HEWITT
TEXAS

CITY COUNCIL MEETING AGENDA

December 5, 2016
Workshop - 5:30 PM and Regular Meeting - 7:00 PM
CITY HALL, 200 PATRIOT COURT
HEWITT, TX 76643

MAYOR AND CITY COUNCIL

Ed Passalugo – Mayor, Ward 3

Travis Bailey – Mayor Pro Tem, Ward 1

Wilbert Wachtendorf – Council Member, Ward 1

Bill Fuller – Council Member, Ward 2

James Vidrine – Council Member, Ward 2

Steve Fortenberry – Council Member, Ward 3

Alex Snider – Council Member At-Large

CITY STAFF

Adam Miles, City Manager
Charlie Buenger, City Attorney
Miles Whitney, City Engineer

Lydia Lopez, City Secretary

Lee Garcia, Finance Director

Waynette Ditto, Library Director

Tracy Lankford, Community Development Director
Tuck Saunders, Assistant Police Chief

Jim Devlin, Police Chief

Lance Bracco, Fire Chief

James Black, Public Works Director

Katie Allgood, Managing Director/Civil Service Director

HEWITT
TEXAS

NOTICE OF MEETING
OF THE GOVERNING BODY

Notice is hereby given that a **Workshop** meeting of the governing body of the City of Hewitt will be held on the **5th day of December, 2016 at 5:30 PM in Hewitt City Hall, Council Workshop Room, 200 Patriot Court**, Hewitt, Texas, at which time the following subjects will be discussed:

1. Call meeting to order.
2. City Manager's update on municipal business:
    a. Report from City Engineer
    b. Briefing and discussion concerning update on public transportation.
    c. Briefing and discussion concerning upcoming events.
        - December 9, 2016 – Employee Holiday Luncheon
        - December 10, 2016 – Christmas Tree Lighting
        - December 13, 2016 – Retirement reception Public Works Director James Black
    d. Briefing and discussion concerning Waco Metropolitan Area Regional Sewer System (WMARSS)
    e. Briefing and discussion concerning contracting with McLennan County for the City's general election.
    f. Briefing and discussion concerning Public Safety operations – Police & Fire.
3. Review regular meeting agenda items.
4. Convene Executive Session pursuant to the Open Meetings Act, Chapter 551, Texas Government Code to discuss the following:
    - **Pursuant to §551.072 – Purchase, Exchange, Lease, or Value of Real Property.**
    - **Pursuant to §551.087 - Deliberation regarding Economic Development Negotiations.**
5. Close Executive Session.
6. Adjourn.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the City of Hewitt, Texas was posted on the Public Notice Board located in front of City Hall at 3:30 AM/PM on December 2, 2016.

CITY OF HEWITT

Lydia Lopez

Lydia Lopez, TRMC
City Secretary

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print or Braille, are requested to contact the Hewitt City Secretary at (254) 666-6171 at least 24 hours prior to the meeting, so that appropriate arrangements can be made.

HEWITT TEXAS

NOTICE OF MEETING OF THE GOVERNING BODY

Notice is hereby given that a **Regular** meeting of the governing body of the City of Hewitt will be held on the **5th day of December, 2016 at 7:00 PM in the City Council Chambers at Hewitt City Hall, 200 Patriot Court**, Hewitt, Texas, at which time the following subjects will be discussed:

1. Call meeting to order.
2. Pledge of Allegiance to the U.S. Flag
3. Presentation of Police Officer Martina Sims.
4. Consider approval of minutes of the City Council Workshop/Regular Meeting of November 7, 2016 and Special Called Meeting of November 17, 2016.
5. Hear visitors on matters pertaining to city business. *Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda.*
6. Public hearing on storm water mitigation.
7. Consider reappointments to the Library Board of Directors and the Parks & Beautification Committee.
8. Consideration and action on appointment of Municipal Court Judge.
9. Consider and take appropriate action concerning the Publicity and Tourism Agreement between the City of Hewitt and the Greater Hewitt Chamber of Commerce.
10. Consideration and action on the appointment of an audit firm for the fiscal year ending September 30, 2017 through September 20, 2019 with the option of auditing city's financial statements for the next two subsequent fiscal years.
11. Consideration and action on a resolution approving financing terms with BB&T at 1.58% for four (4) years for approved capital equipment.
12. Consideration and action on a resolution amending the City of Hewitt's Investment Policy.
13. Consideration and action on a resolution amending the City of Hewitt's Purchasing Policy.
14. Consideration and action on an ordinance amending Chapter 2 Administration, Article VI. – Finance, Section 2.301-Purchase Procedure.
15. Adjourn.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the City of Hewitt, Texas was posted on the Public Notice Board located in front of City Hall at 3:30 AM/PM on December 2, 2016.

CITY OF HEWITT

Lydia Lopez

Lydia Lopez, TRMC
City Secretary

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print or Braille, are requested to contact the Hewitt City Secretary at (254) 666-6171 at least 24 hours prior to the meeting, so that appropriate arrangements can be made.

COUNCIL WORKSHOP AGENDA ITEM #2.a

HEWITT TEXAS

CITY ENGINEER'S REPORT
December 1, 2016

2014 Bond Projects:

First Street Mill and Overlay / Chapman Rd.

