Also, the ordinance also includes a Dangerous Building Review Board consisting of the Building Official, Fire Marshal, and Fire Chief, or their designated representatives. The Review Board will evaluate dangerous building cases and provide recommendations to the City Council prior to final action.

EXHIBITS

1. Dangerous Buildings Ordinance v3 EMH 06-26-26 Clean

ITEM NUMBER 5.
MEETING DATE 7/7/2026

ORDINANCE NO. 2026-____

AN ORDINANCE OF THE CITY OF MINERAL WELLS, TEXAS, AMENDING CHAPTER 26 "BUILDINGS AND BUILDING REGULATIONS", ARTICLE V "DANGEROUS BUILDINGS AND STRUCTURES" OF THE MINERAL WELLS CODE OF ORDINANCES; AMENDING THE ABATEMENT PROCESS TO ESTABLISH A BOARD OF CITY STAFF FOR INITIAL DETERMINATIONS AND NOTICE; ELIMINATING THE BUILDING AND STANDARDS COMMISSION AND REQUIRE THAT FINAL DECISIONS AND ABATEMENT ORDERS BE MADE BY THE CITY COUNCIL; MAKING OTHER CHANGES INCIDENTAL THERETO; UPDATING THE DEFINITION OF DANGEROUS BUILDING AND OTHER OUTDATED LANGUAGE; PROVIDING FOR A PENALTY NOT EXCEEDING $2,000.00 FOR ALL VIOLATIONS OF THIS ORDINANCE; PROVIDING FOR SAVINGS, REPEALER AND SEVERABILITY CLAUSES; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the City of Mineral Wells (the "City") is a Home Rule Municipality acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Texas Local Government Code;

WHEREAS, Article II, Section 4 of its Charter, and Section 214.001 of the Texas Local Government Code provide the City with the power to regulate and abate substandard or dangerous buildings;

WHEREAS, pursuant to said authority, the City Council of the City of Mineral Wells (the "City Council") adopted Chapter 26 "Buildings and Building Regulations", Article V "Dangerous Buildings and Structures" of its Code of Ordinances to define and prohibit dangerous buildings and establish a process by which said buildings must be abated;

WHEREAS, Chapter 26, Article V provides that the building inspector shall make initial inspections and provide initial notice and a Building and Standards Commission shall make the final determination that a building is a dangerous and order the abatement of that building, but the City Council finds that it would be more effective for a board made up of City staff to make the initial determination and inspection and would promote transparency for the City Council to make final decisions regarding abatement of dangerous buildings;

WHEREAS, the City Council also wishes to revise Chapter 26, Article V to reflect these changes and to make general updates as the current language is significantly outdated; and

WHEREAS, the City Council has concluded that the adoption of this Ordinance is in the best interest of the health, safety, and welfare of the citizens of the City of Mineral Wells, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MINERAL WELLS, TEXAS THAT:

SECTION 1. INCORPORATION OF PREMISES. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2. FINDINGS. After due deliberations, the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Mineral Wells, Texas, and of the public health, safety, morals, and welfare of its citizens.

SECTION 3. AMENDMENT OF CHAPTER 26, ARTICLE V. Chapter 26, "Buildings and Building Regulations", Article V, "Dangerous Buildings and Structures", of the Mineral Wells Code of Ordinances is hereby amended to read as follows, and all other articles, chapters, sections, paragraphs, sentences, phrases and words not expressly amended hereby are hereby ratified and affirmed.

ARTICLE V. DANGEROUS BUILDINGS AND STRUCTURES

Sec. 26-91. Definitions.

(a) For the purpose of this article, the term "dangerous building" shall mean any building or structure:

(1) That is vacant and is not compliance with the standards of applicable building codes;

(2) Where a portion thereof has been damaged by fire, earthquake, wind, flood, or by any other cause to such an extent that the structural strength or stability thereof is materially less than it was before such catastrophe and is less than the minimum requirements of the building code for new buildings of similar structure, purpose, or location;

(3) On which a portion or member or appurtenance thereof is likely to fail, or to become detached or dislodged, or to collapse and thereby injure persons or damage property;

(4) That is likely to partially or completely collapse because of dilapidation, deterioration, or decay; faulty construction; the removal, movement or instability of any portion of the ground necessary for the purpose of supporting the building; the deterioration, decay or inadequacy of its foundation; or any other cause;

(5) That is manifestly unsafe for the purpose of which it is being used;

(6) Has been so damaged by fire, wind, earthquake, or flood, or has become so dilapidated or deteriorated as to become a public nuisance, harbor for vagrants, or would enable persons to resort thereto for the purpose of committing unlawful actions;

(7) That is intended to be used for dwelling purposes and, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, air, or sanitation facilities, or otherwise and, as a result, is unsanitary and unfit for human habitation or in such condition that is likely to cause sickness or disease;

(8) That, because of obsolescence, dilapidated condition, deterioration, damage, inadequate exits, lack of sufficient fire-resistive construction, faulty electric wiring, gas connections or heating apparatus or other cause, is a fire hazard;

(9) In which a protective or safety device specified in the electrical code or this Code is not provided or is inoperative, defective, dilapidated, or deteriorated so as to threaten to fail to function as originally intended;

(10) In which any electrical, plumbing, or mechanical installation, or any portion thereof constitutes a hazard to life, health, property, or safety due to dilapidation, deterioration, decay, faulty construction, obsolescence, or inadequate maintenance;
(11) In which any electrical, plumbing, or mechanical installation is damaged by fire, wind, earthquake, flood, or any other cause so as to constitute a potential hazard to life, health, property, or safety; and/or
(12) In which any electrical, plumbing, or mechanical installation was constructed, installed, altered, or maintained in violation of the building code and/or fire code so as to constitute a potential hazard to life, health, property, or safety.

(b) The term "demolished" means the clearing of the dangerous building, including all concrete, cleaning the property itself to remove all debris and trash, and disconnecting and capping all utility lines.

Sec. 26-92. Declared public nuisance; repair, vacation or demolition required.

All dangerous buildings are hereby declared to be public nuisances and shall be repaired, vacated or demolished as provided in this article.

Sec. 26-93. Dangerous building inspection board.

There is hereby created a dangerous building inspection board, which shall be referred to as "the board" in this Article. The board shall be composed of the building official or designee, the fire chief or designee, and the fire marshal or designee.

Sec. 26-94. Initial procedures.

It shall be the duty of the board to:

(1) Inspections. When deemed necessary, or when discovered through the course of a board member carrying out his or her respective duties, inspect buildings within the City for the purpose of determining whether any conditions exist which render the building a dangerous building.

(2) Investigations of complaints. Inspect any building about which complaints are filed or reported by a citizen or the City Council to the effect that a building is or may be a dangerous building as defined in this article.

(3) Procedure for inspection. Upon probable cause to suspect that any building is in violation of this article, the board shall make a thorough inspection of such building. An exterior inspection of the building shall be conducted by the board unless entry to the building is obtained through permission of the owner of the building or after the issuance of an administrative search warrant issued by a magistrate.

(4) Research regarding owner, lienholder, and/or mortgagee. Prior to commencing enforcement proceedings under this article, one or more members of the board shall search

the following records for information regarding the owner(s) and any lienholder(s) and/or mortgagee(s):

(A) County real property records of the county in which the building is located;

(B) Appraisal district records of the appraisal district in which the building is located;

(C) Records of the Secretary of State;

(D) Assumed name records of the county in which the building is located;

(E) Tax records of the City; and

(F) Utility records of the City.

(5) Commencement of proceedings. When the board has inspected or caused to be inspected any building and a majority of the board has determined that such building is a dangerous building, the board shall commence proceedings to cause the repair, vacation or demolition of the building. The board may commence criminal proceedings or civil proceedings, or both, as determined by the conditions existing on such premises.

