CITY COUNCIL WORKSHOP/REGULAR MEETING

February 5, 2024 at 6:15 PM
Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

AGENDA

Steve Fortenberry, Mayor, Ward 3
Erica Bruce, Mayor Pro Tem, Ward 3 – **Michael S. Bancale**, Council Member, At-Large
Johnny Stephens, Council Member, Ward 1 – **Johnny Price**, Council Member, Ward 2
Bob Potter, Council Member, Ward 2 – **Brad Turner,** Council Member, Ward 1

The meeting will be streamed live on the city's website at www.cityofhewitt.com/790/Hewitt-TX-TV.

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members will be physically present at the location noted above on this agenda.

WORKSHOP MEETING - 6:15 PM

WORKSHOP DECLARATION OF A QUORUM AND CALL TO ORDER

WORKSHOP AGENDA

1. Briefing and discussion concerning Commerce Park Water Well and Plant Facilities including financing.

WORKSHOP ADJOURNMENT

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATION(S) AND RECOGNITION(S)

2. Presentation of Hewitt's 2023 Racial Profiling Report.

PUBLIC COMMENTS

The City Council invites citizens to speak on any topic not already scheduled for a public hearing. The

Texas Open Meetings Act prohibits the Council from discussing, responding to, or acting on any comments or items not properly posted on the agenda. (Note: Members of the public who wish to speak must complete a "Public Comment Form" and present it to the City Secretary before the meeting.)

REGULAR AGENDA ITEMS

3. Approval of the minutes for the Workshop/Special Meeting of January 22, 2024.

4. Presentation of the City Engineer's Report by City Engineer Miles Whitney, P.E.
   Update on pending utility projects.
   Update on pending street projects.
   Update on pending drainage projects.

5. Discussion and possible action on an appointment to the Parks and Beautification Committee.

6. Discussion and possible action regarding surplus inventory.

7. Discussion and possible action authorizing the City Manager to execute an agreement with Clark Auction Company for the sale of surplus items.

8. Discussion and possible action on American Rescue Plan Act State & Local Fiscal Recovery Funding Financial Management Policies & Procedures.

9. Discussion and possible action on **Resolution 2024-01,** approving the City of Hewitt's support for the redesignation of the Waco Metropolitan Planning Organization (MPO) from the City of Waco to the MPO Policy Board.

10. Discussion and possible action on **Ordinance No. 2024-01** ordering a Joint General Election, authorizing the City Manager to execute an Election Services Contract with the McLennan County Elections Administrator, and establishing Early Voting and Election Day Vote Centers and dates/times of operation.

11. Discussion and possible action concerning rescheduling the Regular City Council meeting from Monday, February 19, 2024, to Tuesday, February 20, 2024, in the Hewitt Public Safety Facility Training Room.

ADJOURNMENT

I certify that the above notice of meeting was posted on the Public Notice Board located in front of City Hall on January 31, 2024, by 5:00 PM.

CITY OF HEWITT

Lydia Lopez
Lydia Lopez, TRMC/CMC
City Secretary

In compliance with the Americans with Disabilities Act, the City of Hewitt will provide reasonable accommodations for persons attending and/or participating in City Council meetings. The facility is wheelchair accessible, with accessible parking available at the front of the building. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting by calling the City Secretary at 254.296.5602 or by fax at 254.666.6014.

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: February 5, 2024

AGENDA ITEM #: 2.

SUBMITTED BY: John McGrath, Police Chief

ITEM DESCRIPTION:

Presentation of Hewitt's 2023 Racial Profiling Report.

STAFF RECOMMENDATION/ITEM SUMMARY:

Each year, law enforcement agencies are required to collect information relating to motor vehicle stops in which a ticket, citation, or warning is issued and for arrests made as a result of those stops. Additionally, the law requires the chief administrator of the agency to submit an annual report to the governing body of the municipality served by the agency, as well as the Texas Commission on Law Enforcement (TCOLE). The 2023 Racial Profiling Report was submitted to TCOLE on January 12, 2024. The 2023 Council Report is attached for review.

FISCAL IMPACT:

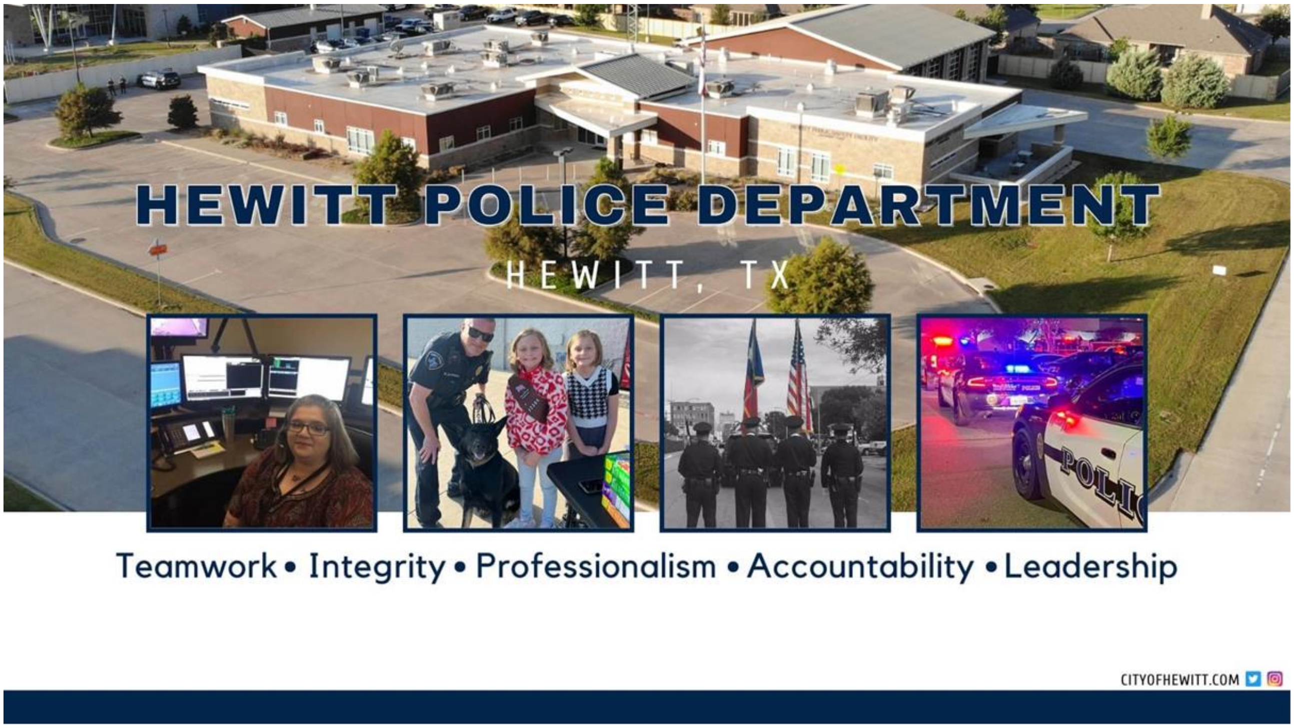
N/A

SUGGESTED MOTION:

No action needed.

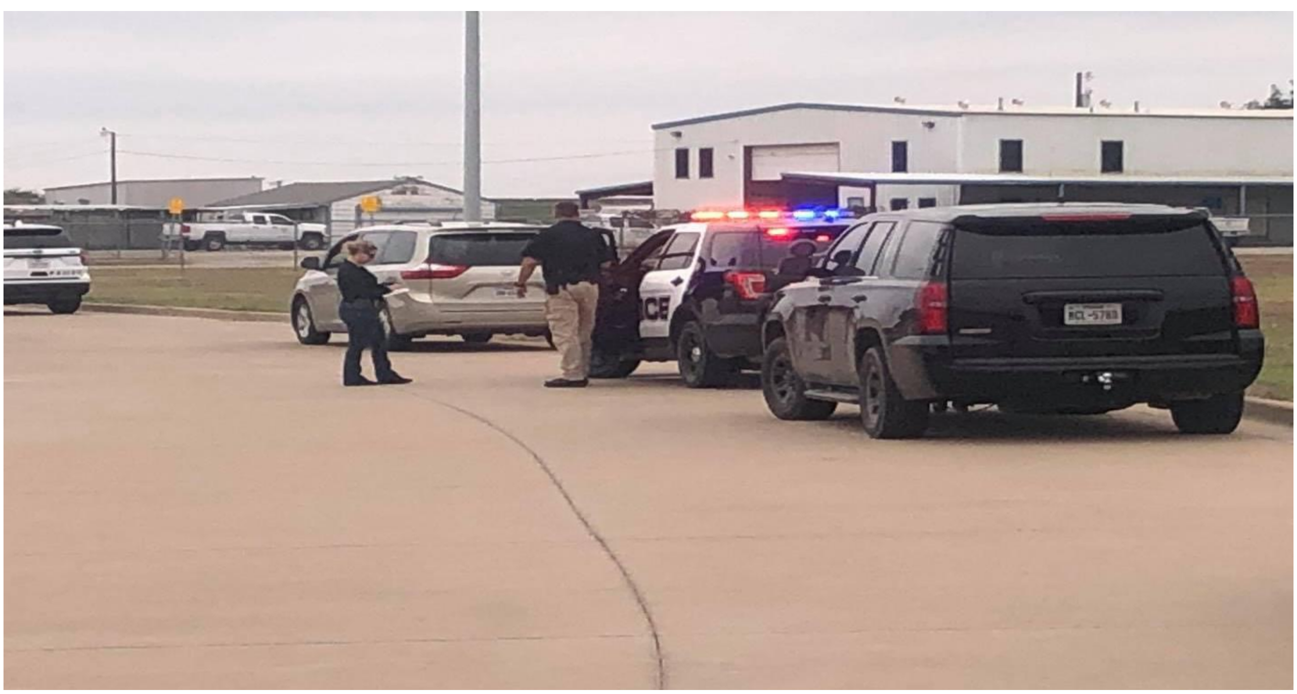
ATTACHMENTS:

1. Racial Profiling Report 2023



Racial Profiling Report

2023



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Dear Mayor and Members of the City Council,

Senate Bill 1074 by the 77th Texas Legislature in 2001 established a prohibition against racial profiling by a peace officer. It also established that each law enforcement agency must adopt a written policy on racial profiling that includes defined acts that constitute racial profiling along with a process for receiving and investigating complaints of racial profiling. The legislature also established requirements related to data collection and annual reporting of racial profiling information. These laws are codified in the Texas Code of Criminal Procedure, Articles 2.131 through 2.1385, some of which are further described in this report.

Texas Racial Profiling law requires the agency administrator to submit an annual racial profiling report to the governing body of the municipality served by the agency. This report serves that purpose.

The next page provides a table of contents listing the included sections to this report: a definition of racial profiling and criminal profiling; Texas Racial Profiling Law as established by the legislature and codified in the Texas Code of Criminal Procedure; Hewitt Police Department policy applicable to the Texas Racial Profiling Law; racial profiling complaints on Hewitt Police Department officers; tables used to report and analyze data as required by law; and additional data not required by law but important to the discussion of racial profiling.

Racial Profiling

Racial Profiling refers to the discriminatory targeting of individuals for a suspicion of crime based upon the individual's ethnicity, race, religion or national origin and other such identifying characteristics. It is unconstitutional policing and it destroys community trust and police legitimacy.

Racial Profiling should be distinguished from Criminal Profiling. Criminal Profiling is based upon evidence gathered from previous crimes, victim or witness testimony that uses knowledge, training, and experience to narrow a field of suspects during a criminal investigation. Factual information, patterns of activity, and motives are some of the aspects considered during criminal profiling, which is a legitimate law enforcement technique.

Code of Criminal Procedure

Texas Code of Criminal Procedure (CCP) prohibits racial profiling by a Peace Officer, defines a "law enforcement agency", a "motor vehicle stop", and the categories contained in "race and ethnicity."

CCP Article 2.131. RACIAL PROFILING PROHIBITED. A Peace Officer may NOT engage in racial profiling.

CCP Article 2.132. LAW ENFORCEMENT POLICY ON RACIAL PROFILING. This article requires each law enforcement agency adopt a written policy on racial profiling, and the policy must:

1. Define acts constituting racial profiling;
2. Prohibit peace officers from engaging in racial profiling;
3. Implement a complaint process for allegations of racial profiling;
4. Provide public education relating to a compliment and complaint process;
5. Require corrective action against a peace officer engaged in racial profiling;

6. Require data collection on traffic stops relating to (referred to as Tier 1):
    a. Race or ethnicity;
    b. Whether a search was conducted and, if so, whether it was by consent;
    c. Whether the officer knew the race of the individual before the stop;
    d. Whether the officer used physical force that resulted in injury;
    e. Location of the stop;
    f. Reason for the stop;
7. Require the agency administrator to submit an annual report to:
    a. Texas Commission on Law Enforcement;
    b. The governing body of the municipality served by the agency.
8. Examine the feasibility of installing cameras in each agency law enforcement vehicle used to make traffic stops. Examine the feasibility of equipping each officer with a body worn camera.
9. On the commencement of an investigation involving a complaint of racial profiling on an officer as the result of a traffic stop where video and audio were recorded, the agency will promptly provide the officer a copy of the recordings upon written request of the officer.

CCP Article 2.133. REPORTS REQUIRED FOR MOTOR VEHICLE STOPS. This article provides a list of the data that an officer must report to the law enforcement agency for each motor vehicle stop, which must include (referred to as Tier 2 Data):

1. Operator's gender;
2. Operator's race or ethnicity;
3. Reason for the stop;
4. Whether a search was conducted and if so, if the search was by consent;
5. If contraband was found during the search and if so, a description of the contraband;
6. Reason for the search;
    a. Contraband in plain view;
    b. Probable cause or reasonable suspicion;
    c. Result of towing or arrest of any person in the vehicle;
7. Arrest as a result of the search;
    a. Based on violation of the Penal Code;
    b. Based on violation of a traffic law or ordinance;

   c. Based on an outstanding warrant;
8. Approximate location of the stop;
9. Result of the stop (verbal warning, written warning, citation);
10. Whether the officer used physical force that resulted in injury.

CCP Article 2.134. COMPILATION AND ANALYSIS OF INFORMATION COLLECTED. This article requires a law enforcement agency to compile and analyze the information collected under Article 2.132 and 2.133 to determine the prevalence of racial profiling by peace officers employed by the agency. The report must be submitted to TCOLE and the governing body of the municipality no later than March 1 of each year, and must contain:

1. A comparative analysis to:
   a. Compare the number of stops within the jurisdiction of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities;
   b. Examine the disposition of the stops categorized according to the race or ethnicity of the persons, including any searches resulting from the stops;
   c. Evaluate and compare the number of searches resulting from the stops and whether contraband was discovered;
2. Information relating to each complaint filed with the agency alleging that a peace officer has engaged in racial profiling.