Storm sewer installation is complete. The contractors next step is to begin rough cutting the street and begin mixing lime, for sub-grade stabilization.

2015 Bond Projects:

Lift Station No. 5 Removal

The City has met with and discussed the possibility of acquiring utility easements.

IH – 35 Waterline

- Phase 1; Industrial south side of Castleman Creek
  - Materials have ben order and the City has been taking deliveries.
- Phase 2; Sun Valley to Flat Rock Trailers
  - A work order for topography and easement staking has been issued, awaiting information from the surveyors.
- Phase 3; South side of Castleman Creek to Glenleigh Dr.
  - Easement investigations continue.

Lift Station No. 4; Gravity Line Extension

Plans are completed, awaiting discussions with one property owner to be completed.

2016 Slurry Seal:

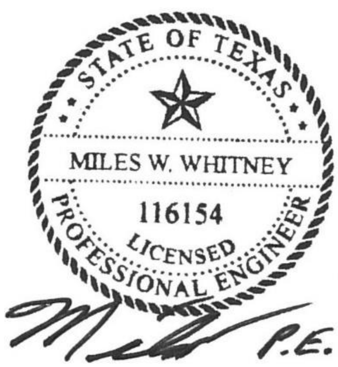
Will complete the plans and have them ready for bid for the late spring early summer of 2017

Drainage

Park Meadows plans have been completed and have been sent to Oncor, Grande Communications, and AT&T for their review to see if they have any infrastructure in conflict. The City has met with one of the property owners and will be meeting with the other shortly.

I regard to the Lindenwood area, the City has contacted the potential developers upstream from this area and have requested the proposed lot layouts and drainage improvements from them, as that information become available. In regards to the potential storm water detention pond, I have been in discussions with the City of Waco's study consultant to obtain some of their preliminary study information. I will be checking back with them as they finalize their study, to potentially utilize their study info to see if the storm water detention pond is a feasible option.

By:



Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.

HEWITT TEXAS

COUNCIL WORKSHOP AGENDA ITEM #2.e

HEWITT
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MEMORANDUM

FROM

LYDIA LOPEZ, TRMC
CITY SECRETARY

DATE: December 1, 2016

TO: Mayor and Council

THRU: Adam Miles, City Manager

SUBJECT: City General Election – May 6, 2017

Over the past several years, McLennan County registered voters have experienced the use of voting centers for both primary and general elections at the local, state, and federal level. Vote centers allow a voter to cast a ballot at any one of the voting centers established for a particular election, regardless of an individual's residential address. For example, voters may utilize a vote center by casting their ballot for a city, school, county, and even presidential elections at a location near their place of employment.

Midway ISD Superintendent Dr. George Kazanas arranged a meeting with Hewitt and Woodway on October 11, 2016 to discuss the possibility of contracting with McLennan County in the conduct of the 2017 city/school elections. State law require the school districts to have a joint election with a municipality. Kathy Van Wolfe, McLennan County Elections Administrator, has been encouraging cities and school districts to contract with the County for the administration of the election process. The more entities who contract with the County, the lower the cost per entity.

Ms. Van Wolfe has stated that she is considering placing an early voting center in city hall for early voting as Brazos Meadows will no longer be an early voting center. Contracts are negotiated on a yearly basis; therefore, if this process does not work, the city can always revert back to our previous election process. The main premise is to make voting convenient for registered voters.

City Secretary's Office

200 Patriot Court *Hewitt, TX 76643* *254-296-5602 (phone)* *254-666-6014 (fax)*
citysecretary@cityofhewitt.com (email)

COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 3

SUBMITTED BY: Jim Devlin, Police Chief

ITEM DESCRIPTION:

Presentation of Police Officer Martina Sims.

STAFF RECOMMENDATION/ITEM SUMMARY:

Martina Sims graduated from the McLennan Community College Law Enforcement Academy on November 30, 2016. Mayor Passalugo will administer the ceremonial oath of office.

ATTACHMENTS:

None

HEWITT
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COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 4

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider approval of minutes of the City Council Workshop/Regular Meeting of November 7, 2016 and Special Called Meeting of November 17, 2016.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached are draft copies of the meeting minutes. Please review and advise if any corrections are needed.

ATTACHMENTS:

Draft minutes

HEWITT
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MINUTES OF A CITY COUNCIL
WORKSHOP/REGULAR MEETING
HEWITT CITY HALL – 200 PATRIOT COURT
November 7, 2016 - 5:30/7:00 PM

Members present: Mayor Ed Passalugo (presiding), Mayor Pro Tem Travis Bailey, Council Members Wilbert "Walky" Wachtendorf, Bill Fuller, Alex Snider, and Steve Fortenberry

Members absent: Council Member James Vidrine

Staff present: City Attorney Charlie Buenger, City Engineer Miles Whitney, City Manager Adam Miles, Police Chief Jim Devlin, Library Director Waynette Ditto, Community Development Director Tracy Lankford, and City Secretary Lydia Lopez

Staff absent: Fire Chief Lance Bracco, Assistant Police Chief Tuck Saunders, Finance Director Lee Garcia, Public Works Director James Black, and Managing Director of Administration/Civil Service Director Katie Allgood,

Workshop – 5:30 PM

1. Mayor Ed Passalugo called the meeting to order at 5:30 PM.
2. City Manager presented an update on municipal business:
   a. Report from City Engineer
   b. Briefing and discussion concerning the use of video camera technology in sewer line inspection.
   c. Briefing and discussion concerning update to park regulations.(Not Held)
   d. Briefing and discussion concerning proposals for financial auditing services.
   e. Briefing and discussion concerning Public Safety operations – Police & Fire.
3. The regular meeting agenda items were reviewed.