(6) Written notice to owner. Notify in writing, by certified mail, the owner of the building or structure, as determined by using the records in the office of the county clerk in the county in which the building is located, that the building is a dangerous building as defined in this article. The notice to the owner shall further state the reason(s) that the building qualifies as a dangerous building and that, unless the building is remedied so it is no longer considered a dangerous building within a reasonable time not exceeding 60 days (as specified by the board), then a hearing will be scheduled before the City Council to determine whether the building is a dangerous building and must be abated as set forth in this article. The building official, in his sole discretion, may elect not to send this notice to remedy and may instead proceed directly with notice of hearing as set forth in Section 26-95 of this article.

(7) Report of Inspections. After the inspection provided for in this section has been made, the board shall report its conclusion in writing to the city council. Such report shall state the circumstances and the condition of the building upon which such conclusion was based. The report shall be filed in all cases no matter what conclusion is stated by the board.

Sec. 26-95. Notice of hearing.

(a) Upon notification from the board that it has determined that a building is a dangerous building as defined in this article, the City Manager shall cause a hearing to be set before the City Council and a notice of hearing to be issued to the owner, lienholder and mortgagee of the alleged dangerous building.

(b) The notice shall include:

(1) A statement that the board has inspected the building;

(2) A description of the condition of the building as found by the board, including the specific ways in which the building meets the definition of a dangerous building as provided in this article;

(3) The date, time and place of the hearing;

(4) A statement that the owner, lienholder, and/or mortgagee will be required to submit at the hearing proof the scope of any work that may be required to remedy the condition of the building and the time it will take to reasonably perform the work.

(c) The notice of hearing must be sent by certified mail at least ten days prior to the hearing.

(d) The board shall make a diligent effort to discover each mortgagee and lienholder for purposes of giving them notice and an opportunity to comment at the hearing. The records in the office of the county clerk in the county in which the building is located shall be used to determine, if possible, the identity and address of any owner, lienholder or mortgagee of the building.

(e) The city shall publish a summary of the notice of hearing in the city's official newspaper. Such summary shall include a description of the property on which the dangerous building is located, the name of the owner of said property, and the date, time, and location of the hearing.

(f) The city may file notice of the hearing in the official public records of real property in the county in which the property is located. The notice shall contain the name and address of the owner of the affected property if that information can be determined from a reasonable search of the instruments on file in the office of the county clerk, a legal description of the affected property and a description of the hearing. The filing of the notice is binding on subsequent grantees, lienholders or other transferees of an interest in the property who acquire such interest after the filing of the notice and constitutes notice of the hearing on any subsequent recipient of any interest in the property who acquired such interest after the filing of the notice.

Sec. 26-96. Hearing.

(a) On the date set forth in the notice, the City Council shall hold a hearing to determine whether the building is a dangerous building. One or more representatives of the board may present testimony and evidence during the hearing of the condition of the building.

(b) The owner of the building or the lienholder or mortgagee may present proof at the hearing of the scope of any work that may be required so that the building or structure will not be a dangerous building or structure and the time it will take to reasonably perform the work. At the hearing, the owner, lienholder, or mortgagee has the burden of proof to demonstrate the scope of any work that may be required to comply with this article and the time it will take to reasonably perform the work.

(c) If the City Council determines that the building is a dangerous building, the City Council may order that the building be vacated, secured, repaired, removed or demolished by the owner within a reasonable time as provided by this article. In addition, if there is a mortgagee or lienholder, the City Council may provide in the order an additional reasonable time as provided by this section for the ordered action to be taken by any mortgagee or lienholder in the event the owner fails to comply with the order within the time provided for action by the owner.

Sec. 26-97. Considerations.

The following standards shall be followed by the City Council in ordering repair, vacation or demolition:

(1) If the dangerous building can reasonably be repaired so that it will no longer exist as a dangerous building, it shall be ordered repaired.

(2) If the dangerous building is in such a condition as to make it dangerous to the health, safety, morals or general welfare of its occupants, it shall be ordered to be vacated.

(3) In any case where a dangerous building is 50 percent or more damaged, decayed or deteriorated from its original value or structure, it shall be demolished and in all cases where a building cannot be repaired so that it will no longer exist in violation of the terms of this article, it shall be demolished. In all cases where a dangerous building is a fire hazard existing or erected in violation of the terms of this article or any ordinance of the city or statutes of the state, it shall be demolished.

Sec. 26-98. Findings of fact.

The City Council shall make written findings of facts from the testimony offered, pursuant to section 26-132, as to whether or not the building in question is a dangerous building within the terms of section 26-91.

Sec. 26-98. Contents of order.

The order shall include:

(1) An identification, which is not required to be a legal description, of the building and the property on which it is located;
(2) A description of the violation(s) of this article that is/are present at the building; and
(3) A statement that the City will vacate, secure, remove, or demolish the building or relocate the occupants of the building if the ordered action is not taken within the time frame described in the order.

Sec. 26-99. Copy of order to owner.

After the hearing, a copy of the order issued by the City Council, if any, shall be promptly mailed by certified mail, return receipt requested, to the owner of the building and to any lienholder or mortgagee of the building.

Sec. 26-100. Filing and publishing order.

Within ten days after the date that the order is issued, the city shall:

(1) File a copy of the order in the office of the city clerk; and

(2) Publish in a newspaper of general circulation in the city a notice containing the street address or legal description of the property, the date of the hearing, a brief statement indicating the results of the order and instructions stating where a complete copy of the order may be obtained.

Sec. 26-101. Time for performance.

(a) In issuing an order authorized under this article, the City Council shall require the owner, lienholder or mortgagee of the building to within 30 days secure the building from unauthorized entry; or repair, remove or demolish the building, unless the owner or lienholder establishes at the hearing that the work cannot reasonably be performed within 30 days.

(b) If the City Council allows the owner, lienholder or mortgagee more than 30 days to repair, remove or demolish the building, the City Council shall establish specific time schedules for the commencement and performance of the work and shall require the owner, lienholder or mortgagee to secure the property in a reasonable manner from unauthorized entry while the work is being performed.

(c) The City Council may not allow the owner, lienholder or mortgagee more than 90 days to repair, remove or demolish the building or fully perform all work required to comply with the order, unless the owner, lienholder or mortgagee submits a detailed plan and time schedule for the work at the hearing and establishes at the hearing that the work cannot reasonably be completed within 90 days because of the scope and complexity of the work. If the City Council allows the owner, lienholder or mortgagee more than 90 days to complete any part of the work required to repair, remove or demolish the building, the building commission shall require the owner, lienholder or mortgagee to regularly submit progress reports to the City Council to demonstrate that the owner, lienholder or mortgagee has complied with the time schedules established for commencement and performance of the work. The order may require that the owner, lienholder or mortgagee appear before the City Council, or its designee, to demonstrate compliance with the time schedules.

Sec. 26-102. Abatement by City.

If the dangerous building is not vacated, secured, repaired, removed or demolished within the allotted time, the city may, without further action by the City Council, vacate, secure, remove or demolish the building at its own expense, by city personnel or its contractor.

Sec. 26-103. Criminal enforcement.

(a) The board is hereby authorized to commence criminal proceedings whenever it finds that there has been a violation of any subsection of this section.

(b) It shall be unlawful for any owner, occupant or person in control to maintain a dangerous building. All buildings or structures which are determined to be dangerous buildings or structures are declared to be public nuisances. For purposes hereof, the term "maintain" shall mean keep, preserve, use, maintain status quo or permit to exist.

(c) Any violation, disobedience, omission, neglect or refusal to comply with the enforcement of any the provisions of this article shall be punished as provided in section 1-14 of this Code.

Sec. 26-104. Civil enforcement.