Hewitt Police Department Policy Manual

Policy 2.2 - Biased Based Policing

The Hewitt Police Department has adopted a Biased-Based Policing policy. This policy along with Hewitt Police Department Policies 2.4 and 2.4.1 meet the requirements of CCP article 2.132; Law Enforcement Policy on Racial Profiling.

I. POLICY

We are committed to a respect for constitutional rights in the performance of our duties. Our success is based on the respect we give to our communities, and the respect members of the community observe toward law enforcement. To this end, we shall exercise our sworn duties, responsibilities, and obligations in a manner that does not discriminate on the basis of race, sex, gender, sexual orientation, national origin, ethnicity, age, or religion. Respect for diversity and equitable enforcement of the law are essential to our mission.

All enforcement actions shall be based on the standards of reasonable suspicion or probable cause as required by the Fourth Amendment to the U. S. Constitution and by statutory authority. In all enforcement decisions, officers shall be able to articulate specific facts, circumstances, and conclusions that support probable cause or reasonable suspicion for arrests, searches, seizures, and stops of individuals. Officers shall not stop, detain, arrest, search, or attempt to search anyone based solely upon the person's race, ethnic background, gender, sexual orientation, religion, economic status, age, cultural group, or any other identifiable group.

All departmental orders are informed and guided by this directive. Nothing in this order limits non-enforcement contacts between officers and the public.

II. PURPOSE

The purpose of this order is to provide general guidance on reducing the presence of bias in law enforcement actions, to identify key contexts in which bias may influence these actions, and emphasize the importance of the constitutional guidelines within which we operate.

III. DEFINITIONS

Most of the following terms appear in this policy statement. In any case, these terms appear in the larger public discourse about alleged biased enforcement behavior and in other orders. These definitions are intended to facilitate on-going discussion and analysis of our enforcement practices.

A Bias: Prejudice or partiality based on preconceived ideas, a person's upbringing, culture, experience, or education.

B. Biased policing: Stopping, detaining, searching, or attempting to search, or using force against a person based upon his or her race, ethnic background, gender, sexual orientation, religion, economic status, age, cultural group, or any other identifiable group.

C. Ethnicity: A cluster of characteristics that may include race but also cultural characteristics or traits that are shared by a group with a common experience or history.

D. Gender: Unlike sex, a psychological classification based on cultural characteristics or traits.

E. Probable cause: Facts or apparent facts and circumstances within an officer's knowledge and of which the officer had reasonable, trustworthy information to lead a reasonable person to believe that an offense has been or is being committed, and that the suspect has committed it.

F. Race: A category of people of a particular decent, including Caucasian, African, Hispanic, Asian, Middle Eastern, or Native American descent. As distinct from ethnicity, race refers only to physical characteristics sufficiently distinctive to group people under a classification.

G. Racial profiling: A law-enforcement initiated action based on an individual's race, ethnicity, or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity.

H. Reasonable suspicion: Articulable, objective facts that lead an experienced officer to suspect that a person has committed, is committing, or may be about to commit a crime. A well-founded suspicion is based on the totality of the circumstances and does not exist unless it can be articulated. Reasonable suspicion supports a stop of a person. Courts require that stops based on reasonable suspicion be "objectively reasonable."

I. Sex: A biological classification, male or female, based on physical and genetic characteristics.

J. Stop: An investigative detention. The detention of a subject for a brief period of time, based on reasonable suspicion.

IV. PROCEDURES

A. General Responsibilities

1. Officers are prohibited from engaging in bias-based profiling or stopping, detaining, searching, arresting, or taking any enforcement action including seizure or forfeiture activities, against any person based solely on the person's race, ethnic background, gender, sexual orientation, religion, economic status, age, cultural group, or any other identifiable group. These characteristics, however, may form part of reasonable suspicion or probable cause when officers are seeking a suspect with one or more of these attributes. (TBP: 2.01)
2. Investigative detentions, traffic stops, arrests, searches, and property seizures by officers will be based on a standard of reasonable suspicion or probable cause in accordance with the Fourth Amendment of the U.S. Constitution. Officers must be able to articulate specific facts and circumstances that support reasonable suspicion or probable cause for investigative detentions, traffic stops, subject stops, arrests, nonconsensual searches, and property seizures. Except as provided in number 3 below, officers shall not consider race/ethnicity in establishing either reasonable suspicion or probable cause. Similarly, except as provided below, officers shall not consider race/ethnicity in deciding to initiate even those nonconsensual encounters that do not amount to legal detentions or to request consent to search.

3. Officers may take into account the reported race or ethnicity of a specific suspect or suspects based on trustworthy, locally relevant information that links a person or persons of a specific race/ethnicity to a particular unlawful incident(s). Race/ethnicity can never be used as the sole basis for probable cause or reasonable suspicion. Except as provided above, reasonable suspicion or probable cause shall form the basis for any enforcement actions or decisions. Individuals shall be subjected to stops, seizures, or detentions only upon reasonable suspicion that they have committed, are committing, or are about to commit an offense. Officers shall document the elements of reasonable suspicion and probable cause in appropriate reports.
4. Officers shall observe all constitutional safeguards and shall respect the constitutional rights of all persons.
    a. As traffic stops furnish a primary source of bias-related complaints, officers shall have a firm understanding of the warrantless searches allowed by law, particularly the use of consent. How the officer disengages from a traffic stop may be crucial to a person's perception of fairness or discrimination.
    b. Officers shall not use the refusal or lack of cooperation to justify a search of the person or vehicle or a prolonged detention once reasonable suspicion has been dispelled.
5. All personnel shall treat everyone with the same courtesy and respect. To this end, personnel are reminded that the exercise of courtesy and respect engenders a future willingness to cooperate with law enforcement.
    a. Personnel shall facilitate an individual's access to other governmental services whenever possible, and shall actively provide referrals to other appropriate agencies.
    b. All personnel shall courteously accept, document, and forward to the Chief of Police any complaints made by an individual against the department. Further, officers shall provide information on the complaint's process and shall give copies of "How to Make a Complaint" or "Compliment" when appropriate.

6. When feasible, personnel shall offer explanations of the reasons for enforcement actions or other decisions that bear on the individual's well- being unless the explanation would undermine an investigation or jeopardize an officer's safety.
7. When concluding an encounter, personnel shall thank him or her for cooperating.
8. When feasible, all personnel shall identify themselves by name. When a person requests the information, personnel shall give their departmental identification number, name of the immediate supervisor, or any other reasonable information.
9. All personnel are accountable for their actions. Personnel shall justify their actions when required.

B. Supervisory Responsibilities

1. Supervisors shall be held accountable for the observance of constitutional safeguards during the performance of their duties. Supervisors shall identify and correct instances of bias in the work of their subordinates.
2. Supervisors shall use the disciplinary mechanisms of the department to ensure compliance with this order and the constitutional requirements of law enforcement.
3. Supervisors shall be mindful that in accounting for the actions and performance of subordinates, supervisors are key to maintaining community trust in law enforcement. Supervisors shall continually reinforce the ethic of impartial enforcement of the laws, and shall ensure that personnel, by their actions, maintain the community's trust in law enforcement.
4. Supervisors are reminded that biased enforcement of the laws engenders not only mistrust of law enforcement, but increases safety risks to personnel. Lack of control over bias also exposes the department to liability consequences.
5. Supervisors shall be held accountable for repeated instances of biased enforcement of their subordinates.
6. Supervisors shall ensure that all enforcement actions are duly

documented per departmental policy. Supervisors shall ensure that all reports show adequate documentation of reasonable suspicion and probable cause, if applicable.

7. Supervisors shall facilitate the filing of any complaints/compliments about law- enforcement services.
8. Supervisors will randomly review one video per officer (either body camera and/or in-car camera video) per month. Supervisors are not required to watch each incident of an entire shift; however, reviewing the footage in a manner intended to gain an understanding of that officer's performance and adherence to policy and law is required. Supervisors will document the random review of the video in the police department's CAD system and note violations or no violations observed. If any violations of policy or law have been observed they will be addressed through the use of existing internal affairs policy. (TBP: 2.01)
9. Section 8 above applies only to first-line uniformed officers and their immediate supervisors. In the absence of a first-line supervisor this responsibility will move to the Assistant Chief.

C. Disciplinary consequences

Actions prohibited by this order shall be cause for disciplinary action, up to and including dismissal.

D. Training (TBP: 2.01)

Officers shall complete all training required by state law regarding bias-based profiling.

V. COMPLAINTS/COMPLIMENTS

A. The department shall publish "How to Make a Complaint/Compliment" folders and make them available at all city facilities and other public locations throughout the city. The department's complaint/compliment process and its bias-based profiling policy will be posted on the department's website. Whenever possible, the media will be used to inform the public of the department's policy and complaint/compliment process.

B. Complaints alleging incidents of bias-based profiling will be fully investigated as described under Policy 2.4. (Policy 2.4 includes providing the recording of a traffic stop to an officer who is the subject of a racial profiling complaint).

C. Complainants will be notified of the results of the investigations when the investigation is completed.

D. Compliments will be taken and forwarded to the Chief or his Designee.

VI. RECORD KEEPING

A. The department will maintain all required records on traffic stops where a citation is issued or where an arrest is made subsequent to a traffic stop pursuant to state law.

B. The information collected above will be reported to the city council annually.

C. The information will also be reported to TCOLE in the required format.

RACIAL PROFILING COMPLAINTS

During the time period of January 1, 2023 to December 31, 2023 the Hewitt Police Department received NO allegations of racial profiling against peace officers employed by the City of Hewitt Police Department.

HEWITT POLICE DEPARTMENT

TRAFFIC STOP DATA YEAR 2023

Total Traffic Stops: 3645

Race/Ethnicity known prior to stop

Yes	276	7.6%
No	3369	92.4%

Race/Ethnicity

Alaskan native/American Indian	49	1.3%
Asian/Pacific Islander	104	2.9%
Black	645	17.7%
White	2415	66.3%
Hispanic/Latino	432	11.6%

Gender

	Male	%	Female	%
Alaskan native/American Indian	41	1.8%	8	<1%
Asian/Pacific Islander	67	3.0%	37	2.6%
Black	409	18.2%	236	16.9%
White	1407	62.6%	1008	72.1%
Hispanic/Latino	322	14.3%	110	7.9%
Total	2246		1399	

Reason for the Stop

Violation of the Law

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	5
White	11
Hispanic/Latino	1

Pre-existing Knowledge

Alaskan native/American Indian	1
Asian/Pacific Islander	0
Black	10
White	24
Hispanic/Latino	7

Moving Traffic Violation

Alaskan native/American Indian	16
Asian/Pacific Islander	52
Black	236
White	958
Hispanic/Latino	158

Vehicle Traffic Violation

Alaskan native/American Indian	32
Asian/Pacific Islander	52
Black	394
White	1422
Hispanic/Latino	266

Search Conducted

	Yes	No	% Searched
Alaskan native/American Indian	4	45	8.2%
Asian/Pacific Islander	1	103	<1%
Black	78	567	12.1%
White	271	2144	11.2%
Hispanic/Latino	48	384	11.1%
Total	402	3243	

Reason for Search

Consent Total: 113

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	12
White	90
Hispanic/Latino	11

Contraband in Plain View Total: 0

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	0
Hispanic/Latino	0

Probable Cause Total: 257

Alaskan native/American Indian	3
Asian/Pacific Islander	0
Black	62
White	159
Hispanic/Latino	33

Inventory Total: 21

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	3
White	15
Hispanic/Latino	3

Incident to Arrest Total: 11

Alaskan native/American Indian	1
Asian/Pacific Islander	1
Black	1
White	7
Hispanic/Latino	1

Was Contraband Discovered

	Yes	No
Alaskan native/American Indian	1	3
Asian/Pacific Islander	0	1
Black	31	47
White	127	144
Hispanic/Latino	29	19
Total	188	214

Did Finding Contraband Result in Arrest

	Yes	No
Alaskan native/American Indian	0	1
Asian/Pacific Islander	0	0
Black	14	17
White	68	59
Hispanic/Latino	15	14
Total	97	91

Description of Contraband

Drugs Total: 139

Alaskan native/American Indian	1
Asian/Pacific Islander	0
Black	24
White	96
Hispanic/Latino	18

Currency Total: 1

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	1
White	0
Hispanic/Latino	0

Weapons Total: 1

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	1
Hispanic/Latino	0

Alcohol Total: 25

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	3
White	16
Hispanic/Latino	6

Stolen Property Total: 4

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	2
White	1
Hispanic/Latino	1

Other Total: 18

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	1
White	13
Hispanic/Latino	4

Result of the Stop

Verbal Warning Total: 2628

Alaskan native/American Indian	38
Asian/Pacific Islander	88
Black	472
White	1753
Hispanic/Latino	277

Written Warning Total: 346

Alaskan native/American Indian	1
Asian/Pacific Islander	2
Black	59
White	239
Hispanic/Latino	45

Citation Total: 528

Alaskan native/American Indian	8
Asian/Pacific Islander	13
Black	86
White	326
Hispanic/Latino	95

Written Warning and Arrest Total: 11

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	3
White	5
Hispanic/Latino	3

Citation and Arrest Total: 1

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	1
Hispanic/Latino	0

Arrest Total: 131

Alaskan native/American Indian	2
Asian/Pacific Islander	1
Black	25
White	91
Hispanic/Latino	12

ARREST FOR

Penal Code Violation Total: 85

Alaskan native/American Indian	1
Asian/Pacific Islander	0
Black	14
White	61
Hispanic/Latino	9

Traffic Law Violation Total: 14

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	14
Hispanic/Latino	0

City Ordinance Violation Total: 1

Alaskan native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	1
Hispanic/Latino	0

Existing Warrant Total: 43

Alaskan native/American Indian	1
Asian/Pacific Islander	1
Black	11
White	24
Hispanic/Latino	6

Physical Force Resulting in Bodily Injury During the Stop

	Yes	No
Alaskan native/American Indian	0	49
Asian/Pacific Islander	0	104
Black	0	645
White	0	2415
Hispanic/Latino	0	432
Total	0	3645

COMPARISON TABLES

Table 1. Total Traffic Stops

Race/Ethnicity	Total	Percentage
Alaska Native or American Indian	49	1.3%
Asian or Pacific Islander	104	2.9%
Black	645	17.7%
White	2415	66.3%
Hispanic or Latino	432	11.6%
TOTAL	3645	100% (Rounded)

In 92.4% of all traffic stops, officers reported that they did not know the race/ethnicity of the driver prior to the stop.