NOTE: The Executive Session was held after the Joint Workshop with the Greater Hewitt Chamber of Commerce.

4. *A motion was made by Council Member Alex Snider to* convene the Executive Session at 6:42 PM pursuant to the Open Meetings Act, Chapter 551, Texas Government Code to discuss the following:
   - **Pursuant to §551.071 – Attorney Briefing: Agreement for the Sale and Delivery of Treated Water by the City of Waco with the City of Hewitt**
   - **Pursuant to §551.072 – Purchase, Exchange, Lease, or Value of Real Property.**
   - **Pursuant to §551.087 - Deliberation regarding Economic Development Negotiations.**
5. Close Executive Session. *A motion was made by Council Member Alex Snider and seconded by Council Member Bill Fuller to closed the Executive Session and adjourn the Workshop at 6:59 PM, all six in favor, motion passed.*

**JOINT WORKSHOP MEETING OF THE HEWITT CITY COUNCIL
AND THE
GREATER HEWITT CHAMBER OF COMMERCE
6:00 PM**

1. Mayor Ed Passalugo called the Joint Workshop Meeting to order.
2. Presentation by Greater Hewitt Chamber of Commerce. Executive Director Alissa Cady, PR Coordinator Laura Beaty, President Jeff Stubbs, Past President Frank Thomas presented a PowerPoint highlighting the Chamber's accomplishments for 2016 and goals for 2017.

REGULAR MEETING – 7:00 PM

1. **CALL TO ORDER.** Mayor Passalugo called the meeting to order at 7:00 PM.

2. **PLEDGE OF ALLEGIANCE TO THE U.S. FLAG** – Mayor Passalugo invited McKenzie Clafferty, member of Girl Scout Troop #7081, to lead the Pledge of Allegiance.

3. **CONSIDER APPROVAL OF MINUTES OF THE CITY COUNCIL WORKSHOP/REGULAR MEETING OF OCTOBER 17, 2016.** *A motion was made by Council Member Bill Fuller and seconded by Mayor Pro Tem Travis Bailey to approve the minutes as submitted but allow for corrections; all six in favor, motion passed.*

4. **HEAR VISITORS ON MATTERS PERTAINING TO CITY BUSINESS.** *Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda.* **NONE**

5. **CONSIDER AWARD OF 2016 – LISA DRIVE STREET REPAIR PROJECT TO H&B CONTRACTORS IN THE TOTAL AMOUNT OF $26,720.** *A motion was made by Council Member Bill Fuller and seconded by Mayor Pro Tem Travis Bailey to approve, all six in favor, motion passed.*

6. **ADJOURN.** *A motion was made by Mayor Pro Tem Travis Bailey and seconded by Council Member Bill Fuller to adjourn the meeting at 7:06 PM, all seven in favor, motion passed.*

Approved: December 7, 2016

Lydia Lopez, City Secretary

Ed Passalugo, Mayor

HEWITT TEXAS

MINUTES OF A CITY COUNCIL
SPECIAL CALLED MEETING
HEWITT CITY HALL – 200 Patriot Court
November 17, 2016 – 5:00 PM

Members Present: Mayor Ed Passalugo (presiding); Mayor Pro Tem Travis Bailey; Council Members: Bill Fuller, James Vidrine, and Steve Fortenberry

Members Absent: Council Members Alex Snider and Wilbert "Walky" Wachtendorf

Staff Present: City Manager Adam Miles and City Secretary Lydia Lopez

Special Called Meeting – 5:00 PM

1. Mayor Ed Passalugo called the meeting to order at 5:00 PM.
2. *A motion was made by Council Member Bill Fuller and seconded by Mayor Pro Tem Travis Bailey to* convene Executive Session at 5:01 PM pursuant to the Open Meetings Act, Chapter 551, Texas Government Code to discuss the following:
   - **Pursuant to §551.072 – Purchase, Exchange, Lease, or Value of Real Property.**
3. Close Executive Session. *A motion was made by Mayor Pro Tem Travis Bailey and seconded by Council Member Steve Fortenberry to close Executive Session at 5:06 PM.*
4. Authorize City Manager to negotiate and execute an agreement for the sale of property located at 399 Ritchie Road, Hewitt, TX. *A motion was made by Mayor Pro Tem Travis Bailey and seconded by Council Member James Vidrine to authorize the City Manager to negotiate and execute an agreement for the sale of property located at 399 Ritchie Road; all five in favor, motion passed.*
5. Adjourn. *A motion was made by Council Member Bill Fuller and seconded by Mayor Pro Tem Travis Bailey to adjourn the meeting at 5:08 PM.*

Approved: December 5, 2016

Lydia Lopez, City Secretary

Ed Passalugo, Mayor

HEWITT TEXAS

ITEM #5 – HEARING OF VISITORS

PROCEDURES FOR CITIZEN PARTICIPATION AT MEETINGS

1. Citizens are encouraged to discuss matters of concern with the staff and individual council members prior to placing items on the agenda. This will allow the matter to be properly investigated before it is presented to the entire council and will often expedite a resolution.