(a) Lien. Any costs incurred by the city pursuant to Section 26-102 may be assessed on, and the city shall have a lien against, the property on which the building was located, unless the property is a homestead as protected by the Texas Constitution. The lien arises and attaches to the property at the time the notice of the lien is recorded and indexed in the office of the county clerk in which the property is located. The notice of lien must contain the name and address of the owner if that information can be determined with a reasonable effort, a legal description of the real property on which the building was located, the amount of expenses incurred by the municipality, and the balance then due. If notice is given and the opportunity to relocate the tenants of the building or to repair, remove or demolish the building is afforded to each mortgagee and lienholder as provided herein, the lien is a privileged lien subordinate only to tax liens.

(b) Civil Penalty. After the expiration of time allocated by the City Council's order for repair, removal, or demolition of a building, the City Council may assess a civil penalty not exceeding $1,000.00 per day for failure to repair, remove or demolish the building or structure. Notice of the hearing in which the civil penalty will be considered shall be given to the owner by personally serving the owner with written notice; or by sending the notice in the United States mail by certified mail, return receipt requested, addressed to the owner at the owner's post office address at least ten days prior to the administrative hearing. Before holding a hearing to consider a civil penalty, the City Council shall have evidence that the property owner was actually notified of the requirements of the order and the need to comply with such requirements. Any civil penalty assessed shall be imposed as a lien against the land on which the building stands or stood, unless it is a homestead as protected by the Texas Constitution, to secure the payment of such civil penalty. Promptly after the imposition of the lien, the city shall file for record, in recordable form in the office of the county clerk of the county in which the land is situated, a written notice of the imposition of the lien. The notice must contain a legal description of the land. In addition to the filing of the lien, the city may seek a judgment against the owner for the civil penalty in accordance with applicable state law.

(c) Additional remedies. In addition to any remedy set forth in this section, the city may exercise any and all of its rights to abate any nuisance as defined in this article and seek any appropriate relief as authorized by applicable state law.

Sec. 26-105. Effect of notice.

When a representative of the City mails a notice in accordance with this article to a property owner, lienholder, mortgagee or registered agent and the United States Postal Service returns the notice as "refused" or "unclaimed", the validity of the notice is not affected, and the notice is considered delivered.

SECTION 4. SAVINGS/REPEALING CLAUSE. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extend they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 5. PENALTY. Any person, firm, entity or corporation who violates any provision of this Ordinance shall be deemed guilty of a misdemeanor, and upon conviction therefore, shall be fined in a sum not exceeding $2,000.00. Each continuing day's violation shall constitute a separate offense. The penal provisions imposed under this Ordinance shall not preclude Mineral Wells from filing suit to enjoin the violation. Mineral Wells retains all legal rights and remedies available to it pursuant to local, state and federal law.

SECTION 6. OPEN MEETINGS. It is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that a public notice of the time, place, and purpose of said meeting was given, all as required by Article 551.041, Texas Government Code.

SECTION 7. SEVERABILITY. Should any section, subsection, sentence, clause, phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Mineral Wells hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION 8. EFFECTIVE DATE. This Ordinance shall become effective upon its adoption and after publication as required by law.

PASSED AND APPROVED on this the __ day of July, 2026.

APPROVED:

____
Regan Johnson, Mayor

ATTEST:

____
Sharon McFadden, City Clerk

AGENDA ITEM COMMENTARY

ITEM TITLE

Consider and take appropriate action on a resolution adopting the City of Mineral Wells Investment Policy; declaring that the City Council has completed its annual review of the investment policy and investment strategies; declaring that the policy incorporates all desired revisions; providing a repealing clause; providing a severability clause; and providing an effective date.

INITIATOR/STAFF INFORMATION SOURCE

Aaron J. Bovos, Director of Finance & Assistant City Manager

BACKGROUND

Chapter 2256 of the Texas Government Code, the Public Funds Investment Act (PFIA), requires the governing body of each local government to review its investment policy and investment strategies not less than annually and to adopt any changes by resolution.

On July 1, 2025, the City Council adopted a comprehensively revised Investment Policy that modernized the City's investment program by strengthening governance, clarifying investment authority, aligning the policy with other City financial policies, and ensuring continued compliance with the Public Funds Investment Act.

Following adoption, the Finance Department voluntarily submitted the policy to the Government Treasurers' Organization of Texas (GTOT) for independent review through its Investment Policy Certification Program. The City was awarded GTOT's Certificate of Distinction, recognizing the Investment Policy as meeting the organization's best-practice standards for public investment management. The certificate is valid through September 30, 2027.

As part of the certification process, the GTOT Investment Policy Review Committee recommended two minor revisions for incorporation during the City's next annual review:

1. Clarify that newly designated Investment Officers must complete ten (10) hours of investment training within twelve months of assuming investment responsibilities, with eight (8) hours of continuing education every two years thereafter, consistent with the Public Funds Investment Act; and
2. Clarify that the City will obtain three (3) competitive offers or bids when purchasing or selling individual investment securities, excluding new issue securities and money market funds/local government investment pools, further strengthening the City's competitive purchasing practices.

Both recommendations have been incorporated into the attached Investment Policy. No other changes have been made. Staff believes the policy continues to provide a comprehensive framework that emphasizes the statutory priorities of safety of principal, liquidity, diversification, and yield while maintaining full compliance with state law and recognized industry best practices.

Staff recommends approval of the resolution adopting the revised Investment Policy.

FINANCIAL IMPACT

The proposed revisions have no fiscal impact. Adoption of the policy satisfies the annual review requirements of the Public Funds Investment Act and continues the City's investment governance framework.

LEGAL REVIEW

The Investment Policy has been reviewed for compliance with Chapter 2256 of the Texas Government Code (Public Funds Investment Act).

RECOMMENDATION

Staff recommends approval of the resolution adopting the revised Investment Policy. The policy satisfies the annual review requirements of the Texas Public Funds Investment Act, incorporates the recommendations provided by the Government Treasurers' Organization of Texas following the City's receipt of the Certificate of Distinction, and continues to reflect industry best practices for the prudent investment of public funds. Adoption of the policy will ensure the City maintains a strong governance framework that emphasizes the preservation of principal, adequate liquidity, portfolio diversification, regulatory compliance, and accountability in the management of public investments.

EXHIBITS

1. Resolution July 2026
2. City of Mineral Wells July 2026

ITEM NUMBER 6.
MEETING DATE 7/7/2026

CITY OF MINERAL WELLS, TEXAS

RESOLUTION NO. 2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MINERAL WELLS, TEXAS, ADOPTING THE CITY OF MINERAL WELLS INVESTMENT POLICY ATTACHED HERETO AS "EXHIBIT A"; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS ANNUAL REIVEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES AS REQUIRED BY CHAPTER 2256, TEXAS GOVERNMENT CODE; DECLARING THAT "EXHIBIT A" INCORPORATES THE REVISIONS APPROVED BY THE CITY COUNCIL; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABIITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Chapter 2256 of the Texas Government Code, known as the Public Funds Investment Act, requires the governing body of a local government to adopt a written investment policy governing the investment of public funds; and

WHEREAS, Section 2256.005(e) of the Texas Government Code further requires the governing body to review its investment policy and investment strategies not less than annually and adopt a resolution stating that the review has been completed and recording any changes made to the policy or investment strategies; and

WHEREAS, on July 1, 2025, the City Council adopted a comprehensively revised Investment Policy designed to strengthen the City's investment governance framework and ensure continued compliance with the Public Funds Investment Act; and

WHEREAS, following adoption of the Investment Policy, the Finance Department submitted the policy to the Government Treasurers' Organization of Texas ("GTOT") for independent review, and the City of Mineral Wells was awarded the **GTOT Certificate of Distinction** in recognition of maintaining an investment policy that meets the organization's best-practice standards; and

WHEREAS, the GTOT Investment Policy Review Committee recommended two minor enhancements to the City's Investment Policy to further strengthen compliance with recognized best practices, and those recommendations have been incorporated into the attached Investment Policy.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINERAL WELLS, TEXAS:

SECTION 1. The City of Mineral Wells Investment Policy attached hereto as **Exhibit A** is hereby adopted and shall govern the investment policies, investment strategies, and authority of the City's Investment Officers from and after the effective date of this Resolution.