Table 2. Results of Stops

Race/Ethnicity	Traffic Stops	Citation	Citation %	Verbal Warning	Verbal %	Written Warning	Written %	Arrest	Arrest %
Alaska Native/ American Indian	49	8	1.5	38	1.4	1	<1	2	1.5
Asian/ Pacific Islander	104	13	2.5	88	3.3	2	1.0	1	<1
Black	645	86	16.3	472	18.0	59	17.1	25	19.1
White	2415	326	61.7	1753	66.7	239	69.1	91	69.5
Hispanic/ Latino	432	95	18.0	277	10.5	45	13.0	12	9.2
TOTAL	3645	528	100	2628	100	346	100	131	100

Table 3. Consent Search

Race/Ethnicity	Searches	Consent Searches	Consent %
Alaska Native or American Indian	4	0	0
Asian or Pacific Islander	1	0	0
Black	78	12	10.6
White	271	90	79.6
Hispanic or Latino	48	11	9.7
TOTAL	402	113	100

11.0% of all traffic stops resulted in a search

Table 4. Detailed Search Data

Race and Ethnicity	Searches	Contraband Found Yes	Finding Result in Arrest	Finding Result in Arrest %	Percent Searches	Percent Contraband Found
Alaska Native or American Indian	4	1	0	0%	1%	<1%
Asian or Pacific Islander	1	0	0	0%	<1%	0%
Black	78	31	14	45.2%	19.4%	16.5%
White	271	127	68	53.5%	67.4%	67.6%
Hispanic or Latino	48	29	15	51.7%	11.9%	15.4%
TOTAL	402	188	97	N/A	100%	100%

CONTRABAND HIT RATE

“Hit rate” is the common term used in law enforcement to determine the percentage of searches by peace officers that result in contraband being found. Hit rates by race/ethnicity groups may be examined to help determine the prevalence of racial profiling occurring within a law enforcement agency. Nationally, an effective hit rate is generally considered to be approximately twenty to thirty percent. If racial groups have low hit rates, or there is substantial difference in hit rates among the groups, it may imply that racial groups are being subjected to different standards. As can be observed in the chart below, the three groups with the most searches conducted reflect a hit rate of forty percent or more, well above the average nationally, indicating the officers are conducting searches on the appropriate persons. Additionally, there is not great disparity among the hit rates associated with those groups.

Race and Ethnicity	Searches	Contraband Found Yes	Contraband Hit Rate
Alaska Native or American Indian	4	1	25%
Asian or Pacific Islander	1	0	0%
Black	78	31	40%
White	271	127	47%
Hispanic or Latino	48	29	60%

SUMMARY

A review of traffic stop data by Hewitt Police Department peace officers during the 2023 calendar year reveals that over 66% of vehicle operators were white. However, one must look further than just the number of individuals in a group that were stopped to determine if racial profiling may be occurring within a law enforcement agency.

Important factors to be considered are the percentage of stops when the officer did not know the race/ethnicity of the operator; is there a demonstrated difference in the outcome for groups once the race/ethnicity has been determined; and is there a demonstrated low hit rate for a group, and is there a demonstrated significant difference in outcome for groups after contraband was found.

- The included data indicates in a vast majority (92.4%) of the traffic stops conducted by Hewitt officers, the officers did not know the race/ethnicity of the driver prior to initiating the traffic stop.

- There was not a significant difference in the result of the stop when compared to the number of stops for each group (only groups with relevant number of stops included).

	T-stops %	Verbal Warning %	Written Warning %	Citation %	Arrest %
Black	17.7	18.0	17.1	16.3	19.1
White	66.3	66.7	69.1	61.7	69.5
Hispanic/Latino	11.6	10.5	13.0	18.0	9.2

- The hit rate for each group was well above average and there was not a significant difference in outcome after contraband was found during a search (only groups with relevant numbers of contraband found included).

	Hit Rate	Finding Resulted in Arrest
Black	40%	45.2%
White	47%	53.5%
Hispanic/Latino	60%	51.7%

CONCLUSION

The 2023 Racial Profiling Report concludes that Hewitt Police Officers are finding contraband when expected based upon sound law enforcement practices and not due to a focus on a person's race, ethnicity, or biased-based factors. Furthermore, the report validates that HPD is in full compliance with the state racial profiling statutes regarding prevention policies, data collection, vehicle search analysis, and reporting.

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COUNCIL AGENDA ITEM FORM

MEETING DATE: February 5, 2024

AGENDA ITEM #: 3.

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Approval of the minutes for the Workshop/Special Meeting of January 22, 2024.

STAFF RECOMMENDATION/ITEM SUMMARY:

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

I move to approve the minutes as presented.

ATTACHMENTS:

1. Draft Minutes - January 22, 2024

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CITY COUNCIL WORKSHOP/REGULAR MEETING

January 22, 2024 at 6:30 PM
Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

MINUTES

Steve Fortenberry, Mayor, Ward 3
Erica Bruce, Mayor Pro Tem, Ward 3 – **Michael S. Bancale**, Council Member, At-Large
Johnny Stephens, Council Member, Ward 1 – **Johnny Price**, Council Member, Ward 2
Bob Potter, Council Member, Ward 2 – **Brad Turner,** Council Member, Ward 1

WORKSHOP MEETING - 6:30 PM

WORKSHOP DECLARATION OF A QUORUM AND CALL TO ORDER
Mayor Steve Fortenberry called the Workshop Meeting to order at 6:30 PM, announced all members were present, and declared a quorum.

WORKSHOP AGENDA

1. Briefing and discussion concerning Commerce Park Water Well and Plant Facilities including financing.
   City Manager Bo Thomas introduced City Engineer Miles Whitney, P.E., and Client Manager Kyle Schulze, P.E., Walker Partners, who provided an update on the Commerce Park Water Well and Plant Facilities. Mr. Schulze presented the Engineer's Opinion of Probable Cost (EOPC) comparisons of February 2022 versus December 2023. Mr. Thomas explained that the American Rescue Plan Act would entirely finance Phase 1, and Phase 2 could be funded by unrestricted funds in the Utility fund and/or possible financing due to the rising costs of Phase 2.

WORKSHOP ADJOURNMENT
MOTION: Council Member Michael Bancale moved to adjourn the Workshop Meeting at 7:03 PM.
SECOND: Council Member Bob Potter
AYES: Bancale, Potter, Price, Stephens, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

Mayor Steve Fortenberry called the Regular Meeting to order at 7:04 PM, announced all members were present, and declared a quorum.

PLEDGE OF ALLEGIANCE

Mayor Steve Fortenberry led the Pledge of Allegiance.

SPECIAL PRESENTATION(S) AND RECOGNITION(S)

2. Swearing-in and pinning ceremony of three newly hired firefighters.

   Fire Chief Jonathan Christian administered the ceremonial oath of office to newly hired Firefighters Zach Iannuccilli, Landon Swain, and Alex Syphrett. Family members pinned badges on their firefighters. The Council and audience congratulated them.

PUBLIC COMMENTS

The City Council invites citizens to speak on any topic not already scheduled for a public hearing. The Texas Open Meetings Act prohibits the Council from discussing, responding to, or acting on any comments or items not properly posted on the agenda. (Note: Members of the public who wish to speak must complete a "Public Comment Form" and present it to the City Secretary before the meeting.)

Mayor Fortenberry read the statement above and inquired if the City Secretary received any public comment forms. The City Secretary received no public comment forms.

REGULAR AGENDA ITEMS

3. Approval of minutes for the City Council Workshop/Special Meeting of January 8, 2024.
   MOTION: Council Member Michael Bancale moved to approve the minutes as presented but to allow for corrections.
   SECOND: Mayor Pro Tem Erica Bruce
   AYES: Bancale, Potter, Price, Stephens, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: None
   MOTION PASSED.

4. Briefing and discussion concerning the Financial Statements ending December 31, 2023. *City Manager Bo Thomas advised Finance Director Lee Garcia, previously sent the December Financial Statements electronically for the Council to review, and he inquired if the Council had any questions. The Council raised no questions or concerns.*

5. Discussion and possible action on approval of the Quarterly Investment Report for the quarter ending December 31, 2023.
   City Manager Bo Thomas presented the Quarterly Investment Report prepared by Valley View Consulting, L.L.C.

MOTION: Council Member Bob Potter moved approval of the Quarterly Investment Report of December 31, 2023.
SECOND: Council Member Michael Bancale
AYES: Bancale, Potter, Price, Stephens, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

6. Discussion and possible action regarding the purchase of police load-bearing vests and defense spray through the forfeiture account.
City Manager Bo Thomas presented.
MOTION: Council Member Michael Bancale moved to approve the purchase of twenty-three Safariland load-bearing vests and attachments, three body armors, as well as thirty-one defense spray and holders for the Police Department through the use of forfeiture funds in the amount of $13,472.89.
SECOND: Council Member Johnny Price
AYES: Bancale, Potter, Price, Stephens, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

Mayor Steve Fortenberry recessed the Regular Meeting at 7:28 PM to convene the following Executive Session.

EXECUTIVE SESSION: Notice is given that a closed meeting will be held pursuant to Section 551.074 of the Texas Government Code (V.T.C.A.) so that the Council may discuss personnel matters regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee (City Manager's evaluation).

RECONVENE REGULAR MEETING
Mayor Fortenberry recessed the Executive Session and reconvened the Regular Session at 8:08 PM.

7. Discussion and possible action on evaluation/employment of City Manager (if needed).
Mayor Steve Fortenberry commended Mr. Thomas for his dedication and contribution to the City and for selecting a great team.
MOTION: Mayor Pro Tem Erica Bruce stated "Based on our evaluation process, I move that we approve a four percent (4%) cost of living increase with an additional six (6%) performance increase for a total of 10% annual salary increase for the city manager with an extension of his contract for an additional year."
SECOND: Council Member Michael Bancale
AYES: Bancale, Potter, Price, Stephens, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

ADJOURNMENT
MOTION: Council Member Johnny Price moved to adjourn the Regular meeting at 8:12 PM.
SECOND: Mayor Pro Tem Erica Bruce
AYES: Bancale, Potter, Price, Stephens, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

Approved:_________________________

ATTEST:

_______________________________ _______________________________
Lydia Lopez, City Secretary Steve Fortenberry, Mayor

HEWITT
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COUNCIL AGENDA ITEM FORM

MEETING DATE: February 5, 2024

AGENDA ITEM #: 4.

SUBMITTED BY: Miles Whitney, City Engineer

ITEM DESCRIPTION:

Presentation of the City Engineer's Report by City Engineer Miles Whitney, P.E.
Update on pending utility projects.
Update on pending street projects.
Update on pending drainage projects.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City Engineer will present and answer any questions regarding the Engineer's report.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

No action is required.

ATTACHMENTS:

1. Hewitt-PR-1.30.24

HEWITT
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CITY ENGINEER'S REPORT
January 30, 2024

Utility Projects

Chaparral, Crescent, and Will Boleman

Waterlines replacements are nearing completion, weather conditions are causing delays.

Commerce Park Plant Improvements

- Well
  - The contractor has drilled a pilot hole to the total depth and is currently boring out hole to final design diameter, as of 1/29/24, they were at 1,656'. The casing pipe has been delivered to the site.
- Plant
  - Project is currently being advertised. We are set to receive proposals on: 2/20/2024.

Street/Transportation Projects

Chaparral, Crescent, and Will Boleman

Chaparral remains closed on the north side so the contractor can begin street reconstruction. Ribbon curbs have been poured and contractor hopes to install cement stabilized base before the end of week, to get ahead of some potential rains.

E. Wall and Briarfield

Working through utility design conflicts caused by grading and storm sewer designs. Will be submitting plans to gas and telecom utility providers for their use in relocations.

Drainage Projects

N/A

By:

STATE OF TEXAS
MILES W. WHITNEY
116154
LICENSED
PROFESSIONAL ENGINEER

Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.

HEWITT
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COUNCIL AGENDA ITEM FORM

MEETING DATE: February 5, 2024

AGENDA ITEM #: 5.

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Discussion and possible action on an appointment to the Parks and Beautification Committee.

STAFF RECOMMENDATION/ITEM SUMMARY:

The Parks and Beautification Committee currently has two vacancies. Attached is an application for board and commission service from Tyler Green. Mr. Green has expressed an interest in serving. He will be present for a brief introduction. This term will expire in December 2025.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

I move to approve the appointment of Tyler Green to the Parks and Beautification Committee, with a term expiring in December 2025.

ATTACHMENTS:

1. Council-Boards- Commissions-Committees list - January 2024
2. Boards and Commissions Volunteer Application_Tyler Green

CITY OF HEWITT: COUNCIL, BOARDS, COMMISSIONS, AND COMMITTEES

City Hall 666-6171 (Fax 666-6014); Community Services 666-2447; Utility Billing 666-3151 (after hours emergency 666-6272); Police Adm. 666-1661; Drug Tips 666-3333; Animal Control 666-6272; Library 666-2442; Park Reservations 666-6173; Municipal Court 666-1208; Chamber of Commerce 666-1200. City of Hewitt web site: www.cityofhewitt.com; Email: citysecretary@cityofhewitt.com

City Council **2 YR Term – May**	**Board of Adjustment** **2 YR Term – April**	**Planning & Zoning Commission** **2 YR Term – June**	**Parks & Beautification Committee** **2 YR Term – December**	**Library Board** **2 YR Term – December**	**Civil Service Commission** **3 YR Term – December**
1st & 3rd Monday – 7 PM	3rd Thursday - 6 PM	1st Tuesday – 6 PM	3rd Wed. – 6 PM	Quarterly as needed	Called
Brad Turner **Ward 1** (05-2025) 425 W. Chapman Rd. (254) 709-3614	(04-2024) Chair Jim Winton 1136 Heatherwood (254) 857-9436	(06-2024) Paul D. Lasater 1321 Ridgeview (254) 716-0025	(12-2024) Jerry Snider 108 Brenda Dr. (254) 307-0613	(12-2024) Jerry Snider 108 Brenda Dr. (254) 307-0613	(12-2024) Chair Tom Mattern 1204 Ridgeview Cr. (254) 644-9632
Johnny Stephens **Ward 1** (05-2024) 305 Travis Ln. (254) 709-3989	(04-2024) Brenda Turner 209 Laredo Dr. (254) 666-0087	(06-2024) Brian Dalrymple 821 Sunny's Halo Dr. (254) 744-9711	(12-2025) Nathan Rusterholtz 1200 Dendron Dr. (972) 978-3202	(12-2025) Betty J. Smith 709 Seminole Trail (254) 666-7931	(12-2025) Vice Chair Sam MacKinnon 113 Emmalyn Dr. (254) 299-7788
Johnny Price **Ward 2** (05-2024) 115 Westchester Way (254) 709-3998	(04-2025) Douglas Bergen 264 Earle Rd. (254) 666-0855	(06-2024) Walter H. Peterson 500 Moss Hill Rd. (254) 757-5128	(12-2025) Casey Lowrey 700 Wind Hill Dr. (254) 424-1266	(12-2024) Julie Holcomb 112 Travis Ln. (972) 935-4528	(12-2026) Sammy L. Thomas 100 Coventry Dr. (254) 749-0800
Bob Potter **Ward 2** (05-2025) 409 W Wall St. (254) 709-3666	(04-2025) Royce W. Smith 1128 Regina (254) 652-3099	(06-2025) Dustin Crawford 1001 December Dr. (903) 754-1204	(12-2025) **VACANCY**	(12-2024) Lydia Dashner 520 Angel Fire Dr. (254) 666-9623	
Mayor Pro Tem Erica Bruce **Ward 3** (05-2025) 717 Fieldstone Dr. (254) 709-4050	(04-2025) Drexel King 331 Earle Rd. (919) 518-4801	(06-2025) Bobby Drake 107 Westchester Way (254) 772-7440	(12-2024) Vernon Bailey 301 Tampico Dr. (512) 797-6377	(12-2024) Jennifer Hunt 228 Cross Country Dr. (254) 498-0102	
Mayor Steve Fortenberry **Ward 3** (05-2024) 701 Oakmont Dr. (254) 709-0030	Alternate (04-2024) **VACANCY**	(06-2025) Michael Lee Hix 336 Bowie Ln. (254) 723-5071	(12-2024) **VACANCY**	(12-2025) Delores K. Sincerney 119 Russell Ln. (254) 744-5752	
Michael S. Bancale **At-Large** (05-2025) 909 Stoneridge Dr. (254) 709-3522	Alternate (04-2025) **VACANCY**	(06-2025) Travis Bailey 412 Oklahoma Ave. (254) 666-1492	(12-2024) Ryan A. NeGron 137 Bonham Dr. (346) 818-7831	(12-2025) Sally Goldman 132 Texas (254) 666-2436	

Updated: 01/24/2024

APPLICATION FOR BOARDS & COMMISSIONS TO THE CITY OF HEWITT

The City of Hewitt appreciates your interest in serving the community. A listing of the boards and commissions is found behind your application. Appointments are made during the year as vacancies occur. This is great opportunity for you to play a vital role in shaping your community.