   NO CITIZEN OR STAFF MEMBER MAY SPEAK OR OTHERWISE INTERRUPT ANY MEETING UNTIL RECOGNIZED BY THE PRESIDING OFFICER.

2. To maintain decorum at public hearings, the mayor will ask citizens in attendance if they wish to speak for or against the item on the agenda. If so, they will be given an opportunity to speak at the proper time and when recognized by the chair. If more than five citizens wish to address the council on any single agenda item, those citizens are advised to select a spokesperson to present their case.

   Only under the agenda item "Hear Visitors" are citizens permitted to speak regarding matters that pertain to city business or address an item on the agenda. **The council is prohibited by law from discussing or acting on any item that has not been posted on the agenda.**

3. Individual citizens that discuss items not listed on the agenda shall be limited to **five minutes**. If five or more citizens wish to discuss a single item or topic that is not listed on the agenda, then the total presentation will be limited to a maximum of twenty-five minutes. City council members shall **not** enter into discussion on any subject that has not been properly placed on the agenda; however, council members may ask questions for clarification purposes.

4. As a general rule, citizens may not participate or address the council or staff during the workshop session.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 6

SUBMITTED BY: Katie Allgood, Managing Director of Administration

ITEM DESCRIPTION:

Public Hearing on Storm Water Mitigation.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City is required by the Texas Commission on Environmental Quality (TCEQ) to hold annual public hearings regarding Storm Water Mitigation as part of our Storm Water Management Plan.

ATTACHMENTS:

None

HEWITT
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COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 7

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider reappointments to the Library Board of Directors and the Parks & Beautification Committee.

STAFF RECOMMENDATION/ITEM SUMMARY:

Beth Oakley, Eric Ames, and Lydia Dashner have terms that expire this month on the Library Board of Directors. All have agreed to serve another term. These members are in good standing and staff recommends approval of this item.

Mary Anna Roch's term expires this month as well; however, she will not be serving another term. Council will have to consider an appointment for that vacancy in January 2017.

Ray Manzo, Veronica Molina, Lloyd and Ruth Coffman have terms that expire this month. All have agreed to serve another term. These members are in good standing and staff recommends approval of this item.

ATTACHMENTS:

None

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 8

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider appointment of Municipal Court Judge.

STAFF RECOMMENDATION/ITEM SUMMARY:

Per the City Charter the Municipal Court Judge must be appointed each year. Dan Francis has agreed to serve if reappointed. Dan has been our Judge for many years; he does an excellent job and has a great working relationship with our Court personnel.

Staff recommends approval of his appointment.

ATTACHMENTS:

None

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 9

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider and take appropriate action concerning the Publicity and Tourism Agreement between the City of Hewitt and the Greater Hewitt Chamber of Commerce.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City and Chamber have had a longstanding formalized relationship based on this agreement. This agreement is reviewed annually and adjusted as needed. The primary funding source of the Greater Hewitt Chamber of Commerce from the City of Hewitt is from the Hotel Occupancy Tax. These funds are set aside and must to be used for specified purposes related to promoting Hewitt and attracting visitors to our City and our Hotels (Sleep Inn and Ramada). Our agreement is based on the Chamber's expenses related to promoting Hewitt which are enumerated within the agreement.

For a variety of reasons, the Chamber is requesting consideration to increase the monthly funding amount from $2,000 to $2,500. For an annual increase of $6,000. This is the first request for additional funding in the past eight (8) years. In this time, the Chamber's membership has more than doubled and their programs and benefits to members have increased as well. The requested amount and subsequent value offered back to the City reflects the Chamber's continued commitment to the City to provide multiple forms of publicity and various promotional services for the City. If approved, the agreement will be in effect through December 31, 2018.

ATTACHMENTS:

Draft agreement and supporting documentation

Publicity and Tourism Agreement Between the City of Hewitt, Texas and

The Greater Hewitt Chamber of Commerce

This Agreement is made and effective on the _______Day of December 2016 by and between the City of Hewitt, Texas ("City") and the Greater Hewitt Chamber of Commerce ("Chamber").

I.

The City of Hewitt, Texas, by authority of powers granted to it under the state statues and its Home-Rule Charter has heretofore enacted a local hotel occupancy tax on occupants of hotels within the City of Hewitt.

II.