SECTION 2. The City Council hereby declares that it has completed its annual review of the City's Investment Policy and Investment Strategies in accordance with Chapter

2256, Texas Government Code, and further declares that any revisions approved by the City Council are incorporated within Exhibit A attached hereto.

<u>SECTION 3.</u> The revisions incorporated into the Investment Policy consist of the following:

1. Clarification that newly designated Investment Officers must complete **ten (10) hours of investment training within twelve (12) months of assuming investment responsibilities**, with **eight (8) hours of continuing education every two (2) years thereafter**, consistent with the requirements of the Public Funds Investment Act; and
2. Clarification that the City shall obtain **three (3) competitive offers or bids** for purchases and sales of individual investment securities, excluding new issue securities and money market funds/local government investment pools, to further strengthen competitive procurement practices.

<u>SECTION 4.</u> The City Council finds that these revisions are administrative in nature, reflect recommendations made by the Government Treasurers' Organization of Texas following the City's receipt of the Certificate of Distinction, and further strengthen the City's investment governance while maintaining compliance with Chapter 2256 of the Texas Government Code.

<u>SECTION 5.</u> All resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed to the extent of such conflict, and all other provisions not in conflict shall remain in full force and effect.

<u>SECTION 6.</u> Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this Resolution be adjudged or held to be invalid or unconstitutional, the same shall not affect the validity of the remaining portions of this Resolution, which shall remain in full force and effect.

<u>SECTION 7.</u> This Resolution shall become effective immediately upon its passage and approval.

PASSED AND APPROVED THIS THE 7TH DAY OF JULY, 2026.

CITY OF MINERAL WELLS, TEXAS

____
REGAN JOHNSON, Mayor

ATTEST:

____
SHARON MCFADDEN, City Clerk

INVESTMENT POLICY AND STRATEGY

Effective July 1, 2026

INTRODUCTION

The City of Mineral Wells, Texas ("City") is a Home-Rule Municipality, operating pursuant to Article II, Section 5 of the Texas Constitution and State law. It is the policy of the City that the administration of its funds and the investment of those funds shall be handled in a manner which promotes the highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City. This Investment Policy is to define the parameters within which funds are to be managed and implemented within reasonable standards for its cash management and investment operations.

The purpose of this Policy is to set specific investment policy and strategy guidelines. This Policy formalizes the framework for the City's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of its funds. The guidelines are intended to be broad enough to allow the Investment Officers to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

MISSION, VISION AND GOALS

Mission:
To ensure responsible, transparent, and strategic financial investments which promote economic stability, sustainable growth, and long-term prosperity for the community while safeguarding the principle of public funds.

Vision:
A financially resilient and thriving local economy where strategic investments foster innovation, infrastructure development, and equitable opportunities for all residents.

Goals:

1. Fiscal Responsibility: Maintain prudent investment strategies that optimizes returns while minimizing risk and ensuring compliance with state and federal regulations.
2. Transparency and Accountability: Ensure all investment decisions are made with full transparency, stakeholder engagement, and alignment with public interests.
3. Long-term Stability: Prioritize investments that secure financial resilience, ensuring stability for future generations.

I. INVESTMENT AUTHORITY

All investment and cash management activities shall be conducted in full compliance with applicable City ordinances as well as state and federal regulations. Specific statutory regulations for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). All investments will be made in accordance with this statute. Collateral requirements are established in Texas by the Public Funds Collateral Act, Chapter 2257, Texas Government Code, for all public Texas funds deposits.

II. SCOPE

Except as otherwise noted below, this Policy applies to all financial assets of the City. These funds are reported in the City's annual audit / Annual Comprehensive Financial Report (ACFR) and include:

- General Fund;
- Special Revenue Funds;
- Capital Project Funds;
- Enerprise Funds;
- Mineral Wells Economic Development Corporation;
- Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
- Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
- Any new fund created by the City unless specifically exempted from this Policy by the City or the law.

Funds held by trustees or external entities, such as retirement funds are excluded from these rules; however, all funds are subject to regulations established by the State of Texas.

III. OBJECTIVES

The City shall manage and invest its assets with four major objectives, listed in order of priority: safety, liquidity, diversification and yield. Safety of the principal is the primary objective. All investments shall be managed in a manner responsive to the public trust.

The primary objectives, in priority order, of investment activities shall be:

Safety
Safety of principal is the foremost objective of the investment program. All aspects of cash management operations shall be designed to ensure the safety and integrity of the City's financial assets. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio, mitigating credit and interest rate risk. Each investment transaction shall be conducted in a manner to minimize capital losses.

Liquidity
The investment portfolio shall be structured to meet all expected obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow liabilities and maintaining an additional liquidity buffer for unexpected liabilities.

Diversification
The portfolio shall be diversified by market sector and maturity in order to manage market risk.

Yield
The investment portfolio shall be designed with the objective of attaining a reasonable market rate of return throughout economic cycles, taking into account the City's investment risk constraints of safety and liquidity needs.

IV. STRATEGY

The City maintains portfolio is designed to address the unique characteristics of the fund groups represented in the portfolios. The investment strategies for each portfolio adhere to the following investment objectives prioritized in order of importance:

1. Suitability of the investment to the financial requirements of the City;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the portfolio; and
6. Yield.

A. Investment strategies for general and operating funds and commingled pools containing those funds have as their primary objectives to protect principal and to ensure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure, which will experience minimal volatility during economic cycles. This may be accomplished by utilizing high quality, short- to medium-term investments which will complement each other in a laddered or barbell maturity structure. The dollar-weighted average maturity will be calculated using the stated final maturity date of each investment.

B. Investment strategies for debt service funds shall have as the primary objectives to protect principal and the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Investments shall not have a stated final maturity date which exceeds the next unfunded debt service payment date.

C. Investment strategies for debt service reserve funds shall have as the primary objectives to protect principal and to generate a dependable revenue stream to the appropriate debt service fund from investments with a low degree of volatility. Investments should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short- to intermediate-term maturities.

D. Investment strategies for capital project and special purpose fund portfolios will have as their primary objectives to protect principal and to ensure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in cash equivalent investments to allow for flexibility and unanticipated project outlays. The stated final maturity dates of investments held shall not exceed the lesser of the anticipated cash flows, or the estimated project completion date.

At all times the City shall maintain a cash buffer to meet daily anticipated liquidity requirements. The maximum final stated maturity of any investment shall not exceed three years.

V. STANDARD OF CARE

The standard of care to be used for all City investments shall be the "prudent person" standard as established by the Act and shall be applied in the context of managing the overall portfolio. The "prudent person" standard states that:

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

Investment Officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be responsible for any individual security's credit risk or market price changes but shall not be personally liable for deviations from expectations so long as deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

VI. DELEGATION OF AUTHORITY AND RESPONSIBILITY

City Council
By law, the City Council retains ultimate fiduciary responsibility for the portfolio. The Council is required to receive quarterly reports and annually review and adopt the Investment Policy and Strategy. The Council is responsible for reviewing and approving authorized broker/dealers and investment training sources. The Council is also responsible for providing for the required Investment Officer(s) training.

Investment Officer(s)
The City Manager and Director of Finance/Assistant City Manager are hereby appointed as Investment Officers. Investment Officers are responsible for investment decisions and activities. The City may further contract with a registered Investment Advisor to advise in the management of the portfolio. The Investment Officers shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and procedures adopted in accordance with the Policy.

The Investment Officers are responsible for creating and maintaining the portfolio in accordance with this Policy, providing timely quarterly reporting to the City Council, and establishing procedures and controls for the processes with financial counterparties (brokers, banks, pools). The Investment Officers shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Investment Policy.