NAME OF APPLICANT: TYLER GREEN

HOME ADDRESS: 905 REGINA DR, HEWITT TX 76643

DAYTIME TELEPHONE NUMBER: 903-806-8993 E-MAIL ADDRESS: tylergreen1115@gmail.com

PLEASE CHECK APPROPRIATE STATEMENTS: ☑ I reside within the city limits of Hewitt, Texas.*

* *IMPORTANT - - By checking this box and signing this form, you are indicating that your legal residence or domicile - your home and fixed place of habitation to which you intend to return after any temporary absence - is located within the city limits of Hewitt, Texas.*

LENGTH OF TIME APPLICANT HAS RESIDED IN THE HEWITT CITY LIMITS: 3 1/2 years

PLEASE INDICATE BELOW HOW YOU WOULD LIKE TO SERVE THE CITY OF HEWITT. (**IMPORTANT**: IF MORE THAN ONE AREA IS INDICATED, **NUMBER YOUR PREFERENCES** WITH "1" BEING YOUR FIRST CHOICE, "2" BEING YOUR SECOND CHOICE, ETC.). PLEASE SEE REVERSE SIDE FOR DESCRIPTIVE INFORMATION.

____ Board of Adjustment (must be resident of Hewitt)
____ Civil Service Commission (must be resident of Hewitt)
____ Library Board (must be resident of Hewitt)
1 Parks and Beautification Committee (must be resident of Hewitt)
____ Planning and Zoning Commission (must be resident of Hewitt)

OTHER WAYS YOU SERVE YOUR COMMUNITY: Involved in local church groups/classes. Rec League Softball (city of waco)

SPECIAL INTERESTS/SKILLS/EXPERIENCE/EDUCATION YOU FEEL MAY BE HELPFUL: Avid Disc golfer, Father of twins with large, close community of young families in Hewitt who frequent local parks. Play(ed) most sports, novice woodworker, enjoy BBQ/grililng.

OCCUPATION/EMPLOYER: Mechanical Engineer (Time Manufacturing)

REFERENCES (MUST BE HEWITT RESIDENTS): Nathan Rusterholtz TELEPHONE #: 972-978-3202
Aryn Bolton TELEPHONE #: 512-577-8343

SIGNATURE OF APPLICANT: Tyl Gr DATE: 1/18/24

Return Application to:
Lydia Lopez, City Secretary
200 Patriot Court
Hewitt, Texas 76643
Phone: 254-296-5602 - Fax: 254-666-6014
Email: citysecretary@cityofhewitt.com

______OFFICE USE ONLY______
Date interviewed by Council: ______
Date appointed by Council: ______
Date sworn in by Council: ______ **Term to expire:** ______
Reappointed: ______ **Term to expire:** ______

HEWITT
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COUNCIL AGENDA ITEM FORM

MEETING DATE: February 5, 2024

AGENDA ITEM #: 6.

SUBMITTED BY: Wanda Brooks, Administrative Assistant to the City Manager

ITEM DESCRIPTION:

Discussion and possible action regarding surplus inventory.

STAFF RECOMMENDATION/ITEM SUMMARY:

Items in the attached list have become aged, in different levels of condition ranging from poor to good, and no longer used to benefit daily operations. Liquidating these items would allow the appropriate funds to receive miscellaneous revenue for future use.

A local auction company has provided a list of possible auction dates if the council declares the items surplus.

FISCAL IMPACT:

Amount Budgeted - NA
Line Item in Budget -NA

SUGGESTED MOTION:

I move approval of the surplus items listed for release to auction.

ATTACHMENTS:

1. 2024 Surplus Inventory Sheet - Revised

City of Hewitt Surplus Items 2024

Department	Item(s)	Condition	Location	Qty.
Admin	ANCHEER Elliptical Trn	Good	City Hall	1
Admin	Logitech keyboard	Used	City Hall	1
Admin	HP All-In-One Computer	Used	City Hall - Serve	1
Admin	Dell All-In-One Computer	Used	City Hall - Serve	4
Admin	Dell Computer Towers	Used	City Hall - Serve	2
Admin	Dell Monitors	Used	City Hall - Serve	2
Admin	Ultima 35 Laminator	Used	City Hall	1
Admin	Marantz Professional Recorder	Good	City Hall	1
Finance	Apple 32 inch monitor	Good	City Hall	1
Finance	Cash Drawers	Good	City Hall	3
Fire	2004 Freightliner	Fair	Public Safety	1
Library	Waiting room chair	Good	STORAGE	1
Library	DELL OPTIPLEX 380 (2011)	OUTDATED	TECH CLOSET	4
Library	DELL VOSTRO 3550	OUTDATED	TECH CLOSET	3
Library	DELL MONITOR E2211Hb (2011)	OUTDATED	TECH CLOSET	5
Library	DELL OPTIPLEX 3020 (2016)	OUTDATED	TECH CLOSET	1
Library	DELL OPTIPLEX 780	OUTDATED	TECH CLOSET	1
Library	DELL OPTIPLEX 3010 (2012)	OUTDATED	TECH CLOSET	1
Library	Apple iPad 16GB	OUTDATED	TECH CLOSET	1
Library	DELL MONITOR E2216Hf (2016)	OUTDATED	TECH CLOSET	1
Library	DELL 1409X DIGITAL PROJECTOR (VGA CONNECTION)	OUTDATED	TECH CLOSET	1
Library	DELL SPHERE ELECTRONIC (MICROSOFT)	OUTDATED	TECH CLOSET	1
Library	APPLE IPAD 3 64GB WI-FI	OUTDATED	TECH CLOSET	2
Library	CANON PRINTER TR8620	FAIR / OUTDA	TECH CLOSET	1
Library	NEAT DOCUMENT SCANNER ND-1000	OUTDATED	TECH CLOSET	1
Library	TOSHIBA DESK PHONE IP5631-SDL	OUTDATED	TECH CLOSET	1
Library	Black wire three shelf cart	BROKEN	STORAGE	1
Library	Music stand	GOOD	STORAGE	1
Library	Black rolling book cart (6-shelf)	Good	STORAGE	1
Library	Beige rolling book cart (3 shelf)	Good	STORAGE	1
Library	Penguin Costume	Good	STORAGE	1
Library	Pig Costume	Good	STORAGE	1
Library	Stormtrooper Costume	Good	STORAGE	1
Library	iPhone 8 (64GB)	Fair	DIRECTOR'S OI	1
Library	Taotronics LED Desk Lamp	Fair	DIRECTOR'S OI	1

City of Hewitt Surplus Items 2024

Library	RCA Indoor Antenna (2008)	OUTDATED	TECH CLOSET	1
Library	FM Transmitter (2005)	OUTDATED	TECH CLOSET	1
Library	Fellowes CD Protective case	Fair	TECH CLOSET	1
Library	Kindle Fire	OUTDATED	TECH CLOSET	1
Library	Viewsonic Digital Projector	Fair	TECH CLOSET	1
Library	Panimage 7" Digital Photo Frame (2010)	Fair	TECH CLOSET	1
Library	Fujifilm Finepix Digital Camera	OUTDATED	TECH CLOSET	1
Library	TCL 32" TV, Roku (no feet/stands)	GOOD	TEEN AREA	3
Library	Mobile TV stand, cabinet, 3-mount	GOOD	TEEN AREA	1
Library	christmas tree, 7'	GOOD	STORAGE	1
Library	Electronic piano w/ foot pedal (power cord missing)	INCOMPLETE	TEEN AREA	1
Library	Outdoor flower/garden decor; 5' H	GOOD	OFFICE	1
Library	Plastic stackable shelving, 4-tier	Good	Children's Closet	6
Library	4'x2' children's floor mat set of 10 (red/yellow/green/purple/blue)	Fair	Children's Closet	1
Library	1' children's floor mat set, circular, fabric (20 mats w/ holding rack)	Fair	Children's Closet	1
Library	4'x2' children's floor mat set of 10 (red/yellow/green/purple/blue)	Fair	Children's Closet	1
Library	1' children's floor mat set, circular, fabric (20 mats w/ holding rack)	Fair	Children's Closet	1
Library	Mobile partition / germ shield	Good	STORAGE	1
Library	Children's floor mats/rugs	Fair	STORAGE	6
Library	Sign stand	Fair	ELEC CLOSET	1
Library	decorative plant	Good	Lobby	1
Library	Side table (round, black)	Good	Lobby	1
Library	Side table (square, white)	Good	Quiet Reading	1
Library	Decorative lamp	Good	Quiet Reading	3
Library	Four-drawer filing cabinet	Good	Supply Closet	2
Police	2015 Chevy Tahoe	Used	PD parking lot	1
Police	2016 Chevy Tahoe	Used	PD parking lot	1
Police	2014 Chevy Tahoe	Used	PD parking lot	1
Police	2014 Chevy Tahoe	Used	PD parking lot	1
Police	2014 Chevy Tahoe	Used	PD parking lot	1
Police	8 drawer index file cabinet	Used	Evidence Tech o	1
Police	5 Chevrolet Tahoe back seats (2 pieces each)	New	Storage Shed	10
Police	2006 Chrystler Van	Used	PD Parking lot	1
Police	2012 Hyundai	Used	PD parking lot	1
Utility Dept	Dell Monitor	Used	Comm. Svc.	1
Utility Dept	Dell Computers	Used	Comm. Svc.	2
			Total Items	**113**

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COUNCIL AGENDA ITEM FORM

MEETING DATE: February 5, 2024

AGENDA ITEM #: 7.

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Discussion and possible action authorizing the City Manager to execute an agreement with Clark Auction Company for the sale of surplus items.

STAFF RECOMMENDATION/ITEM SUMMARY:

Items in the attached list have been approved as surplus by the Council as part of agenda item 6. The attached proposal lists a 10% commission on all items listed. The company will handle advertising as well as auctioning the items.

FISCAL IMPACT:

Amount Budgeted - NA
Line Item in Budget - NA

SUGGESTED MOTION:

I move to authorize the City Manager to enter into an agreement with Clark Auction Company.

ATTACHMENTS:

1. Surplus Agreement Proposal

Clark Auction Company, LLC
8896 N. Hwy 6, Crawford, TX
www.cacwaco.com

To Whom It May Concern:

Clark Auction Company, LLC has been in the auction business for over 26 years and is the premier auction company in Central Texas. We are family-owned and operated, located in Crawford, Texas on Highway 6.

This proposal is for the City of Hewitt for Clark Auction Company, LLC to liquidate all surplus items for the City of Hewitt, including vehicles, equipment and confiscated items from the various city departments. All items will be placed in an online bidding auction and the City of Hewitt is responsible for bringing all items to our auction location. We will handle everything else regarding the auction such as lotting, pictures, auction platform, invoicing, collecting payments and loading. The City of Hewitt will receive a check 10 business days after the auction has concluded. Clark Auction Company will charge a flat rate of 10% commission on all items and will handle everything once the items are brought to our location.

Please let us know if you have any questions and when you would like to begin bringing items to our location, so that we can begin getting the auction on the schedule. Thank you again and we look forward to assisting you with selling any and all of your surplus items from the City of Hewitt.

Robert Clark, President

254-848-2333

rclark@cacwaco.com

Jason Robertson, Director of Online Sales

254-495-7775

onlinesales@cacwaco.com

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: February 5, 2024

AGENDA ITEM #: 8.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on American Rescue Plan Act State & Local Fiscal Recovery Funding Financial Management Policies & Procedures.

STAFF RECOMMENDATION/ITEM SUMMARY:

This document covers critical aspects of internal controls, reporting and monitoring, audits, cost principles, conflict of interest, retention and the city's related policies and procedures, specifically as it relates to SLFR.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

I move to approve adoption of the American Rescue Plan Act State & Local Fiscal Recovery Funding Financial Management Policies & Procedures.

ATTACHMENTS:

1. Financial Mgmt Guide_ARPA

AMERICAN RESCUE PLAN ACT
STATE & LOCAL FISCAL RECOVERY FUNDING

FINANCIAL MANAGEMENT POLICIES & PROCEDURES

HEWITT
TEXAS

This document does not void existing internal policies and procedures. In the event of a conflict with existing local policies and procedures, the most stringent requirements should be applied.

These Policies and Procedures were adopted by the City Council on the_____ day of ________, 2024.

CITY OF HEWITT, TEXAS

____

Steve Fortenberry, Mayor

ATTEST:

____

Lydia Lopez, City Secretary

Table of Contents

SECTION 1 – ARPA-SLFRF KEY RESOURCES

- The ARPA-SLFRF Award Terms & Conditions
- 31 CFR 35.6 – Eligible uses
- Uniform Guidance: 2 CFR 200, Parts A-F
- Final Rule Jan 2022 & Final Rule Overview
- 2022 Final Rule FAQs
- Compliance & Reporting Guidance
- Project & Expenditure Report User Guide
- 2023 Interim Final Rule
- Compliance Supplement
- Alternative Examination Engagement (ACEE) Guide

SECTION 2 – OVERVIEW & PURPOSE OF ARPA FUNDING

This Financial Management Policy and Procedures guidance provides an overview of the requirements applicable to the financial management of the American Rescue Plan Act – State and Local Fiscal Recovery Funding (ARPA – SLFRF) and related City procedures. This document covers critical aspects of internal controls, reporting and monitoring, audits, procurement and cost principles, and the City's related policies and procedures, specifically as it relates to ARPA-SLFRF (often referred to as "ARPA" hereafter in this document).