The revenue generated by the hotel occupancy tax within the city generally may be expended on endeavors that promote tourism and the convention and hotel industry (See: Texas Tax Code, Chapter 351 et. Seq.). In furtherance of these statutory requirements and the City's obligations concerning use of municipal hotel occupancy tax funds for attracting and promoting tourism and the convention and hotel industry and in consideration for the Chamber advertising and promoting tourism for the visitor market from which the City derives direct tourist income benefit, the City hereby agrees to pay the Chamber an annual sum of $30,000 at a rate of $2,500 per month, payable the first of each month during the term of this agreement. The term of this Agreement is effective January 1, 2017 thru December 31, 2018.
The Chamber agrees that any local hotel occupancy tax funds paid into it by the City shall be used for purposes prescribed by State Statute which generally includes expenditures on items which promote tourism and the convention and hotel industry and are tied to the following:
(1) Convention center facilities and visitor information centers.
(2) Furnishing of facilities, personnel and materials for the registration of convention delegates.
(3) Advertising, conducting solicitations, and promotional activities which attract tourists and convention delegates.
(4) Advertising, conducting solicitations, and promotion of the arts; historical restoration and preservation projects or museums.
(5) Related administrative costs
The Chamber agrees to conduct a continuing program of advertising and promotion for the purpose of attracting visitors, tourists, and conventions to the local area and to the City of Hewitt by publishing and distributing brochures, community information packets, maps, by advertising in various tourists publications and general media publications which are appropriate, by representing the City at promotional events, by participating with state and regional agencies in tourist and visitor development programs to benefit the local area and to the City of Hewitt, and by using all appropriate means to increase the traveling public's awareness of the resort and recreational advantages of the local area and the City of Hewitt.
The Chamber of Commerce further agrees that it will seek to achieve economic benefit for the City of Hewitt through all of such activities, that it will provide tourist-related information about

the City of Hewitt upon request, and that it will serve as an advisory body to the City, on request, in matters related to expanding tourist and visitor derived economy.

III.

It is expressly understood and agreed by and between the parties that the Chamber is engaged as an independent contractor and is not an officer, agent, or employee of the City.

IV.

The Chamber hereby agrees that the Municipal Hotel Occupancy Tax shall utilize all funds in accordance with the General Promotional Program attached as Exhibit “A” incorporated and herein made part of this agreement. The City agrees that the expenditures made by the Chamber pursuant to the General Promotional Program attached as Exhibit “A” comply with the applicable Texas Tax Code provisions regarding the use of hotel occupancy tax funds.
The Chamber agrees to conduct activities in accordance with this agreement and applicable State Statute and shall maintain and make available to the City complete and accurate financial records of each expenditure of hotel occupancy tax. The Texas Tax Code authorizes the expenditure of hotel occupancy tax proceeds for the following administrative costs: day-to-day operations, supplies, salaries, office rental, travel expenses, and “other administrative costs only if” costs are incurred directly in the promotion and servicing of expenditures authorized under section 351.101 (a) of the Texas Tax Code.

V.

In furtherance of these purposes the City hereby authorizes the Chamber to utilize the Historic Hewitt Depot (“Depot”) building and associated real property, located at 101 Third Street, Hewitt, Texas 76643.
The Chamber of Commerce shall secure sufficient numbers of employees to accomplish this Agreement. The Chamber of Commerce shall generally operate and be open to the public on a full-time basis during normal business hours during the term of this agreement.
The Chamber will operate Hewitt’s Historic Depot Building as a Visitor Information Center, Chamber office, and public museum on a regular full time basis and will generally operate during accepted business hours.

VI.

The Chamber shall not pay rent or any fee for use of the Depot. The Chamber will pay for operation and routine maintenance and lawn care of the Depot and grounds.
Chamber shall pay all charges for water, sewer, telephone and other services and utilities used by Chamber at the Depot during the term of this agreement unless otherwise expressly agreed in writing by City. Chamber shall pay such amounts within fifteen (15) days of invoice. The City will pay electricity costs. The City agrees that the expenditures made by the Chamber pursuant to this paragraph comply with the applicable Texas Tax Code provisions regarding the use of hotel occupancy tax funds. Chamber acknowledges that the Depot is designed to provide standard office use electrical facilities and standard office lighting. Chamber shall not use any equipment or devices that utilize excessive electrical energy or which may, in City's reasonable opinion, overload the wiring. City shall have the right to enter upon the Depot Premises at

reasonable hours to inspect and maintain the same, provided City shall not thereby unreasonably interfere with Chamber's business in the Depot. Chamber shall have the right to reorganize and place office furniture into the Depot. The current decorations and railroad memorabilia shall not be removed from the Depot without the written consent of City. Decorations and memorabilia that are affixed to any wall shall not be moved without the written consent of City. Chamber shall not have the right to remodel or make additions to the Depot without the written consent of City. Chamber shall be responsible for the repair of any damages caused by any alterations that it makes to the Depot.

To the extent not covered by any policy of insurance maintained by City upon the Depot, the Chamber shall be liable for repair of any damages caused by the Chamber to Depot during the term of this agreement. During the term of this agreement, and to the extent not covered by any policy of insurance maintained by City upon the Depot, Chamber shall provide and make, at Chamber's expense, all necessary maintenance and repairs to the Depot and the Depot premises. Chamber shall keep and maintain such items as floors, walls, ceilings, toilets, sinks, landscaping and other parts of the Depot and Depot premises damaged or worn through normal occupancy, except major mechanical, electrical, plumbing systems or the roof, subject to the obligations of the parties otherwise set forth in this agreement.

The Chamber shall not have the right to assign this agreement to a corporation with which Chamber may merge or consolidate, to any subsidiary of Chamber, to any corporation under common control with Chamber, or to a purchaser of substantially all of Chamber's assets. Chamber shall not sublease all or any part of the Depot or property, or assign this agreement in whole or in part.

VII.