Training
In accordance with the Act and in order to ensure quality and capability of investment management, all Investment Officers shall attend at least one ten (10) hour training session within twelve (12) months after assuming investment duties and shall attend eight (8) hours of training every two years thereafter, with the first such two-year period beginning on the first day of the City fiscal year after the year in which the Investment Officer takes the initial training. Training shall be provided by professional organizations authorized in accordance with state law.

Ethics Disclosure
Investment Officers involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions.

The Act requires all Investment Officers to file a disclosure statement with the Texas Ethics Commission and the City Council if:

1. the officer has a personal business relationship with a business organization offering to engage in an investment transaction with the City (as defined in 2256.005 (i)(1-3)); or
2. the officer is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the entity.

Employees and Officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment Advisor
The City may engage the services of a SEC-registered Investment Advisor (registered under the Investment Advisors Act of 1940) to assist in the management of the investment portfolio in a manner consistent with the City's objectives and policies. The Investment Advisor will be a non-discretionary service provider.

The City will establish strict guidelines regarding the Investment Advisor to ensure that all support activities are consistent with the City's established policies, rules and regulations.

VII. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

Primary Depository
Chapter 105 of the Texas Local Government Code requires that a primary Depository shall be selected through the City's banking services procurement process, which shall include a formal request for application (RFA) every five (5) years. The selection of a primary depository will be determined by evaluation of the best value criteria during the RFA process, and may include the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law;
- The ability to provide requested information or financial statements for the period specified;
- The ability to meet the minimum required items in the banking RFA;
- Complete response to all required items on the RFA form; and
- Competitive net banking service cost, consistent with the ability to provide an appropriate level of service.

Certification
Section 2256.005(k) of the Act requires that any business organization (including a discretionary investment advisor or local government investment pools) offering to engage in an investment transaction with the City must be provided with a copy of this Investment Policy and must provide the City with a written instrument (in a form acceptable to both parties) executed by a representative of the person or entity that substantially acknowledges that the person or entity has:

- Received and reviewed the City's Investment Policy and strategy; and
- Implemented reasonable procedures and controls in an effort to preclude investment transactions with the City that are not authorized by the City's Investment Policy.

Authorized Broker/Dealers
The City Council will annually review and adopt a list of broker/dealers who will be authorized to engage in investment transactions with the City.

Authorized broker/dealers may include "primary" or regional dealers as well as brokers who qualify under the Securities and Exchange Commission Rule 15C3-1 and who meet other financial credit standards in the industry, and qualified depositories. The firms may be required to provide a completed broker/dealer questionnaire that provides information regarding creditworthiness, experience, and reputation.

The Investment Officers shall review the performance, financial condition and registration of all qualified financial institutions and broker/dealers, as needed.

VIII. AUTHORIZED INVESTMENTS

The Act outlines all possible authorized investments available to public entities. The City shall invest only in those investments authorized below. If changes are made to the Act allowing for additional authorized investments, such investments will not be authorized by the City until this Policy is modified and adopted by the City Council. If an authorized investment in the City's portfolio later becomes an unauthorized investment due to changes in this Investment Policy or Act, the City is not required to liquidate.

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks.

2. Direct obligations of the State of Texas or its agencies and instrumentalities.

3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States or its instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States.

4. Financial institution deposits that are issued by a state or national bank or credit union that (a) has its main office or a branch office in Texas and is guaranteed or insured by the FDIC or National Credit Union Share Insurance Fund (NCUSIF) or their successors, (b) is secured and/or collateralized in a manner and amount provided by the Public Funds Collateral Act and this Investment Policy for deposits of the City, or (c) is placed in a manner that meets the requirements of the Act.

5. AAA or equivalent rated, constant dollar, Texas local government investment pools as defined by the Act that are authorized by resolution or ordinance of the City Council.

6. AAA-rated, SEC-registered no-load money market mutual funds that maintain a net asset value of $1.0000 per share.

7. Obligations of states, agencies, counties, cities, and other political subdivisions of any US state, rated at least A or its equivalent by a nationally recognized investment rating firm.

8. Fully collateralized, direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities. These shall be pledged to the City, held in the City's account, and deposited at the time the investment is made with the City or with a third party selected and approved by the City. Repurchase agreements must be executed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A repurchase agreement must be signed by the counter-party prior to investment in a repurchase agreement. All repurchase agreement transactions must have a market value of purchased securities greater than or equal to 103 percent of the total balance of the agreement.

IX. COLLATERALIZATION

Collateral Policy
The City has established a collateral policy in compliance with Government Code Chapter 2257, Public Funds Collateral Act. Deposits secured with irrevocable letters of credit shall be equal to or greater than 100% of principal plus anticipated interest of the deposit, less any amount insured by FDIC or NCUSIF. Deposits secured with pledged marketable securities shall have a market value equal to or greater than 103% of the principal plus accrued interest of the deposit, less any amount insured by the FDIC or NCUSIF. All collateral shall be subject to inspection and audit by the City or its auditors.

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository, approved by the Investment Officers, in accordance with a third-party agreement executed under the terms of the Financial Institutions Resource and Recover Enforcement Act (FIRREA).

Financial institutions serving as City Depositories will be required to sign a depository agreement with the City. The collateralized deposit portion of the agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing, and shall establish a perfected security interest in compliance with Federal and State regulations, including:

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

Authorized Collateral
Acceptable forms of collateral are limited to those authorized by the Public Funds Collateral Act. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards financial institution deposits.

X. DIVERSIFICATION

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

- Limiting investments to avoid overconcentration in investments from a specific issuer or business sector, when appropriate;
- Limiting investment in higher credit risk issuers;
- Investing in investments with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds such as financial institution deposits, local government investment pools, money market funds, or other overnight investments to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

XI. INTERNAL CONTROLS

The Investment Officers have the responsibility of establishing and maintaining an internal control structure designed to reasonably ensure that assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires ongoing estimates and judgments by management.

The internal controls shall address the following points at a minimum:

- Avoidance of collusion,
- Separation of transaction authority from accounting and record keeping,
- Custodial safekeeping,
- Clear delegation of authority,
- Written documentation on all transactions, and
- Review, maintenance and monitoring of security procedures.

The Act requires that in conjunction with the annual audit and the preparation of City's Annual Comprehensive Financial Report, an internal compliance of investment procedures will be performed to ensure compliance with the Policy and the Act.

The Investment Officers will develop and maintain internal procedures, describing use of bank balances, calculation of the City's liquidity needs, daily investment procedures, investment transaction documentation, and distribution of reports, at a minimum.

Competitive Environment
The City requires a competitive environment for all individual security purchases and sales, financial institution time deposit and transaction accounts, and money market mutual fund and local government investment pool selections. The City requires three (3) competitively offers or bids for all individual security purchases and sales excluding new issuances and money market funds / LGIPs.

Delivery vs. Payment
The Act requires that investments in marketable securities shall be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping institution prior to the release of City funds.

Cash Flow Forecasting
Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officers will utilize a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

Monitoring Credit Ratings
The Investment Officers shall monitor, at least quarterly, the credit rating on all authorized investments having a PFIA-required minimum rating based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating, the City shall take all prudent measures that are consistent with this Policy to liquidate that investment.

External Audits
In conjunction with the annual financial audit, an annual review of the quarterly investment reports will be made by the City's external auditors and reported to City Council. Such audit will include tests deemed appropriate by the auditor.

XII. SAFEKEEPING AND CUSTODIAL AGREEMENTS

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio, or held as collateral to secure financial institution deposits. Securities owned by the City will be held in the City's account as evidenced by safekeeping receipts or reports of the institution holding the securities. The City shall approve all third-party custodians for the holding of securities pledged to the City as collateral to Secure financial institution deposits.