All local governments that have received ARPA State and Local Fiscal Recovery Funds (ARPA-SLFRF) are responsible for ensuring that they establish and maintain effective internal controls that provide reasonable assurance that funds are being managed in compliance with all applicable federal statutes, regulations, and the terms and conditions of the federal award. The City will comply with the ARPA Award Terms and Conditions and the Uniform Guidance requirements, particularly as outlined in 2 CFR 200.302.

ARPA funds must be spent on allowable activities and expenses, with consideration of equity and negative economic impacts which include:

- Supporting public health expenditures
- Addressing negative economic impacts caused by the public health emergency
- Replacing lost public sector revenue (government services)
- Providing premium pay for essential workers
- Investing in water, sewer, and broadband infrastructure
- Expanded surface transportation, Emergency disaster relief, and Title I projects
- SLFRF allowable projects (both enumerated and non-enumerated) and related expenditure categories are outlined in greater detail in the Treasury's Final Rule, Project & Expenditure Guide, 31 CFR 35.6 -- Eligible uses, and other resources.

SLFRF is considered "other financial assistance" per 2 CFR section 200.1 and is administered as direct payments for specified use. ARPA-SLFRF may be used for direct and indirect administrative expenses involved in administering the program. Cost-sharing/matching is not a requirement of ARPA-SLFRF.

SLFRF allocations made to ARPA Recipients are not subject to the requirements of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 or 2 CFR 200.305(b)(8)(9). As such, recipients can place funds in interest-bearing accounts, do not need to remit interest to the Treasury, and are not limited to using that interest for eligible uses under the SLFRF award.

The Assistance Listing for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) was published May 28, 2021, on SAM.GOV under Assistance Listing Number ("ALN"), formerly known as CFDA Number, 21.027.

The Assistance Listing includes helpful information including program purpose, statutory authority, eligibility requirements, and compliance requirements for recipients. The ALN is the unique 5-digit number assigned to identify a federal assistance listing and can be used to search for federal assistance program information, including funding opportunities, spending on USASpending.gov, or audit results through the Federal Audit Clearinghouse.

The City will adhere to generally accepted accounting principles (GAAP) and adequately trace all obligated/ budgeted funds, expenditure categories, disbursements, and balance data back to the source. In addition to tying all procurements, agreements and subawards to SLFRF, the City will add source or identification codes as part of its chart of accounts and reporting records for ease of tracking cost details.

SECTION 3 – PERIOD OF PERFORMANCE & OBLIGATIONS

In accordance with Treasury requirements, ARPA-SLFRF funds must be used to cover “costs incurred/obligated” between March 3, 2021, and December 31, 2024, and funds must be expended by December 31, 2026.

As outlined in the Interim Final Rule (August 2023), SLFRF costs incurred for expanded surface transportation and Title I projects must also be obligated by December 21, 2024, but must be expended by September 30, 2026.

As indicated in the *Reporting & Compliance Guidance*, any funds not obligated or expended for eligible uses by the timelines above must be returned to the Treasury, including any unobligated (Dec 2024) or unexpended (Dec 2026) funds that have been provided to subrecipients and contractors as part of the award closeout process pursuant to 2 CFR 200.344(d).

For the purposes of determining expenditure eligibility, the Treasury’s final rule provides that “incurred” means the recipient has incurred an obligation, which has the same meaning given to “financial obligation” in 2 CFR 200.1:

> *<u>Financial obligations</u>, when referencing a recipient’s or subrecipient’s use of funds under a federal award, means orders placed for property and services, contracts and subawards made, and similar transactions that require payment.*

SECTION 4 – INELIGIBLE USES & RECOUPMENT

The following uses of SLFRF funds are NOT allowable:

- Deposits into any pension funds,
- Offsetting a reduction in net tax revenue,
- Non-federal match for other federal programs whose statute or regulations bar the use of federal funds to meet matching requirements,
- Contributions to rainy day funds, financial reserves, or similar funds as such payments constitute savings for future spending needs of the City,
- Payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs. Fees or issuance costs associated with the issuance of new debt would also not be covered using payments from the Fiscal Recovery Funds because such costs would not themselves have been incurred to address the needs of the pandemic response or its negative economic impacts,
- Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding, except to the extent the judgment or settlement requires the provision of services that would respond to the COVID-19 public health emergency.

Any project that conflicts with or contravenes the purpose of the American Rescue Plan Act, (e.g., uses of funds that undermine COVID-19 mitigation practices in line with CDC Guidance and recommendations) or violation of the Award Terms and Conditions or conflict of interest requirements under the Uniform Guidance, and other federal, state, and local laws and regulations is not allowed.

Pre-award costs, as defined in 2 CFR § 200.458, may not be paid with funding from this award.

Funds used in violation of the final rule are subject to remediation and recoupment. As outlined in the Final Rule, Treasury may identify funds used in violation through reporting or other sources. While not anticipated, the City understands, that if any amount of the ARPA-SLFRF allocation is considered at risk, the City will be provided with an initial written notice of recoupment with an opportunity to submit a request for reconsideration before the Treasury provides a final notice of recoupment. If the City does not submit a request for reconsideration, the initial notice will be deemed the final notice. Treasury may also pursue other forms of remediation and monitoring in conjunction with or as an alternative to, recoupment.

In addition to Treasury-specified guidelines, a more comprehensive list of unallowable or restricted costs can be referenced under 2 CFR 200 Subpart E. This list is also summarized in ***Section 12 – Cost Principles*** of this document in greater detail.

ARPA-SLFRF funding classified under Revenue Loss expenditures have reduced requirements as outlined within Treasury Guidance (re: Final Rule updates and, specifically, FAQ 13.15).

SECTION 5 – ACCOUNTING SYSTEMS & INTERNAL CONTROLS

ACCOUNTING SYSTEMS

The City is responsible for ensuring all expenditures are equitable, eligible, proportionate, and authorized in an approved, documented budget.

Pursuant to 2 CFR § 200.302(a), the City's financial management system, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required to demonstrate compliance with general and program-specific terms and conditions; and the tracing of funds to a level adequate to establish that such funds have been used according to the federal statutes, regulations, and the ARPA-SLFRF terms and conditions.

The City's financial management system includes the following:

1. Accurate, current, and complete disclosure of financial results,
2. Records that identify adequately the source and application of grant funds,
3. Comparison of actual outlays with amounts budgeted under ARPA-SLFRF,
4. Procedures to minimize the time elapsed between approval and disbursement of funds throughout the performance period,
5. Procedures for determining reasonableness and allowable costs,
6. Accounting records that are supported by appropriate source documentation, and
7. A systematic method to assure timely and appropriate resolution of audit findings and, recommendations.

INTERNAL CONTROLS – 2 CFR §200.303

An internal control is a process, carried out by an entity's oversight body, management, and other personnel that provides reasonable assurance regarding the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Internal controls are the combination of policies, procedures, job responsibilities, personnel, and records that together create accountability of the financial system and safeguard its cash, property, and other assets.

Through its system of internal controls, the City can ensure that:

- Resources are used for authorized purposes and consistent with applicable laws, regulations, and policies.
- Resources are protected against waste, mismanagement, or loss.
- Evaluation and monitoring of compliance is integrated into processes.
- If applicable, prompt action is taken on audit concerns or findings.
- Information on the source, amount, and use of funds is reliable, secure, up-to-date, and disclosed in the appropriate reports and records.

In accordance with 2 CFR § 200.303, the City ensures internal controls through a number of local procedures, including ensuring to the extent practicable that the duties of the staff are divided so that no one person handles all aspects of a transaction from beginning to end. Some effective techniques and best practices that the City follows include:

- Finance department policy setting forth the actual lines of responsibility of personnel involved in financial transactions that clarifies all key roles and an adequate segregation of duties.
- Maintaining City accounting policy and procedures that includes specific approval authority for financial transactions and guidelines for controlling expenditures, as typically followed for local funds. See Purchasing Policy, Cash Handling Policy and Key Roles and Segregation of Duties.
- Bank Depository: The City maintains funds in a bank, designated as its depository for banking services. As required by Local Government Code, Chapter 105, Depositories for Municipal Funds, every five (5) years the city takes bids for banking services. The bid process is conducted by the city's Investment Advisors, Valley View Consulting, L.L.C., in conjunction with the Finance Director. The results are presented to the City Council who reviews the selection. Municipal Depository Agreements are for two (2) years with optional one (1) year extension for the remaining three (3) years. The finance director follows the internal financial procedures for all expenditures unless an individual funding agency/source prescribes specific (and more stringent) requirements.
- Accounts Payable**:** Six (6) individuals are authorized to sign checks written on the bank depository account: the Mayor, Mayor Pro-Tem, City Manager, Assistant City Manager, Finance Director and City Secretary. All checks require two (2) authorized signatures. No exceptions.
- Accounting: The Finance Director is responsible for establishing the structure for the Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City's financial position. The Finance Director provides financial reports to the City Council monthly.
- Audit of Accounts: An independent audit of City accounts is performed annually. The Auditor is retained by and is accountable directly to the City Council. The City Council reviews the selection every five (5) years unless circumstances deem otherwise. The City will follow the audit requirements as outlined in the audit section (Section 7) of this document.
- Internal Controls: Whenever possible, written procedures will be established, maintained, and assessed per 2 CFR 200.303 by the Finance Director for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

Other internal controls the City follows include the following:

- A chart of accounts will include account names and the numbers assigned to each and provides the following categories: assets, liabilities, net assets/fund balance, revenues, and expenses.
- Maintaining journal entries that are properly approved and supported by adequate source documentation and note the effective period of the agreement, list disbursement amounts paid out (or properly accrued); expended on eligible items; and approved by the appropriate official(s) within the organization.
    - Adequate documentation is not limited to but includes signed purchase orders with invoices to support authorizations, timecards to support labor, detailed receipts to support spending, periodic monitoring reports with support of review, and approval by management.
- Maintaining hiring policies thru the Human Resources Department that ensure financial staff qualifications are equal to job responsibilities and that individuals hired are competent to do the job.
- Adequately controlling access to accounting records, assets, blank forms, and confidential records, such that only authorized persons may access them.
- Conducting periodic comparisons of financial records to actual assets and liabilities (i.e., reconciliation).
    - Monthly reconciliation and verifications of cash balances with bank statements shall be made by employees who do not handle or record cash.
- Maintaining accounting records indicating the amounts budgeted for eligible activities and establishing budget controls (i.e. procedures to compare and control expenditures against approved budgets throughout the period of performance).
- Comparing actual obligations and expenditures to date against planned obligations and expenditures, and against projected accomplishments.
- Reporting deviations from budget and program plans and requesting approval for budget and program plan/scope revisions. See monthly financial statement reports to City Council.
- Monitoring updated ARPA-SLFRF related regulations and guidance to continue integration into local implementation and/or financial management procedures.
- Reviewing, investigating, and/or reporting all claims of fraud, waste, or abuse related to ARPA-SLFRF addressing identified control risks and remediating plans while targeting continuous process improvements.
- Managing fixed assets through tracking and reporting to ensure compliance with Treasury guidance related to changes in use and disposition.

PROCEDURES FOR INVOICE REVIEWS & PAYMENTS

- The City's Purchasing Policy is based on the State of Texas' Local Government Code, the City's Charter and Code of Ordinance, Best Practices and direction from the City Manager.
- All purchases proposed to be made and contracts proposed to be executed by the City shall be reviewed by the City Manager and the Finance Director who shall determine that there is to the credit of such office, department or agency a sufficient unencumbered budgeted appropriation and allotment balance to pay for the supplies, materials, equipment, or contractual services for which the contract or order is to be issued. Any purchase exceeding $3,000 requires that purchase orders be input by Department Heads into the (STW) software system as an encumbrance to their account that they wish to expense and forwarded for approval by the City Manager.
- General Purchasing Procedures that apply to every purchase. All expenses are required to be supported by the following:
    1. Invoice(s) indicating vendor, description, and cost of item(s) including total expense.
    2. Receipt of the order indicated by approval on the invoice by the Department Head.
    3. The account number(s) to be expensed.
    4. Purchase Orders and Check Requests. Purchases exceeding $3,000 must be supported by a Purchase Order or Check Request.

- Department Heads are responsible for knowledge of this Purchasing Policy and for following the procedures.
- Upon receipt of an approved and acknowledged invoice, the AP Clerk records the expenditure and generates payment. Payment can be made by check, PCard (Procurement Card) or ACH.
    - Two (2) signatures are required on each check.
    - A PCard (Procurement Card) is a tool for payment the same as a City check. The use of a PCard does not change the guidelines of this policy. Issuance of a new PCard is requested by the Department Head and approved by the HR Manager and City Manager. Upon approval the card is requested and issued by the Finance Manager.
    - ACH payments are generated by the AP Clerk and approved in the banking system by the Finance Director.
- Copies of the request for payment, the invoice, and the check copy are scanned into and stored in the City's general ledger software. Bank statements are stored in Laserfiche and in the Finance Department's Y Drive. Grant records are retained in a separate file in Laserfiche and on the Finance Department's Y Drive.
- The Finance Director is responsible for reconciling the monthly bank statements, reviewing expenses in all forms in each fund and creating the monthly financial reports.

SECTION 6 – PROPERTY MANAGEMENT & DISPOSITION

The City provides safeguards for all property, whether cash or other assets. Personnel duties will be segregated to the extent practicable for the City such that the individual or personnel responsible for the physical custody of an asset will be distinct from the designated personnel keeping the records related to assets.

The City will continue to monitor, track, and assess that all assets are being used solely for authorized purposes. The City will provide proper reporting and resolve discrepancies according to Treasury and applicable Uniform Administrative requirements.

As outlined in the ARPA Final Rule FAQ, *except* for property, supplies, or equipment acquired using *revenue loss funds (EC 6.1)*, the City must follow the applicable provisions of the Uniform Guidance regarding property standards (2 CFR 200.310-316), subject to the requirements set out in the Final Rule FAQ (13.16). During the period of performance, a recipient may use property, supplies, or equipment purchased or improved with ARPA funds for a purpose other than the purpose for which it was purchased or improved if such other purpose is also consistent with the eligible use requirements.

If the City changes the use of an asset to an ineligible use or sells the asset prior to the end of the period of performance, then the City will follow the disposition procedures in the Uniform Guidance. See 2 CFR 200.311, 200.313, 200.314, and 200.315.

After the period of performance, the property, supplies, or equipment must be used consistent with the purpose for which it was purchased or improved or for any other eligible purpose in the same category as the purpose reported to Treasury as of the final reporting period, as set forth in the table below:

Category	Use Requirements
Public Health and Assistance to Households and Individuals	Property, supplies, or equipment last reported as being used to respond to the public health impacts of the public health emergency, as outlined in 31 CFR 35.6(b)(3)(i) or being used for the provision of services to households provided in 31 CFR 35.6(b)(3)(ii)(A), are authorized to fulfill any eligible use of funds provided in these subparagraphs of the Final Rule.