To the extent not covered by any policy of insurance maintained by City upon the Depot, should the Depot premises or any other part of the Depot is damaged by fire or other casualty that prevents Chamber from using the Depot, City shall have no responsibility to provide compensation for Chamber property or for another facility for the Chamber office.

If the Depot premises are damaged by fire or other casualty resulting from any act or negligence of Chamber or any of Chamber's agents, employees or invitees Chamber shall be responsible for the costs of repair not covered by insurance.

City shall maintain fire and extended coverage insurance on the Depot and the Depot premises in such amount as City shall deem appropriate. Chamber shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property located in the Depot. City shall not provide insurance coverage for any of the Chamber's personal property.

Chamber shall secure and carry at its own expense a general liability policy insuring Chamber and City against any claims based on bodily injury (including death) or property damage arising from the condition of the Depot premises or their use by Chamber, such policy to insure Chamber and City against any claim up to $500,000 for bodily injury, property damage or combination thereof. This insurance shall be primary to and not contributory with any insurance carried by City, whose insurance shall be considered excess. City shall be included in such policy as additional insured. Chamber shall provide City with current Certificates of Insurance evidencing Chamber's compliance with this Paragraph within fifteen (15) days of the effective date of this agreement. Chamber shall obtain the agreement of Chamber's insurers to notify City that a policy is due to expire at least ten (10) days prior to such expiration.

VIII.

Any notice required or permitted under this agreement shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to City to:
City of Hewitt
Attn: City Manager
P.O. 610
Hewitt, TX 76643

If to Chamber to:
Greater Hewitt Chamber of Commerce
Attn: Executive Director
P.O. Box 661
Hewitt, TX 76643

City and Chamber shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

IX.

No waiver of any default of City or Chamber hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by City or Chamber shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

The provisions of this agreement shall extend to and be binding upon City and Chamber and their respective legal representatives, successors and assigns.

City shall not unreasonably withhold or delay its consent with respect to any matter for which City consent is required or desirable under this agreement.

This agreement terminates supersedes all prior understanding or agreements on the subject matter hereof. This agreement may be modified only by a further writing that is duly executed by both parties.

Chamber shall not have the right to renew this agreement for any term without the written consent of City. City may extend the term of this agreement for an additional twelve (12) month period with the written consent of Chamber. Attachment “A” is subject to change provided that any such change is agreed upon in writing by Chamber and City. Chamber’s inability to provide services under this agreement for reasons outside of its control; including but not limited to termination of an event due to bad weather conditions, acts of God, or prospective financial loss, shall not void the agreement. Rather, Chamber shall replace City’s promotion by alternate method agreeable to Chamber and City. The next review of this Agreement shall take place by the 1st day of September 2018 and renewal of this Agreement shall take place by the 1st day of January 2019.

This agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Texas.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

For the City

____

Adam Miles, City Manager

____

DATE

For the Chamber

____

Alissa Cady, Executive Director

____

DATE

ATTEST:

____

Attachment "A" January 1, 2017 through December 31, 2018
General Promotional Program Agreement

The municipal hotel occupancy tax funds are intended to be used for purposes prescribed by State Statute which generally includes expenditures on items which promote tourism and the convention and hotel industry. Within these guidelines the following is a general description of the mutually agreed promotional program.

To ensure these objectives are accomplished, the City Manager, including elected and appointed officials, as well as all Departments of the City shall be deemed a full member of the Chamber and hereby entitled to all related benefits full membership confers.

The Chamber will continue to operate Hewitt's Historic Depot Building as a Visitor Information Center, Chamber office, and public museum on a regular full time basis and will generally operate during accepted business hours. The Chamber will continue distribution of visitor information packets and promotional material regarding Hewitt as a tourist destination. Attachment "A" January 1, 2017 through December 31, 2018 and Chamber Staff support detail totals an annual investment value of $30,000. The total sum reflects an update of services provided to the City of Hewitt by the Greater Hewitt Chamber of Commerce, which was confirmed on December ______, 2016 by City Manager, Adam Miles and Executive Director, Alissa Cady. The City will fund the chamber $2,500 on the first of each month for the months of January 2017 through December 2018. The City of Hewitt will be locked in to 2017 service rates thru Dec. 31, 2018.

The Chamber will continue to provide sponsorships on Hewittchamber.com:

- Sponsorship square tile for both hotels in Hewitt and Interactive Map of Hewitt, TX
- City of Hewitt square tile
- Link to Library and link to City websites
- Exclusive Page for Hewitt's Concert
- Exclusive Page for National Night Out
- Exclusive Library Page
- Exclusive Dog Days Page
- Exclusive Ad on homepage of Chamber app (launched May 2016)
- Exclusive Christmas Tree Lighting Page

The City will receive a total of 10 pages in both 2017 and 2018 to promote Hewitt's hotels and city-related content in the Winter, Spring, Summer and Fall Chamber Hewitt Express Quarterly Magazines.

The Chamber will provide 10 pages of city-related content in the 2017 and 2018 Award-Winning Community Guide & Membership Directory, including Hewitt's two hotels in the centerfold.

The City will receive logo recognition on all business luncheon art and promotions in both 2017 and 2018 (12 events annually).