XIII. REPORTING

In accordance with the Act, no less than quarterly the Investment Officers will prepare and submit a quarterly report to the City Council. The report will comply with the Act and will contain, at a minimum:

a. detailed description of each investment position as of the date of the report including book and market values and purchase yield;
b. summary statements for the total portfolio including:
    (1) beginning and ending book value for the reporting period,
    (2) beginning and ending market value for the reporting period,
    (3) additions and changes in market value (volatility measure) for the reporting period,
    (4) total accrued earnings for the reporting period,
    (5) weighted average maturity (WAM)at the end of the period, and
    (6) portfolio yield and benchmark yield for the reporting period.

The quarterly report shall include a statement of compliance for the portfolio as it relates to State law and the City's Investment Policy and incorporated strategy and be signed by each Investment Officer.

Weighted average yield to maturity shall be the portfolio's performance measurement standard. Prices used for calculation of market values will be obtained from an independent source.

XIV. INDEPENDENT TRAINING SOURCES

The approved independent training sources for educational requirements under the Act are as follows: Government Finance Officers Association; Government Finance Officers Association of Texas; Government Treasurers' Organization of Texas; International City/County Management Association; Texas Municipal League; North Texas Council of Governments; University of North Texas Center for Public Management; American Institute of Certified Public Accountants; and the Association of Governmental Accountants.

XV. INVESTMENT POLICY ADOPTION

The Investment Policy shall be reviewed and adopted by the City Council at least annually. The adopting rule, order, ordinance, or resolution shall include any changes made to the Policy. It is the City's intent to comply with State laws and regulations. The City's Investment Policy shall be subject to revisions consistent with changing laws, regulations, and the needs of the City.

AGENDA ITEM COMMENTARY

ITEM TITLE

Discuss and consider adoption of a financial strategy directing staff to prepare the Fiscal Year 2027 Budget and Tax Year 2026 property tax rate utilizing the De Minimis Tax Rate for General Fund operations, transferring eligible financing obligations to the Interest and Sinking (Debt Service) Fund, and levying a debt service tax rate sufficient to fund those obligations.

INITIATOR/STAFF INFORMATION SOURCE

Aaron Bovos, Finance Director & Assistant City Manager

BACKGROUND

The City's annual property tax levy is divided into two legally distinct components: the Maintenance and Operations (M&O) tax rate, which funds the day-to-day delivery of municipal services, and the Interest and Sinking (I&S) tax rate, which is intended to fund the repayment of debt obligations. As part of the Fiscal Year 2027 budget development process, staff evaluated whether the City's current allocation of expenditures between these two funds continues to reflect governmental budgeting best practices and supports the City's long-term financial objectives.

Historically, the City has paid for several financing agreements directly from the General Fund operating budget. While this practice is legally permissible, it requires operating tax revenues to support expenditures that are more appropriately characterized as debt service. As a result, General Fund resources that could otherwise be dedicated to municipal operations and strategic priorities are instead used to repay long-term financing obligations.

Although this accounting treatment is permissible under Texas law, continuing to budget long-term financing obligations within the General Fund reduces the City's operational flexibility and makes it more difficult to distinguish the true cost of municipal operations from the cost of financing capital assets. Transferring these obligations to the Interest and Sinking Fund aligns the funding source with the purpose of the expenditure and promotes greater financial transparency.

Staff is recommending that the City establish the following financial strategy for development of the FY 2027 Budget and Tax Year 2026 property tax rate:

- Adopt the **De Minimis Tax Rate** authorized under Chapter 26 of the Texas Tax Code for General Fund operations.
- Transfer eligible financing contracts and lease-purchase obligations currently budgeted within the General Fund to the Interest and Sinking (Debt Service) Fund.
- Levy a debt service tax rate sufficient to fund those obligations.
- Structure the City's property tax rate so that operating expenditures are funded through the Maintenance and Operations (M&O) tax rate while debt obligations are funded through the Interest and Sinking (I&S) tax rate.

Utilizing the De Minimis Tax Rate provides additional maintenance and operations capacity necessary to address long-term operational priorities, including employee compensation, inflationary operating costs, and increasing service demands while remaining within the authority provided by Chapter 26 of the Texas Tax Code.

It is important to note that this recommendation does not authorize any new borrowing, issue additional debt, or increase the amount owed by the City. Rather, the recommendation changes only the governmental fund from which existing financing obligations will be repaid, allowing debt obligations to be funded through the Interest and Sinking Fund instead of the General Fund.

This approach is also consistent with recognized governmental budgeting principles promoted by the Government Finance Officers Association (GFOA), which encourage governmental entities to budget debt service separately from operating expenditures whenever practical to improve transparency, accountability, and long-term financial planning.

Benefits of the Proposed Strategy
Financial Transparency

- Clearly distinguishes operating expenditures from debt service obligations.
- Provides taxpayers and policymakers with a more accurate representation of how property tax revenues are utilized.
- Improves transparency in the City's annual budget and financial reporting.

Structural Budget Improvement

- Preserves General Fund operating capacity for core municipal services.
- Better aligns operating revenues with operating expenditures.
- Reduces the structural reliance on operating revenues to finance long-term capital obligations.
- Improves long-term budget flexibility.

Long-Term Financial Planning

- Better positions the City to address employee compensation and future operational priorities.
- Supports long-term financial sustainability.
- Aligns the City's budgeting practices with recognized governmental finance best practices.

FINANCIAL IMPACT
Current Financial Structure
Under the City's current budgeting practice:

- General Fund revenues support both operating expenditures and certain financing obligations.
- Interest and Sinking Fund revenues support the repayment of bonded indebtedness.

Proposed Financial Structure
Under the proposed strategy:

- General Fund revenues would support operating expenditures.
- Interest and Sinking Fund revenues would support bonded debt, financing agreements, lease-purchase obligations, and other eligible financing agreements.

This restructuring more appropriately aligns the source of tax revenue with the purpose for which it is collected while preserving General Fund operating capacity.

Using the tax rate calculations developed during the Tax Year 2025 Truth-in-Taxation process, the following illustrates how the proposed financial strategy would have affected the City's tax rate.

	Adopted 2025	**Illustrative Proposed Structure**
Total Tax Rate	0.5717881	0.627000
General Fund (M&O)	0.5465195	0.568000
Debt Service (I&S)	0.0252686	0.059000

Financial Obligations Proposed to Transfer to Debt Service

Financing Obligation	Annual Debt Service
Police Patrol Units	$89,205
Fire Pumper Truck	$70,110
Fire Aerial Ladder	$73,115
Fire Command Vehicle	$16,054
Street Equipment (patch truck, roller, etc.)	$153,998

Streets Dump Truck	$27,658
Total Annual Debt Service	**$430,130**

Historical Illustration
For illustration purposes only, if this funding strategy had been utilized during Tax Year 2025 using the adopted property values and tax rate calculations available at that time, the estimated impact on the average single-family residence would have been as follows:

Item	Amount
Average Home Value	$178,838
Adopted 2025 City Tax Rate	$0.5717881
Proposed General Fund Rate (Illustrative)	$0.568
Proposed Debt Service Rate (Illustrative)	$0.059
Combined Proposed Tax Rate	$0.627
Annual City Property Tax Under Adopted Rate	$1,022.79
Annual City Property Tax Under Proposed Structure	$1,121.31
Annual Difference	**$98.52**
Monthly Difference	**$8.21**

Note: The average residential value is based upon the City's 2025 average single-family home valuation of $178,838. The above illustration is provided solely to demonstrate the impact of the proposed financial strategy using historical tax rate calculations. Actual Tax Year 2026 rates and impacts will be determined following certification of the 2026 appraisal roll and completion of the Truth-in-Taxation calculations.

CONCLUSION
Adoption of this financial strategy at this stage of the budget process provides staff with clear policy direction while preparing the proposed Fiscal Year 2027 Budget and Tax Year 2026 property tax rate. Providing this direction now allows the proposed budget to accurately reflect the City's intended financial structure and promotes transparency to the Mayor, City Council, and

the public prior to completion of the Truth-in-Taxation process and formal budget adoption.