Category	Use Requirements
Assistance to Small Businesses, Nonprofits, and Impacted Industries	Property, supplies, or equipment last reported as being used for the provision of services to small businesses, nonprofits, and impacted industries outlined in 31 CFR 35.6(b)(3)(ii)(B)-(D) are authorized to fulfill any eligible use of funds outlined in the public health and negative economic impacts eligible use category.
Water, Sewer, or Broadband Infrastructure	Property, supplies, or equipment last reported as being used to make investments in water, sewer, or broadband infrastructure pursuant to 31 CFR 35.6(e) are authorized to fulfill any eligible use of funds outlined in the water, sewer, and broadband infrastructure eligible use category.
Government Services/Revenue Loss	Property, supplies, or equipment acquired with revenue loss funds are exempt from the use and disposition requirements of the Uniform Guidance, regardless of award size.
Premium Pay	N/A

If an asset's use shifts within the parameters of the eligible purpose according to the above table after the period of performance, no repayment would be required. For example, converting a hospital to a behavioral health facility would qualify as being used for the eligible purpose because both expenditures respond to the public health impacts of the public health emergency, as outlined in 31 CFR 35.6(b)(3)(i), so reimbursement to Treasury would be unnecessary.

If an asset's use shifts outside the parameters of the eligible purpose according to this table after the period of performance, then the City will follow the disposition procedures in the Uniform Guidance. See 2 CFR 200.311, 200.313, 200.314, and 200.315.

SECTION 7 – AUDITS

SINGLE AUDITS

The City follows all prescribed federal, state, and local audit requirements. Specifically, for all federal funds, the *Uniform Guidance, Subpart F* provides additional standards for non-federal entities that expend $750,000 or more in federal awards during each fiscal year, including the requirement to have a single audit or program-specific audit.

- Single audits (or alternative audits, if applicable) are to be performed by independent public accounting firms engaged by the City.
- Costs for single audits are borne by the City and are allowable expenditures under ARPA-SLFRF.
- A program-specific audit may be conducted in lieu of a single audit only when ARPA funds are the only federal expenditures represented in a given fiscal year.

More specifically to ARPA-SLFRF and in lieu of a single audit, an "Alternative Compliance Examination Engagement" (ACEE) may also be applicable to the City for each fiscal year during the period of performance, if other (non-ARPA) federal expenditures *did not* exceed $750,000 beyond the ARPA expenditures.

If the City (and any of its subrecipients) expends less than $750,000 in a fiscal year in federal funds, a single audit or program-specific audit will NOT be required for that year.

As agreed upon in the ARPA-SLFRF Award Terms and Conditions, all City records pertinent to the financial and programmatic aspects of the ARPA-SLFRF allocation will be fully accessible. The City (and its selected auditors) will consult the most up-to-date *Compliance Supplement* which provides information on the existing, important compliance requirements that the federal government expects to be considered for either the single audit or the alternative audit.

If single audits or program-specific audits are required, the City will submit the requisite audit reports to the Federal Audit Clearinghouse (FAC) thirty (30) to sixty (60) days after receipt of the auditor's report(s), or nine (9) months after the end of the fiscal year-end date, whichever comes first.

Alternative audits have the same completion timelines as single audits, but the audit report will be required to be uploaded to the Treasury's portal (as outlined in the Treasury's *Alternative Compliance Examination Engagement Report User Guide) rather than to the* FAC.

At the completion of the audit, the City will prepare, in a document separate from the auditor's findings as described in the Audit Findings section, a corrective action plan to address each audit concern or finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for the corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.

Corrective action means action taken by the City that:

a. Corrects identified deficiencies
b. Produces recommended improvements; or
c. Demonstrates that audit findings are either invalid or do not warrant auditee action.

The City considers continuous process improvement as critical to operations and will respond to all audit concerns in a timely manner.

ANNUAL INDEPENDENT FINANCIAL STATEMENT AUDIT

To demonstrate a commitment to financial accountability and transparency, the City obtains an annual independent financial statement audit. The Auditing Firm is retained by and is accountable directly to the City Council. The City Council reviews the selection every five (5) years unless circumstances deem otherwise. These audits are uploaded to the Municipal Securities Rulemaking Board (MSRB), EMMA Dataport. The Finance Director also produces internal financial statements monthly which include income statements and statements of financial position (balance sheet), which are monitored by the City Council.

SECTION 8 – STANDARD OF CONDUCT & CONFLICT OF INTEREST POLICY

The City will maintain the following conflict-of-interest policy consistent with 2 CFR § 200.318(c) and that such conflict of interest policy will be applicable to each activity funded under this award.

City officials, employees, and affiliates may not have a direct or indirect interest, including financial and other interests, engage in a business transaction or professional activity, or incur an obligation of any nature that is in substantial conflict with the proper discharge of the officer or employee's duties in the public interest. By statute, officers and employees must comply with certain ethical responsibilities and disclosure obligations. The consequences for noncompliance may include a void contract, personal liability for ultra vires acts, or a criminal penalty. For specific information regarding the professional standards applicable to a particular business transaction, City employees or officers will consult with the City's legal counsel or other designated representative.

SECTION 9 – FINANCIAL RECORDS MANAGEMENT & RETENTION

The City adheres to the following record-keeping policies, as agreed upon in the CLFRF Award Terms and Conditions and as outlined in 2 CFR 200.334-337.

a. The City maintains records and financial documents sufficient to evidence compliance with section 603(c) of the Act and all Treasury's regulations and guidance related to implementing that section.
b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, will have the right of access to records (electronic and otherwise) of the City to conduct audits or other investigations.
c. Records will be maintained by the City for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.

Accounting records are maintained to adequately identify the source and application of funds provided for ARPA-funded activities. Accounting records are fully supported by source documentation.

Source documentation explains the basis of the costs incurred and the actual dates of the expenditure. For example, source documentation on payments to contractors includes a request for payment, proof of inspection to verify work and materials, and canceled checks.

Financial records include, but are not limited to the following:

- Transaction registry documenting:
  - All invoices associated with each Request for Payment; and
  - Source of funds for each invoice (disbursed funds by activity, matching funds, and/or other funds)

- Although not limited to the list below, source documentation will typically include the following:
  - Executed contract/purchase agreements, with terms and conditions
  - Purchase orders, invoices, and contractor requests for payments
  - Purchase vouchers/receipts
  - Payrolls
  - Time and attendance records
  - Addendum record of direct deposit payments
  - Verification of deposits
  - Monthly bank statements with canceled checks
  - Check register/transaction ledger
  - Employee time sheets; if applicable
  - Equipment time record sheets
  - Property inventory
  - Performance/milestone reports or other status reports
  - Electronic Transfer Form (ETF), etc.

Additional documentation examples related to financial management include a chart of accounts, financial statements, audit reports and corrective action plans, procurement records (micro-small through formal competitive procurements), etc.

SECTION 10 – MONITORING & REPORTING

The City complies with all Treasury reporting requirements and submits all expenditure data in a timely manner. Financial statements and reporting are complete, current, and reviewed periodically to provide complete disclosure of the financial results of all federally sponsored projects or programs.

All recipients of federal funds must complete financial, performance, and compliance reporting. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied.

Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. The City will appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles.

Financial reporting will include Treasury-required data and will be aligned in accordance with [2 CFR 200.302], to include budgeted project amounts, advances/reimbursements received to date, actual expenditures/ disbursements, current encumbrances/obligations, program income (if applicable), and other miscellaneous receipts, and any unpaid requests for payments.

The City will report **obligations** and **expenditures** by project according to the corresponding Expenditure Category (EC). As noted in the Treasury's Compliance & Reporting Guidance, there are a wide range of eligible uses of the SLFRF funds, and the Treasury must be able to track how funds are used by recipients for oversight and transparency purposes.

ARPA reporting will follow the schedule and guidance outlined by the Treasury (shown below) and be accurate and specific in describing the project activity within the ARPA-SLFRF approved period of performance.

For the SLFRF program, reporting requirements vary by recipient type, as shown in the table that follows. Detailed instructions for the completion and submission of each report are covered in Part 2 of the *Compliance & Reporting Guidance*.

The reporting phase is anticipated to end once the ARPA funds are fully expended with a 0 balance, or April 30, 2027 (whichever is sooner).

Reporting Requirements by Recipient Type

<table>
<tr><th>Tier</th><th>Recipient</th><th>Interim Report</th><th>Project and Expenditure Report</th><th>Recovery Plan Performance Report</th></tr>
<tr><td>1</td><td>States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents</td><td rowspan="2">By August 31, 2021 or 60 days after receiving funding if funding was received by October 15, with expenditures by category.

Note: NEUs were not required to submit an Interim Report</td><td rowspan="2">By January 31, 2022, and then the last day of the month after the end of each quarter thereafter

Note: NEUs were not required to submit a Project and Expenditure Report on January 31, 2022. The first reporting date for NEUs was April 30, 2022.</td><td>By August 31, 2021 or 60 days after receiving funding, and annually thereafter by July 31</td></tr>
<tr><td>2</td><td>Metropolitan cities and counties with a population below 250,000 residents that are allocated more than $10 million in SLFRF funding, and NEUs that are allocated more than $10 million in SLFRF funding</td><td></td></tr>
</table>

3	Tribal Governments that are allocated more than $30 million in SLFRF funding			
4	Tribal Governments that are allocated less than $30 million in SLFRF funding		By April 30, 2022, and then annually thereafter	
5	Metropolitan cities and counties with a population below 250,000 residents that are allocated less than $10 million in SLFRF funding, and NEUs that are allocated less than $10 million in SLFRF funding			

Note: Based on the period of performance, reports will be collected through April 30, 2027.

Monitoring Subrecipient Activities and Compliance

The City understands the requirements to manage and monitor their subrecipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.

Projects funded under the 6.1 Revenue Loss category are not subject to subrecipient designations or monitoring.

Except for projects classified under the revenue loss expenditure category, the City will clearly identify to the subrecipient: (1) that the award is a subaward of SLFRF funds; (2) any and all compliance requirements for use of SLFRF funds; and (3) any and all reporting requirements for expenditures of SLFRF funds.

The City will also evaluate each subrecipient's risk of noncompliance based on a set of common factors. These risk assessments will include factors such as prior experience in managing federal funds, previous audits, personnel, and policies or procedures for award execution and oversight. Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.

SECTION 11 – COST PRINCIPLES

The Uniform Guidance (2 CFR 200 Subpart E) requires recipients of federal assistance to have written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the federal cost principles and the terms and conditions of the award.

The 2 CFR Part 200, Subpart E is applicable to expenditures under SLFRF unless stated otherwise. Given the purpose and very broad scope of eligible uses of the *revenue replacement funds (*≥$10M allocation), only a subset of the requirements in 2 CFR Part 200, Subpart E applies to the use of such funds, as follows:

- 2 CFR 200.400(a) - (c), and (e) Policy Guide
- 200.403(a), (c), (d), (g), and (h) Factors affecting allowability of costs; and
- 200.404(e) Reasonable costs.

Allowable: As outlined in 2 CFR § 200.403, a cost is allowable when it is compliant with the terms and conditions of the federal award and implementing agency regulations, and the Uniform Guidance (UG).

Allocable: As outlined in 2 CFR § 200.405, a cost is allocable if either (1) it is incurred solely to benefit an ARPA-SLFRF-eligible project, or (2) it benefits both an ARPA/SLFRF-eligible project and another ARPA-SLFRF-eligible project or other work of the local government, in proportions that can be approximated using reasonable methods. A local government must use a consistent method for allocating costs. Some costs will be charged directly to the grant award and other costs may be included in an indirect cost pool.

Reasonable: As described in 2 CFR § 200.404 cost is reasonable when, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration must be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-federal entity or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by such factors as sound business practices; arm's-length bargaining; federal, state, local, and other laws and regulations; and terms and conditions of the federal award;
- Market prices for comparable goods or services for the geographic area.

Consistently applied: A cost is consistently applied when it is applied uniformly to both federally funded and other activities of the local government.

Properly documented: A local government must document its allocation method and its system of internal controls that provide reasonable assurance that amounts charged are accurate, allowable, and properly allocated.

Below is a list of allowable costs, allowable costs with restrictions, and unallowable costs that will be considered prior to project selection, obligations, and subsequent disbursement approvals.

Unallowable Activities & Costs

In addition to the Treasury's specifically stated ineligible costs, listed in ***Section 4 – Ineligible Costs and Recoupment***, other unallowable costs include unnecessary costs that are not needed or required to achieve the objectives of the ARPA Terms and Conditions, 31 CFR Part 35 – the Final Rule, and the Project & Expenditure Guidance.

Fiscal Recovery Funds are also subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200 – the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost. These cost principles include restrictions that would apply to all federal awards unless otherwise stated.