Exclusive page for "Why Invest in Hewitt" to promote growth and statistics – facts pulled from wacoprospector.com in both 2017 and 2018.

The City will receive logo recognition on the "New Resident Welcome Bags", distribution of 1,500 in 2017 and in 2018.

The Chamber will continue to provide sponsorships in the weekly e-Bulletin through December 2018:

- Sponsorship square for each hotel and city on weekly e-mail linked to hotel websites
- All City events and promotions included in e-bulletin on regular basis

- City Events and e-Blasts January 1, 2017 thru December 31, 2018 (up to 14 each year)

The Chamber will continue to coordinate a “State of the City Business Luncheon” in the month of September, exclusively sponsored by the City of Hewitt, including eight seats to be provided for the City in 2017 and 2018 and a postcard invitation mail out to the membership.

The City of Hewitt will be designated as “Car Show Sponsor” at the Nacho Daddy’s Color Run, Car Show & Tex-Mex Fest and receive all associated benefits.

The City of Hewitt will be designated as “Title Sponsor” at the Greater Hewitt Chamber’s Express Classic and receive all associated benefits.

The City of Hewitt will continue to receive one complimentary table of 8 to the annual membership banquet in addition to the 8 seats listed in attachment (total of 16 seats).

The City of Hewitt will be designated as Creekside’s Spooktacular at Warren Park Presenting Sponsor and receive all associated benefits.

The Chamber will continue to establish regional partnerships outside of the greater Hewitt area to attract visitors. The chamber will continue to actively utilize social media in addition to mailing our publications to several tourist centers and visitors bureaus throughout the state of Texas.

The Chamber, upon approval, will continue to assist in planning a promotional program for outside advertisement (third-party media) and promotion of Hewitt to visitors and tourism industry with the City of Hewitt Manager.

The City of Hewitt is entitled to:

- 24 total seats annually Greater Hewitt Chamber Business Networking Luncheons, Workshop Series Events, Building Business Luncheons, and Breakfast Events that are scheduled for January 1, 2017 through December 31, 2018.
- The Chamber will designate City of Hewitt as a Lead Explosion sponsor (including one dinner) in 2017 and 2018
- The City will receive one additional seat to Lead Explosion (two total) in 2017 and 2018
- Representatives in excess of the 24 seats provided in both 2017 and 2018 shall pay normal fees associated with events. Normal fees for breakfasts and luncheons are $12 for members, $16 for first-time visitors and $25 for returning visitors. The Greater Hewitt Chamber and Women of Waco annual Lead Explosion (dinner forum) normal fee is $45/members. The Chamber is to be notified to reserve space for attendees.

The City will receive 24 months of home page ads on the Chamber’s new app January 2017 thru December 2018 (artwork to be provided by City of Hewitt and may be updated throughout the year).

The City of Hewitt will be named as “supporting sponsor” for all chamber luncheons and will receive both logo and speaking recognition before the program in both 2017 and 2018.

The City of Hewitt will receive two featured luncheon sponsorship opportunities, including an opportunity to speak to the business members and place promotional products at place settings in both 2017 and 2018.

The Chamber will continue to assist the City of Hewitt by providing volunteers, promotions and coordination support for Dog Days, Citizen’s Police Academy, Hewitt’s Concert, National Night Out and Christmas Treelighting.

If the Chamber provides promotional items for National Night Out, The City will receive logo recognition on chamber-selected items.

The Chamber will continue to assist in producing a rack card promoting the City of Hewitt amenities and events with a minimum of distribution 5,000 to city preferred TxDot Centers. The Chamber and City will design and approve final product to be distributed throughout regional partnerships and visitor centers along the I-35. Expenses up to $1,000 will be billed to the City of Hewitt in both 2017 and 2018.

The Chamber will continue to assist in the solicitation of sponsorships and volunteers for The Hewitt Public Library Dog Days, Hewitt Concert, National Night Out and Annual Christmas Tree Lighting. The Chamber will continue to promote sponsorship opportunities and maintain event pages on HewittChamber.com in both 2017 and 2018.

The Chamber and City of Hewitt will continue to split investments recruited by the Greater Hewitt Chamber for Hewitt's Dog Days, Hewitt's Concert and Annual Christmas Tree Lighting by offering opportunities through an annual sponsorship contract in addition to the event pages on Hewittchamber.com in both 2017 and 2018.

Billboards:
The City of Hewitt and Greater Hewitt Chamber may partner to coordinate an annual Hewitt Event Billboard production. The Greater Hewitt will continue to partner with the City of Hewitt in 2017 and 2018 if requested (up to $4,000 annual contribution).

Additional services will be billed as rendered and all services provided by Greater Hewitt Chamber may be requested by e-mailing Alissa@hewittchamber.com.