STRATEGIC GOAL ALIGNMENT

This recommendation advances several of the City's strategic goals by:

- **Financial Stewardship:** Improves structural budget balance and supports long-term financial sustainability.
- **Operational Excellence:** Aligns expenditures with the appropriate governmental fund and improves budget management.
- **Transparency and Accountability:** Clearly separates operating costs from debt obligations, providing greater visibility into the use of taxpayer resources.
- **Organizational Excellence:** Preserves General Fund capacity to address employee compensation, municipal service delivery, and future operational priorities.

RECOMMENDATION

Staff recommends that the Mayor and City Council adopt the proposed financial strategy directing staff to prepare the Fiscal Year 2027 Operating Budget and Tax Year 2026 property tax rate utilizing the De Minimis Tax Rate for General Fund operations, transfer eligible financing obligations to the Interest and Sinking (Debt Service) Fund, and prepare the proposed debt service tax rate accordingly.

Approval of this item establishes policy direction only. Final consideration and adoption of the Fiscal Year 2027 Budget, Tax Year 2026 property tax rate, debt service tax rate, and all appropriations will occur during the City's formal budget and Truth-in-Taxation adoption process.

EXHIBITS

1. 2025 TNT Calcuations - City MW Page 1

ITEM NUMBER 7.
MEETING DATE 7/7/2026

P.O. Box 160
Palo Pinto, Texas 76484-0160

(940)659-1271
Fax # (940) 659-3628

Margaret Griffith
Tax Assessor-Collector
Palo Pinto County
mgriffith@co.palo-pinto.tx.us

2025 Truth-In-Taxation Calculations

City of Mineral Wells

No-New Revenue Rate:	.5521916/$100
Voter-Approval Tax Rate:	.5717881/$100
VATR using UIR:	.6136011/$100
De Minimis Rate:	.5925277/$100
2025 Taxable Base Value:	1,173,548,283 (comptroller work sheet line 21)
2025 Frozen Tax Levy:	632,118

Tax levy using No-New Revenue Tax Rate .5521916	7,112,353 (taxable base x rate/100) + frozen tax levy
Tax levy using Voter-Approval Tax Rate .5717881	7,342,328
Tax levy using VATR using UIR Tax Rate .6136011	7,833,023
Tax levy using De Minimis Rate Tax Rate .5925277	7,585,717
Tax levy using 2024 rate (.5732944)	7,360,005

Margaret Griffith

Margaret Griffith

AGENDA ITEM COMMENTARY

ITEM TITLE

Discuss the Fiscal Year 2027 Budget Adoption and 2026 Property Tax Rate Setting Calendar.

INITIATOR/STAFF INFORMATION SOURCE

Aaron J. Bovos, Director of Finance & Assistant City Manager

BACKGROUND

Staff has prepared the proposed Fiscal Year 2027 Budget Adoption and 2026 Property Tax Rate Setting Calendar to ensure compliance with the City Charter, the Texas Local Government Code, and the Texas Tax Code. The calendar establishes the major milestones necessary to prepare, present, and adopt the City's annual operating budget and property tax rate while meeting all statutory notice, publication, and public hearing requirements.

Key dates within the proposed schedule include:

- June 16, 2026 – City Council received presentations from each department on supplemental funding requests / decision packages.
- July 24, 2026 – Proposed budget filed with the City Clerk and made available for public review.
- July 28, 2026 – Special City Council Budget Workshop for presentation of the proposed Fiscal Year 2027 Budget and scheduling of the required public hearing.
- August 4, 2026 – Proposed property tax rate presentation and consideration of a motion establishing the proposed tax rate for publication purposes.
- August 18, 2026 – Public hearing on the proposed Fiscal Year 2027 Budget, and consideration of related component unit budgets, including:
    - Mineral Wells Area Chamber of Commerce Tourism Budget;
    - Mineral Wells Economic Development Corporation Budget;
    - Tax Increment Reinvestment Zone No. 2 Budget; and
    - Palo Pinto County Municipal Water District No. 1 Budget.
- August 24, 2026 – Special Called City Council Meeting for adoption of the Fiscal Year 2027 Budget, ratification of any property tax increase reflected in the budget, public hearing on the proposed property tax rate, and adoption of the 2026 Property Tax Rate.
- October 1, 2026 – Beginning of Fiscal Year 2027.

The proposed calendar reflects the City's intent to adopt a de minimis tax rate, which accelerates several statutory deadlines compared to prior years. As a result, close coordination among City staff, the Palo Pinto County Appraisal District, the Parker County Appraisal District, and other participating entities will be necessary to ensure all required calculations, publications, hearings, and filings are completed within the prescribed timeframes.

FINANCIAL IMPACT

There is no direct fiscal impact associated with the presentation of the proposed budget adoption and tax rate setting calendar. Adoption of the calendar establishes the schedule by which the Fiscal Year 2027 Budget and 2026 Property Tax Rate will be developed and considered.

LEGAL REVIEW

The proposed calendar has been developed to align with applicable provisions of the City Charter, the Texas Local Government Code, and the Texas Tax Code governing municipal budget preparation, public hearings, notice requirements, and property tax rate adoption. The schedule of events and the associated calendar were reviewed by a representative of Linebarger, Goggan, Blair, and Sampson, LLC.

RECOMMENDATION

Receive and discuss the proposed Fiscal Year 2027 Budget and 2026 Property Tax Rate Calendar.

EXHIBITS

1. City of Mineral Wells Fiscal Year 2027 Calendar v2

ITEM NUMBER 8.
MEETING DATE 7/7/2026

City of Mineral Wells

PROPOSED CALENDAR / TIMELINE

Fiscal Year 2027 Budget and 2026 Property Tax Rate

On or before April 30, 2026 – Estimated Taxes.

- Tax Code 26.01(e):
  - The Chief Appraiser shall prepare and certify to the assessor of each county, municipality, and school district an estimate of the taxable value of the property in that taxing unit.

May 1 – July 23, 2026 – City Staff Prepare and Submit Budget to the Mayor and City Council.

- City Charter:
  - City Manager submits budget to the Mayor and City Council as outlined in Section 47, 48, 49 of the Charter.
  - At the time the budget is submitted, the Mayor and Council can set the schedule for adoption.
  - Include on agenda the “taxpayer impact statement” and link to budget on homepage if council will be discussing budget.

June 16, 2026 – City Council Meeting.

- Staff present “supplemental funding requests / decision packages.

July 22, 2026 – Parker County Appraisal District and Palo Pinto County Appraisal District.

- Estimated date to have certified tax values from both entities.
- Tax Code 26.01
  - The Chief Appraiser shall prepare and certify to the assessor for each taxing jurisdiction participating in that district that the appraisal roll for the district is complete.

July 24, 2026 – Staff Actions.

- File proposed budget with the City Clerk including tax rate calculation coversheet.
  - Tax rate calculation coversheet can have asterisks where numbers go which state “Number will be provided when Tax Rate Calculations are complete.”
  - Must be 15 days before the budget public hearing.
  - Must be 30 days before the tax rate is adopted.

        - TLGC 140.0045(1) – must show costs spent publishing notices in Newspapers for past year and proposed for next year.
        - TLGC 140.0045(2) – must show costs spent on lobbyist in past year and proposed for next year.
- Place proposed budget on the City website.
- Send copy of proposed budget to PCAD/PPCAD/PPCAC.

July 28, 2026 – Special Called Meeting – Budget Workshop – 6:00 p.m.

- City Charter
    - Submit budget to Mayor and Council
        - Present / discuss
        - Set time and date of public hearing – August 18, 2026
            - City Charter Section 51: At the meeting of the Council when the budget is submitted, the Council shall fix the time and place of a public hearing on the budget, and shall cause to be published a notice of the time and place, not less than seven days after publication, at which the Council will hold the public hearing.