The following are example cost types that are not allowed (or unallowed with some exceptions) according to 2 CFR 200.400, Subpart E:

Selected Items of Cost	Uniform Guidance General Reference	Allowability
Alcoholic Beverages	2 CFR §200.423	Unallowable
Bad Debts	2 CFR §200.426	Any losses arising from uncollected accounts and other claims, and related costs are unallowable
Contingency Provisions	2 CFR § 200.433	Unallowable with exceptions
Contributions and Donations	2 CFR §200.434	Costs of contributions and donations, including cash, property, and services from the recipient to other entities is unallowable
Certain Depreciation or Use Allowances	2 CFR §200.436	Unallowable on any portion of the buildings and equipment purchased with Federal funds or contributed to meet statutory matching requirements
Funds to Benefit Political Campaigns	NA	Unallowable
Entertainment	2 CFR §200.438	Although minor exceptions may apply, costs for amusement, social activities, ceremonials, hospitality, and activities relating thereto, such as meals, lodging, rentals, transportation, and gratuities are unallowable
Fines and Penalties	2 CFR §200.441	Resulting from violations of, or failure to comply with Federal, State, and local laws and regulations are unallowable. Some exceptions apply
Fundraising	2 CFR § 200.442	Includes costs of organized fundraising, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are unallowable. Some exceptions apply

Selected Items of Cost	Uniform Guidance General Reference	Allowability
*General Costs of Government	2 CFR § 200.444	Exceptions apply, most particularly under *EC 6.1 Revenue Loss cost allocations under ARPA – SLFRF*, but otherwise unallowable
Goods and Services for Personal Use	2 CFR § 200.445	Goods and services for personal use are unallowable although some exceptions may apply for housing
Idle Facilities and Idle Capacity	2 CFR § 200.446	Idle facilities – unallowable with exceptions; Idle capacity – allowable with restrictions
Lobbying Costs – includes direct legislative lobbying and grassroots lobbying	2 CFR §200.450	Unallowable
Losses on Other Awards or Contracts	2 CFR § 200.451	Unallowable
Organization Costs	2 CFR § 200.455	Unallowable unless federal prior approval
Participant Support Costs	2 CFR § 200.456	Only allowable with prior approval of the federal awarding agency
Selling and Marketing Costs	2 CFR § 200.467	Unallowable with exceptions
Student Activity Costs	2 CFR § 200.469	Unallowable unless specifically provided for in the federal award

Allowable Costs

In addition to the enumerated expenditure categories and other generally allowable activities/costs outlined in 31 CFR Part 35 – the Final Rule, the Project & Expenditure Report User Guide, the FAQs, and other Treasury source guides, the following summarized costs are typically allowable federal costs (although most of the following cost categories have *restrictions*) according to 2 CFR 200.400, Subpart E:

Selected Items of Cost	Uniform Guidance General Reference	Allowability
**** All expenditures using Revenue Loss funds (EC 6.1) should follow local policies for prudent spending and may have a broader coverage of allowable costs.***		
Advertising and Public Relations	2 CFR § 200.421	Allowable with restrictions
Advisory Councils	2 CFR § 200.422	Allowable with restrictions
Bonding Costs	2 CFR § 200.427	Allowable with restrictions
Collection of Improper Payments	2 CFR § 200.428	Allowable
Compensation – Personal Services	2 CFR § 200.430	Special conditions apply [e.g., § 200.430(i)(5)]
Compensation – Fringe Benefits	2 CFR § 200.431	Allowable with restrictions
Conferences	2 CFR § 200.432	Allowable with restrictions
Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	2 CFR § 200.435	Allowable with restrictions

Selected Items of Cost	Uniform Guidance General Reference	Allowability
**** All expenditures using Revenue Loss funds (EC 6.1) should follow local policies for prudent spending and may have a broader coverage of allowable costs.***		
Depreciation	2 CFR § 200.436	Allowable with qualifications
Employee Health and Welfare Costs	2 CFR § 200.437	Allowable with restrictions
Exchange Rates	2 CFR § 200.440	Allowable with restrictions
Insurance and Indemnification	2 CFR § 200.447	Allowable with restrictions
Intellectual Property	2 CFR § 200.448	Allowable with restrictions
Interest	2 CFR § 200.449	Allowable with restrictions
Maintenance and Repair Costs	2 CFR § 200.452	Allowable with restrictions
Materials and Supplies Costs, including costs of computing devices	2 CFR § 200.453	Allowable with restrictions
Memberships, Subscriptions, and Professional Activity Costs	2 CFR § 200.454	Restrictions apply and unallowable for lobbying organizations
Plant and Security Costs	2 CFR § 200.457	Allowable; capital expenditures are subject to 2 CFR § 200.439
Professional Services Costs	2 CFR § 200.459	Allowable with restrictions
Proposal Costs	2 CFR § 200.460	Allowable with restrictions
Publication and Printing Costs	2 CFR § 200.461	Allowable with restrictions
Rearrangement and Reconversion Costs	2 CFR § 200.462	Allowable (ordinary and normal)
Recruiting Costs	2 CFR § 200.463	Allowable with restrictions
Relocation Costs of Employees	2 CFR § 200.464	Allowable with restrictions
Rental Costs of Real Property and Equipment	2 CFR § 200.465	Allowable with restrictions
Specialized Service Facilities	2 CFR § 200.468	Allowable with restrictions
Taxes (including Value Added Tax)	2 CFR § 200.470	Allowable with restrictions
Termination Costs	2 CFR § 200.472	Allowable with restrictions
Training and Education Costs	2 CFR § 200.473	Allowable with restrictions, for employee development
Transportation Costs	2 CFR § 200.474	Allowable with restrictions
Travel Costs	2 CFR § 200.475	Allowable with restrictions

The City understands funds may be used for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. Costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the SLFRF Award Terms and Conditions, direct and indirect costs may be charged to their ARPA award as administrative costs as long as they are accorded consistent treatment per 2 CFR 200.403.

Direct costs are those that are identified specifically as costs of implementing the ARPA program objectives, such as contract support, materials, and supplies for a project.

Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the ARPA award such as the cost of facilities or administrative functions like a director's office. Each category of cost should be treated consistently in like circumstances as direct or indirect, and the City will not charge the same administrative costs to both direct and indirect cost categories, or to other programs.

Also review ***Section 15 – Match, Braided Funds & Loans*** for more specific details on allowable and unallowable cost scenarios.

Below are the City's procedures for determining reasonableness, allocability, and allowability of costs:

A. **Review and understand the Treasury's Award Terms and Conditions** as well as the federal cost principles that govern the project funding.
B. **Determine allowability, allocability, and cost reasonableness of all activities funded by ARPA-SLFRF and associated costs.** The initial assessment will be conducted at the project identification or selection stage to ensure eligibility, and then ongoing reviews and evaluations will continue throughout the course of the project prior to each invoice approval or disbursement.
    a. Measures to assess reasonableness will vary based on the items and context of the purchase. Micro and Small purchase types will be informal whereas formal purchases may require more analysis. The City will use approaches such as individual itemized cost analysis or total price comparisons when multiple vendors bid on items. Independent cost estimates and market research will often be conducted to assess and compare prices. Historical price data and pricing based on prior competitions for similar purchase types may also be used as a means to assess cost reasonableness.
C. **Monitor, track, and report funds** routinely against approved budgets, obligations, and expenditures and identify direct and indirect costs. Keep all records organized and easily accessible for potential audits or reviews.
D. **Document the process**. The City will maintain thorough documentation to support determinations and all associated costs.
E. **Seek Guidance**. The City will seek guidance when there is uncertainty or complexity in the determination process by consulting with appropriate personnel such as financial officers, legal advisers, internal auditors, or grant administrators. Also, the City will seek clarification from the funding agency as needed to ensure that costs meet the necessary standards.
F. **Implement Corrective Actions**. If any costs are later found to be unreasonable, unallocable, or unallowable, the City will assess for most appropriate actions and ensure process improvements are documented and implemented into ongoing operations. This may involve reallocating costs, adjusting budgets, or seeking approval for cost transfers or other remedies per the requirements provided by the Treasury and outlined in the Uniform Guidance.

SECTION 12 – CASH MANAGEMENT & DISBURSEMENTS

The City will budget, forecast, and routinely analyze cash flow statements. In addition to the City's established financial management procedures and related internal controls, efficient cash management ensures that funds are used optimally, and timely disbursements are made for all ARPA-SLFRF-funded activities. This City will ensure that all disbursements align with federal, state, and local policies.

While not stated specifically in the Final Rule, the Treasury does not require or have a preference as to the payment structure for recipients that transfer funds to subrecipients (e.g., advance payments, reimbursement basis, etc.). Ultimately, it is the City's responsibility to comply with the eligible use requirements and any other applicable laws or requirements and are responsible for the actions of their subrecipients or beneficiaries.

The City may first opt for reimbursement-based payments, when feasible. However, the City will ultimately determine the most effective approach to accomplish the objectives of the project. All disbursements will be for allowable, allocable, and reasonable costs and will be supported by legal agreements and/or other relevant source documentation.

Not limited to the following examples but as part of internal control policies related to cash management and disbursements, the City uses checks numbered when written for all disbursements made by check. Unused check stock are stored in a secured location with only authorized representatives having access. Blank checks are not signed in advance, checks are never made payable to cash, and checks are made only by representatives who are not also authorized to sign them. Authorized check signers must thoroughly review invoices and supporting documents and verify the receipt of all goods and services. Disbursements are only made to authorized vendors and all City employees have a secure personnel file that at a minimum includes hiring authorization, salary history, hours authorized to work, federal and state withholding forms, health insurance and retirement deduction information, and authorization for all other payroll deductions.

SECTION 13 – PROGRAM INCOME

Program income policies and procedures under the American Rescue Plan Act's State and Local Fiscal Recovery Fund (ARPA-SLFRF) help ensure fiscal responsibility and regulatory compliance while maximizing the impact of federal assistance. Program Income, when applicable to the project, will be identified, tracked, reported, and appropriately utilized.

As clarified in the Final Rule FAQ 13.15, program income requirements of 2 CFR 200.307 do not apply under the revenue loss (EC 6.1) eligible use category. As such, recipients may maintain program income, which will not be considered an addition to the federal award.

Per Uniform Guidance definitions in 2 CFR 200.1, Program Income means gross income earned by the non-federal entity (the ARPA Recipient and its subrecipients) that is directly generated by a supported activity or earned as a result of the federal award (ARPA-SLFRF allocation) during the *period of performance* except as provided in § 200.307(f).

The U.S. Department of the Treasury has clarified in its Final Rule FAQs that recipients may add program income to the federal award. Any program income generated from SLFRF funds must be used for the purposes and under the conditions of the federal award.

Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal award funds. For any SLFRF funded loans, the City will follow Treasury's guidance on tracking and disposing of program income from loans, consistent with the statutory requirements and timing of SLFRF expenditures.

Program income does *not* include:

- Interest earned on advances of federal funds, rebates, credits, discounts, or interest on rebates, credits, or discounts;
- Income earned from the investment of initial proceeds of a grant advance from the U.S. Treasury;
- Proceeds from subrecipient fundraising activities;
- Taxes, special assessments, levies, fines, and other such revenues raised by a non-federal entity are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income;
- Proceeds from the sale of real property, equipment, or supplies are not program income; such proceeds will be handled in accordance with the requirements of the Property Standards §§ 200.311, 200.313, and

200.314, or as specifically identified in federal statutes, regulations, or the terms and conditions of the federal award.

SECTION 14 – MATCH, BRAIDED FUNDS, & LOANS

LOANS

SLFRF funds may be used to make loans, provided that the loan supports an activity that is an eligible use of funds, the SLFRF funds used to make the loan are obligated by December 31, 2024, and expended by December 31, 2026, and the cost of the loan is tracked and reported in accordance with the Final Rule.

In using SLFRF funds to make loans, recipients must be able to determine the amount of funds used to make a loan and must comply with Treasury guidance, all restrictions on the timing of the use of funds, and restrictions in the Uniform Guidance.

MATCH

SLFRF funds may be, but are not required to be, used along with other funding sources for a given project. As indicated by Treasury, the City understands that ARPA-SLFRF funds available under the “revenue loss” eligible use category generally may be used to meet the non-federal cost-share or matching requirements of other federal programs.

If the City decides to use SLFRF funds to satisfy match or cost-share requirements for a federal grant program, it will first be confirmed with the relevant awarding agency that no waiver has been granted for that program, that no other circumstances enumerated under 2 CFR 200.306(b) would limit the use of ARPA-SLFRF funds to meet the match or cost-share requirement, and that there is no other statutory or regulatory impediment to using the ARPA-SLFRF funds for the match or cost-share requirement.

SLFRF funds beyond those that are available under the revenue loss eligible use category may not be used to meet the non-federal match or cost-share requirements of other federal programs, other than as specifically provided for by statute. As an example, the *Infrastructure Investment and Jobs Act (IIJA)* provides that SLFRF funds may be used to meet the non-federal match requirements of authorized Bureau of Reclamation projects and certain broadband deployment projects. The final rule will be consulted for further details if the City’s seeks to utilize ARPA-SLFRF funds as a match for these projects.

BRAIDED FUNDS

Blending and braiding refers to using multiple sources of funding for complementary purposes and provided that the costs are eligible costs under each source program and compliant with all other related statutory and regulatory requirements and policies, including restrictions on use of funds, is allowable under ARPA-SLFRF.

The use of ARPA-SLFRF funds on all braided projects would be subject to the (December 31, 2024) deadline on obligating funds and no later than (December 21, 2026), for expending funds and the ARPA portion of the funding must cover an eligible use of funds. The City will report to Treasury on the date and amount of SLFRF funds obligated and expended for any portion of a project covered by ARPA funds.

SECTION 15 – CLOSEOUT

As outlined in § 200.344, the federal awarding agency or pass-through entity will close out the federal award when it determines that all applicable administrative actions and all required work of the federal award have been completed by the City.

The City must submit, no later than one hundred twenty (120) calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the ARPA-SLFRF award.

A subrecipient must submit to the City, no later than ninety (90) calendar days (or an earlier date as agreed upon by the pass-through entity and subrecipient) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the federal award.

The City must promptly refund any balances of unobligated and/or unexpended funds. See OMB Circular A-129 and see § 200.346, for requirements regarding unreturned amounts that become delinquent debts.

If the City does not submit all reports in accordance with uniform guidance requirements and the terms and conditions of the federal award, the City is aware the federal awarding agency will proceed to close out with the information available within one (1) year of the period of performance end date.

If the City does not submit all reports in accordance with this section within one (1) year of the period of performance end date, the federal awarding agency must report the non-federal entity's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS). Federal awarding agencies may also pursue other enforcement actions per § 200.339.

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: February 5, 2024

AGENDA ITEM #: 9.

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Discussion and possible action on **Resolution 2024-01,** approving the City of Hewitt's support for the redesignation of the Waco Metropolitan Planning Organization (MPO) from the City of Waco to the MPO Policy Board.

STAFF RECOMMENDATION/ITEM SUMMARY:

The Waco MPO Policy Board is composed of representatives appointed by the elected City Councils and County within the jurisdiction of the Waco MPO as well as the Texas Department of Transportation. Over the past 18 months, the Waco MPO has been preparing for the transition from a Metropolitan Planning Organization (MPO) to a Transportation Management Area (TMA) based upon population growth. This will make available additional federal funding opportunities for the region's transportation needs. Also, this action will establish the MPO Policy Board as the governing authority over MPO staff and establish the City of Waco as the fiscal agent only.

FISCAL IMPACT:

Amount Budgeted - NA
Line Item in Budget - NA

SUGGESTED MOTION:

I move approval of **Resolution 2024-01** in support of the redesignation of the MPO from the City of Waco to the MPO Policy Board.

ATTACHMENTS:

1. 2024-01 Resolution City of Hewitt to Support Waco MPO Redesignation

RESOLUTION NO. 2024-01

WHEREAS, the Waco Metropolitan Planning Organization ("MPO") was established to identify and support the implementation of regionally significant transportation projects to address future mobility needs of the Waco Region; and

WHEREAS, the Waco MPO Policy Board is composed of representatives appointed by the elected City Councils and Counties located within the jurisdiction of the MPO as well as the Texas Department of Transportation; and

WHEREAS, the Waco MPO Strategic Planning Work Group recommended a redesignation of the MPO from the City of Waco to the MPO Policy Board, and reassigning the sole responsibility for the hiring, firing, and oversight of the MPO director to the Waco MPO Policy Board; and

WHEREAS, at the January 19, 2023 MPO Policy Board meeting, the board unanimously passed a resolution requesting the Governor (or TxDOT, the designated entity to act on his behalf) to redesignate the Waco MPO Policy Board as the MPO, to reassign the sole responsibility for the hiring, firing, and oversight of the MPO director to the Waco MPO Policy Board, to request the City of Waco to continue to serve as the fiscal agent to the designated MPO, and to make the effective date of redesignation and the effective date of amended planning agreement to be the same.