On or before July 31, 2026 – Staff Action - Tax Rate Calculations (Margaret Griffith).

- Tax Code 26.04 (c) calculate:
    - No New Revenue Tax Rate (Last Year's Levy – Lost Property)/(Current total value – New Property Value)
    - Voter-Approval Tax Rate (No-New-Revenue Maintenance and Operations Rate X 1.035) + (Current Debt Rate + Unused Increment Rate)
    - De Minimis Rate (NNR M&O + $500K plus debt)
    - Must use Comptroller's forms [Form 50-856]
    - Must be certified by the designated officer of the taxing unit

August 1, 2026 – Update Budget Document Filed with City Clerk on July 24, 2026.

- Replace tax data / cover sheet with actual numbers and tax rates – no asterisk's
- Ensure budget still is balanced with new rates and information

August 4, 2026 – Regularly Scheduled City Council Meeting.

- Tax Code
    - 2026 Proposed Tax Rate Presentation by City Staff to Mayor and City Council.
        - Vote by City Council on proposed tax rate – roll call / record vote.
- Tax Code 26.04(e):

    - Submit rates calculated above to the governing body [Form 50-212]
    - Post on the home page of the taxing unit's internet website:
        - No New Revenue Tax Rate, the Voter-Approval Tax Rate, and an explanation of how they were calculated
        - The estimated amount of interest and sinking fund balances and the estimated amount of maintenance and operations of general fund balances remaining at the end of the current fiscal year that are not encumbered with or by corresponding existing debt obligations; and
        - A schedule of the taxing unit's debt obligations showing:
            - The minimum amount of principal and interest that will be paid to service the taxing unit's debts in the next year from property tax revenue plus debts that the taxing unit anticipates to incur in the next calendar year.
            - The amount by which taxes imposed for debt are to be increased because of the taxing unit's anticipated collection rate; and
            - The total amounts listed in paragraphs above less any amount collected in excess of the previous year's anticipated collections.

August 5, 2026 – Staff Actions.

- Submit AD to Weatherford Democrat
    - Advertising public hearing on the Fiscal Year 2027 Budget to be August 18th:
        - If the budget raises more revenue from property taxes than the previous year, the notice must include a statement to this effect in **BOLD** type and in 18 point or larger font.
        - This budget will raise more total property taxes than last year's budget by $XX, or XX%, and of that amount, $ZZ is tax revenue to be raised from new property added to the tax roll this year.
    - Advertising public hearing on the Tax Increase to be August 24th:
        - Published in local newspaper
        - Placed on City's Website
        - Use prescribed language from the Texas Comptroller
- Put ads on City Website
- Send to PCAD/PPCAD/PPCAC

August 6, 2026 & Thereafter – Staff Action.

- Tax Code

   - Include as an appendix to the taxing unit's budget the tax rate calculation forms used by the designated officer or employee of the taxing unit to calculate the no-new-revenue tax rate and the voter-approval tax rate. (State law requirement).

August 8, 2026 or before – Staff Actions.

- Finalized Tax Rate Calculation Worksheets due to PCAD/PPCAD/PPCAC
- Publish "Notice of Estimated Taxes" on City Website, copy to PCAD/PPCAD/PPCAC
- Publish "Notice About Tax Rates" on City Website, copy to PCAD/PPCAD/PPCAC
   - Comptroller Form 50-212

August 8, 2026 – Weatherford Democrat newspaper to include CoMW ads.

- Tax Code 26.06 – tax rate public hearing cannot be held before the fifth day after the date the notice of the public hearing is given. Will need benchmark tax rates for this notice.
- Local Government Code 102.0065 – notice shall be published not earlier than the 30th or later than the 10th day before the date of the hearing.
- Ads for public hearing on budget and public hearing on the tax increase are published in the Saturday edition of their newspaper.
- Notices published on the City's website. Tax rate hearing notice 7 days before the hearing the notice must be posted on taxing unit homepage if rate will exceed NNR.

August 18, 2026 – City Council Meeting.

- Continued Discussion on the City's Fiscal Year 2026 Budget.
- Continued Discussion on the City's Fiscal Year 2025 Property Tax Rate.
- Conduct a Public Hearing on the Fiscal Year 2025-2026 Budget
- Consider and Take Appropriate Action on the Approval of the Mineral Wells Area Chamber of Commerce Tourism Budget for FY 2026-2027.
- Consider and Take Appropriate Action on the Approval of the Mineral Wells Economic Development Corporation Budget for FY 2026-2027.
- Consider and Take Appropriate Action on the Approval of the Tax Increment Reinvestment Zone #2 Budget for FY 2026-2027.
- Consider and Take Appropriate Action on the Palo Pinto County Municipal Water District Budget No. 1 for FY 2026-2027.

August 24, 2026 – Special Called City Council Meeting

- Tax Code 26.05 – must adopt a tax rate before the later of September 30th or the 60th day after the date the certified appraisal roll is received unless adopted rate exceeds voter-approval tax rate and then the deadline is 71 days before the November uniform election date.
- Adoption of the Fiscal Year 2026 Budget
  - Budget approved by ordinance.
- Ratify property tax increase in budget (resolution).
  - Adoption of a budget that will require raising more revenue from property taxes than in the previous years requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate.
- If budget raises more revenue from property taxes than the prior year, cover page is required (see iii of the FY 2026 budget)
- Must record vote – TLGC 102.007(a) / roll call vote
- Conduct a public hearing on the 2025 Property Tax Rate
- Adoption of an Ordinance Setting the 2025 Property Tax Rate
  - State law requires that tax rate must be adopted AFTER a budget is approved
    - 2 Parts:
      - Adopt No-New-Revenue and Voter-Approval Tax Rates
      - Adopt the tax rate that will impose the amount of taxes needed to fund maintenance and operations expenditures for the year.
        - If motion to adopt tax rate exceeds the No-New-Revenue tax rate, the motion must state:
          - I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the No-New-Revenue tax rate) percent increase in the tax rate.
        - Ordinance / resolution must include:
          - THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE
          - And

        - THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE) BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $(INSERT AMOUNT).

August 25, 2026 – Staff Action

- After the budget is adopted by the Mayor and Council, the final budget will be filed with the City Clerk for public record.
- In addition, the final budget will be placed on the City's website.
    - Must include cover page identified above
- File budget with County Clerk
- File Budget with Municipal Library
- File budget with Comptroller of Public Accounts
- Tax Code 26.05
    - Place on the home page of the internet site:
        - THE CITY OF MINERAL WELLS ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE
        - And
        - If the rate exceeds the No-New-Revenue maintenance & operations tax rate, the following statement:
        - THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE) BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $(INSERT AMOUNT)

October 1st – Start of Fiscal Year 2026

- New fiscal year begins and budget to be loaded into Incode

AGENDA ITEM COMMENTARY

ITEM TITLE

§ 551.072: Deliberate the purchase, exchange, lease, or value of real property, regarding: (i) Public Safety Facilities, (ii) 109 SW 1st Street.

INITIATOR/STAFF INFORMATION SOURCE

BACKGROUND

EXHIBITS

ITEM NUMBER 10.a.
MEETING DATE 7/7/2026

AGENDA ITEM COMMENTARY

ITEM TITLE

§ 551.071(2): Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act, regarding: (i) Contract for Financial and Accounting Services.

INITIATOR/STAFF INFORMATION SOURCE

BACKGROUND

EXHIBITS

ITEM NUMBER 10.b.
MEETING DATE 7/7/2026

AGENDA ITEM COMMENTARY

ITEM TITLE

Consider and take possible action on a Resolution Authorizing the Purchase of Property Known as 109 SW 1st Street and Authorizing the Mayor to Execute All Documents for said purchase.

INITIATOR/STAFF INFORMATION SOURCE

BACKGROUND

EXHIBITS

ITEM NUMBER 12.
MEETING DATE 7/7/2026