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

That the City Council hereby: (1) supports the resolution made by the Waco MPO Policy Board; (2) requests the Governor (or TxDOT, the designated entity to act on his behalf) to redesignate the Waco MPO Policy Board as the MPO, to reassign the sole responsibility for the hiring, firing, and oversight of the MPO director to the Waco MPO Policy Board, and to make the effective date of redesignation and the effective date of amended planning agreement to be the same; (3) requests the City of Waco to continue to serve as the fiscal agent to the designated MPO; and (4) authorizes the City Manager to execute any documents in connection therewith.

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

PASSED AND APPROVED this **5th** day of **February 2024**.

CITY OF HEWITT

____
Steve Fortenberry, Mayor

ATTEST:

____
Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Michael W. Dixon, City Attorney

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: February 5, 2024

AGENDA ITEM #: 10.

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Discussion and possible action on **Ordinance No. 2024-01** ordering a Joint General Election, authorizing the City Manager to execute an Election Services Contract with the McLennan County Elections Administrator, and establishing Early Voting and Election Day Vote Centers and dates/times of operation.

STAFF RECOMMENDATION/ITEM SUMMARY:

Pursuant to the provisions of the Texas Election Code and the City Charter, Ordinance No. 2024-01 orders the Joint General Election for May 4, 2024.

The Joint General Election will be conducted for the purpose of electing Council Members for Ward 1, Place 2; Ward 2, Place 2, and Ward 3, Place 2, in conformity with the valid provisions of the Charter of the City of Hewitt and the laws of the State of Texas.

The City will contract with the McLennan County Elections Administrator to conduct the election. This contract allows the City to share election expenses with other entities. The entities will pay a pro rata share of the election cost; however, the cost for each entity may increase depending on election cancelations.

Staff recommends approval of this ordinance ordering the Joint General Election.

FISCAL IMPACT:

Amount Budgeted - $7,000.00
Line Item in Budget - 10 50210 61 00/20 50210

SUGGESTED MOTION:

I move to approve **Ordinance No. 2023-01** ordering the Joint General Election to be held on May 4, 2024; authorizing the city manager to execute the Election Services Contract with the Elections Administrator of McLennan County.

ATTACHMENTS:

1. 2024-01 ORDINANCE ORDERING A GENERAL ELECTION

ORDINANCE NO. <u>2024-01</u>

AN ORDINANCE OF THE CITY OF HEWITT, MCLENNAN COUNTY, TEXAS, ORDERING A JOINT GENERAL ELECTION TO BE HELD ON MAY 4, 2024, FOR THE PURPOSE OF ELECTING COUNCIL MEMBERS FOR WARD 1, PLACE 2; WARD 2, PLACE 2; AND WARD 3, PLACE 2; DESIGNATING POLLING LOCATIONS; ORDERING NOTICE OF ELECTION TO BE GIVEN AS PRESCRIBED BY LAW; AUTHORIZING EXECUTION OF ELECTION SERVICES CONTRACT, AND ESTABLISHING EARLY VOTING AND ELECTION DAY VOTE CENTERS AND DATES/TIMES OF OPERATION.

WHEREAS, the terms for Council Members in Ward 1, Place 2; Ward 2, Place 2; and Ward 3, Place 2; will expire May of 2024, resulting in the need to order a Joint General Election to elect one (1) person for each position in accordance with the City Charter and Election Code; and

WHEREAS, the Texas Constitution, the Texas Election Code, and the City Charter are applicable to said General Election and in order to comply with applicable laws, an ordinance is required to order the election and establish procedures consistent with the Constitution, the Code, and the Charter; and

WHEREAS, the election will be held jointly with McLennan County and other entities on May 4, 2024, to provide a convenient and cost-saving election to the voters in their respective jurisdictions;

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

<u>Section 1</u>. An election is hereby ORDERED to be held on May 4, 2024, for voting in a General Election to elect one (1) person for each position to serve the full term of two (2) years for City Council Members in Ward 1, Place 2; Ward 2, Place 2; and Ward 3, Place 2. The Election will be conducted in accordance with the Texas Election Code and the Election Services Contract by and between McLennan County and other governmental entities. The first day to file an application for place on the ballot with the City Secretary was Wednesday, January 17, 2024, at 8:00 AM, with the last day for filing being Friday, February 16, 2024, at 5:00 PM, in accordance with Election Codes Sections 143.006 and 143.007.

<u>Section 2</u>. The Mayor is hereby directed to issue the Order of General Election attached as **Exhibit "A"** as required by the Texas Election Code in the form provided by the McLennan County Election Administrator.

<u>Section 3</u>. The General Election will be administered by the McLennan County Election Administrator pursuant to a joint election agreement and a contract for Election Services. For the purpose of this election, all election officials shall be appointed and designated in accordance with the provisions of the election services contract. The Elections Administrator will serve as Early

Voting Clerk. The City Manager is hereby authorized to execute a Contract for Election Services with the McLennan County Elections Administrator.

Section 4. McLennan County will execute Joint Election Services Contract and Agreements with Bellmead, Crawford, Gholson, Hewitt, Lacy Lakeview, Lorena, Mart, McGregor, Waco, Woodway, Bosqueville ISD, Crawford ISD, La Vega ISD, Lorena ISD, Mart ISD, Midway ISD, Waco ISD, and the McLennan Central Appraisal District.

Section 5. The locations of Early Voting Sites and information on dates/hours of operations, as provided for by the Joint Election Agreement, are as follows:

EARLY VOTING SITES

McLennan County Elections Administration Office **(Main Early Voting Site)**
Records Building (Basement)
214 North 4th Street, Suite 300
Waco, TX 76701

Robinson Community Center
106 W. Lyndale Avenue
Robinson, TX 76706

Waco Multi-Purpose Community Center
1020 Elm Avenue
Waco, TX 76704

West Waco Library
5301 Bosque Boulevard
Waco, TX 76710

Hewitt City Hall/Library
200 Patriot Court
Hewitt, TX 76643

Applications for ballot by mail shall be received and processed by the McLennan County Elections Administrator, P.O. Box 2450, Waco, Texas 76703-2450. Applications for ballots must be received no later than the close of business on April 23, 2024.

Early Voting for the General Election shall begin Monday, April 22, 2024, and end Tuesday, April 30, 2024. The dates and hours designated for early voting by personal appearance at the early voting locations shall be set forth below and are also listed on the Order of General Election attached as **Exhibit "A"**:

Dates	Hours
Monday, April 22 thru Friday, April 26, 2024	8:00 AM – 5:00 PM
Saturday, April 27, 2024	7:00 AM – 7:00 PM
Sunday, April 28, 2024	1:00 PM – 6:00 PM
Monday, April 29 thru Tuesday, April 30, 2023	7:00 AM – 7:00 PM

For purposes of processing ballots cast in early voting, the election officers for the early voting ballot board for this election shall be appointed and designated in accordance with the provisions of the election services contract.

Section 6. On Election Day, the polls shall be open from 7:00 AM to 7:00 PM. Election Day Vote Centers are listed on **Exhibit "B"**.

Section 7. Voting on the date of the Election and early voting shall be by the use of a lawfully approved voting system. The preparation of the voting equipment to be used in connection with such voting system and the official ballots for the Election shall conform to the Texas Election Code ("Code"), as amended. The specific voting machines to be used shall be provided by McLennan County in accordance with the Contract for Elections Services with the McLennan County Elections Administrator.

Section 8. Notice of the elections hereby ordered shall be given in accordance with Texas state law. The City Secretary is hereby authorized and directed to publish and/or post, in the time and manner prescribed by law, all notices required to be published and/or posted in connection with the conduct of these elections.

PASSED and APPROVED this 5th day of February 2024.

CITY OF HEWITT, TEXAS

____
Steve Fortenberry, Mayor

ATTEST:

____
Lydia Lopez, City Secretary

APPROVED AS TO FORM & LEGALITY:

____
Michael W. Dixon, City Attorney

EXHIBIT "A"

ORDER OF GENERAL ELECTION
(ORDEN DE LA ELECCIÓN GENERAL)

An election is hereby ordered to be held on May 4, 2024, for voting in a General Election to elect one (1) person for each position to serve the full term of two (2) years for three (3) City Council Members (Ward 1, Place 2; Ward 2, Place 2; and Ward 3, Place 2) for the City of Hewitt.

(Por la presente se ordena que se llevará a cabo una elección el 4 de mayo de 2024, para votar en una elección general para elegir una (1) persona para que sirvan los termino completos de dos (2) años para los tres (3) miembros del ayuntamiento (distrito electoral número uno, lugar número 2; distrito electoral número 2, lugar número 2; y distrito electoral número 3, lugar número 2) para la ciudad de Hewitt.)

The execution of a Joint Election Agreement with Bellmead, Crawford, Gholson, Hewitt, Lacy Lakeview, Lorena, Mart, McGregor, Waco, Woodway, Bosqueville ISD, Crawford ISD, La Vega ISD, Lorena ISD, Mart ISD, Midway ISD, Waco ISD, and the McLennan Central Appraisal District is hereby authorized and approved.

(La ejecución de un acuerdo de elección conjunta con Bellmead, Crawford, Gholson, Hewitt, Lacy Lakeview, Lorena, Mart, McGregor, Waco, Woodway, Bosqueville ISD, Crawford ISD, La Vega ISD, Lorena ISD, Mart ISD, Midway ISD, Waco ISD y McLennan Central Appraisal District se autoriza y aprueba.)

LOCATION(S) OF POLLING PLACES
(DIRECCIÓN(ES) DE LAS CASILLAS ELECTORALES)

See attached List
(Véase la lista adjunta)

Early Voting by personal appearance will be conducted at:
(La votación adelantada en persona se llevará a cabo todos los días en:)

Early Voting Sites:
(Lugares de votación adelantada)

McLennan County Elections Administration Office (Main Early Voting Site)
Records Building (Basement)
214 North 4th Street, Suite 300
Waco, TX 76701

Robinson Community Center
106 W. Lyndale Avenue
Robinson, TX 76706

Waco Multi-Purpose Community Center
1020 Elm Avenue
Waco, TX 76704

West Waco Library
5301 Bosque Boulevard
Waco, TX 76710

Hewitt City Hall/Library
200 Patriot Court
Hewitt, TX 76643

The dates and times of Early Voting are:
(Los días y horas de votación adelantada son:)

Monday (lunes)	April 22, 2024 (22 de abril de 2024)	8:00 AM - 5:00 PM
Tuesday (martes)	April 23, 2024 (23 de abril de 2024)	8:00 AM - 5:00 PM
Wednesday (miércoles)	April 24, 2024 (24 de abril de 2024)	8:00 AM - 5:00 PM
Thursday (jueves)	April 25, 2024 (25 de abril de 2024)	8:00 AM - 5:00 PM
Friday (viernes)	April 26, 2024 (26 de abril de 2024)	8:00 AM - 5:00 PM
Saturday (sabado)	April 27, 2024 (27 de abril de 2024)	7:00 AM - 7:00 PM
Sunday (domingo)	April 28, 2024 (28 de abril de 2024)	1:00 PM - 6:00 PM
Monday (lunes)	April 29, 2024 (29 de abril de 2024)	7:00 AM - 7:00 PM
Tuesday (martes)	April 30, 2024 (30 de abril de 2024)	7:00 AM - 7:00 PM

Applications to vote by mail should be mailed to:
(Las solicitudes para poder votar por deben ser enviadas a:)

McLennan County Elections Administration
Mailing Address: P.O. Box 2450 Waco, Texas 76703-2450
Physical Address: 214 N. 4th Street, Suite 300 Waco, Texas 76701
Fax: (254) 757-5041
Phone: (254) 757-5043
ballotbymail@co.mclennan.tx.us
www.mclennanvotes.com

Applications for ballot by mail must be received no later than the close of business on April 23, 2024:
(Las solicitudes para votar por correo tendrán que ser recibidas antes del fin del día laboral el 23 de abril 2024:)

Issued this the _______day of ______________________, 2024.
(Emitada el día ________ de ________________________ 2024.)

____
Mayor, City of Hewitt
(alcalde, ciudad de Hewitt)

_________________________________ _________________________________

Signature of Councilperson (Firma del Concejal)	Signature of Councilperson (Firma del Concejal)
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Signature of Councilperson (Firma del Concejal)	Signature of Councilperson (Firma del Concejal)

EXHIBIT "B"

MAY 4, 2024 ELECTION DAY VOTE CENTERS

(4 de mayo de 2024 Centros de Voto Para el Día de las Elecciones)

Axtell ISD Administration Building	1100 Longhorn Parkway, Axtell
Baylor Hurd Welcome Center	905 S University Parks Dr, Waco
Bellmead Civic Center	3900 Parrish Street, Bellmead
Beverly Hills City Hall	3418 Memorial Drive, Beverly Hills
Bruceville-Eddy ISD Special Events Center	1 Eagle Drive, Eddy
Carver Park Baptist Church	1020 E. Herring Avenue, Waco
Cesar Chavez Middle School	700 S. 15th Street, Waco
Chalk Bluff Baptist Church	5993 Gholson Road, Waco
China Spring ISD Administration Bldg.	12166 Yankie Road, China Spring
Crawford First United Methodist	375 W. 6th Street, Crawford
Dewey Community Center	925 N. 9th Street, Waco
Elm Mott Water (McLennan County WCID 2)	314 Elm Mott Drive, Elm Mott
Fellowship Bible Church	5200 Speegleville Road, McGregor
Gholson First Baptist Church	228 Wildcat Circle, Gholson
H. G. Isbill Junior High	305 S. Van Buren Street, McGregor
Hewitt City Hall/Library	200 Patriot Court, Hewitt
La Vega ISD Administration Building	400 E. Loop 340, Bellmead
Lacy Lakeview Civic Center	505 E. Craven Avenue, Waco
Lake Shore United Methodist Church	3311 Park Lake Drive, Waco
Lorena First Baptist Church	307 E. Center Street, Lorena
Mart ISD Administration Building	1100 JL Davis Avenue, Mart
MCC Conference Center	4601 N. 19th Street, Waco
Midway ISD Information Technology Center	109 Panther Way, Hewitt
Moody First United Methodist Church	500 6th Street, Moody
Riesel ISD Urbantke Gymnasium	702 E. Frederick Street, Riesel
Robinson Community Center	106 W. Lyndale Avenue, Robinson
South Waco Community Center	2815 Speight Avenue, Waco
South Waco Library	2737 S. 18th Street, Waco
Speegleville Baptist Church	469 Speegle Road, Waco
St. Louis Activity Center (Windsor Ave. Parking)	2415 Cumberland Avenue, Waco
University High School	3201 S. New Road, Waco
Waco Convention Center	100 Washington Avenue, Waco
Waco Multi-Purpose Community Center	1020 Elm Avenue, Waco
West Community Center	200 Tokio Road, West
West Waco Library/Genealogy Center	5301 Bosque Boulevard, Waco
Woodway City Hall	922 Estates Drive, Woodway
Woodway First Baptist Church (The Venue)	110 Ritchie Road, Woodway