Hours listed below reflect the total Chamber Staff City Support Increase from 2015 to 2016 ($3,127):

(25) Dog Days: Promotions, sponsorships organization, meetings, layout, vendors, day of assist.
(25) Chamber App: Promotes Community, Membership, City, Hewitt's hotels and businesses
(16) Concert Series: Sponsorships, Promotions, Volunteer recruitment
(12) Community Guide Distribution highlighting amenities, schools, safety and services
(12) Communications with businesses, residents (current and prospective) and visitors
(12) Rack Card: research, design, production and regional mail outs
(5) Hewitt Map refresh: Directory page 58 and online in community tab
(5) Billboards: Meetings, design, production carry-out
(3) Movie Nights: Promotion only on Social Media, Community Calendars and Hewittchamber.com

Total Hourly Increase: 137.5

Miscellaneous Statistics:

Monthly website page views have increased by 50% and impressions average over 5,000/month
2016 Community Guide earned first place in the Texas Chamber of Commerce media contest
Greater Hewitt Chamber represents approximately 18,500 jobs in the greater Hewitt area
Greater Hewitt Chamber provided 4 workshops and 6 business education programs in 2016

GREATER HEWITT CHAMBER ANNUAL INVESTMENT CONTRACT

PRINT: HEWITT EXPRESS MAGAZINE • 3000 QUARTERLY DISTRIBUTION	Rate	Qty	Tot
Business Card sponsorship	$ 118.00		$ -
1/4 Pg sponsorship	$ 231.00		$ -
Ask the Experts	$ 231.00		$ -
Banner Ad (Community Spotlights, Events Calendar, Feature)	$ 280.00		$ -
1/2 page sponsorship	$ 317.00		$ -
Full page sponsorship	$ 430.00	10	$ 4,300.00
Inside Front Cover	$ 484.00		$ -
Inside Back Cover *New	$ 484.00		$ -
Back cover sponsorship	$ 548.00		$ -
Featured sponsorship (Cover name rec. and two pg spread)	$ 747.00		$ -
PRINT: COMMUNITY GUIDE & BUSINESS DIRECTORY • 3000 ANNUAL DISTRIBUTION	**17 Rate**	**Qty**	**Tot**
Business card sponsorship	$ 220.00		$ -
1/4 Pg sponsorship	$ 290.00		$ -
Banner Ad (Community Spotlights, Events Calendar, Feature)	$ 306.00		$ -
1/2 Pg sponsorship	$ 376.00		$ -
Full pg sponsorship w/ bleed	$ 543.00	10	$ 5,430.00
Inside Front Cover	$ 688.00		$ -
Inside Back Cover	$ 688.00		$ -
Outside Back Cover	$ 801.00		$ -
CHAMBER SPECIAL EVENT: ANNUAL BANQUET • 1.26.17	**Rate**	**Qty**	**Tot**
Diamond	$ 1,500.00		$ -
Platinum	$ 900.00		$ -
Gold	$ 600.00		$ -
Scholarship Recipients	$ 500.00		$ -
Silver	$ 350.00		$ -
Bronze	$ 200.00		$ -
Tables of 8	$ 430.00	1	$ 430.00
Ticket/Each	$ 55.00		$ -
CHAMBER SPECIAL EVENT: NACHO DADDY'S CAR SHOW, COLOR RUN & TEX-MEX FEST • 5.6.17	**Rate**	**Qty**	**Tot**
Presenting Sponsor	$ 3,500.00		$ -
Car Show Sponsorship - 2 Available	$ 1,500.00	1	$ 1,500.00
Entertainment Sponsor - 1 Available	$ 1,000.00		$ -
Tote Bag Sponsor - 1 Available	$ 850.00		$ -
Volunteer T-Shirt Sponsor - 1 Available	$ 600.00		$ -
Washers Tournament Sponsor - 1 Available	$ 600.00		$ -
Dominoes Tournament Sponsor - 1 Available	$ 550.00		$ -
Koozie Sponsor - 1 Available	$ 550.00		$ -
Fun Run Course Patrol Sponsor - 1 Available	$ 300.00		$ -
Water Station - 2 Available	$ 250.00		$ -
First Aid / Info Station Sponsor - 1 Available	$ 150.00		$ -

Bounce House Sponsor - 2 Available	$	150.00		$ -
Kids Zone Activity Sponsor - 8 Available	$	85.00		$ -
Non-member Vendor Space	$	65.00		$ -
Member Vendor Space	$	40.00		$ -
Car Show Registration	$	30.00		$ -
Fun Run Registration	$	25.00		$ -
Washers Tournament Entry ($15/player)	$	15.00		$ -
Dominoes Tournament Entry ($10/player)	$	10.00		$ -
CHAMBER LEAD EXPLOSION • WOMEN OF WACO PARTNERSHIP • JUNE		**Rate**	**Qty**	**Tot**
Lead Explosion Event Dinner	$	45.00	1	$ 45.00
Lead Explosion Sponsorship and Dinner plus Special Benefits	$	85.00	1	$ 85.00
CITY SPECIAL EVENT: HEWITT'S SPRING CONCERT • APRIL		**Rate**	**Qty**	**Tot**
Presenting Sponsor		*TBA*		
Sound and Lighting Sponsor		*TBA*		
Security Sponsor		*TBA*		
Parking Sponsor		*TBA*		
First Aid / Info Station Sponsor		*TBA*		
Kids Zone Sponsor		*TBA*		
CITY SPECIAL EVENT: NATIONAL NIGHT OUT • JULY/AUGUST		**Rate**	**Qty**	**Tot**
Entertainment Sponsor	$	650.00		$ -
T-Shirt Sponsor	$	300.00		$ -
Golf Cart	$	250.00		$ -
Sunglasses Sponsor	$	225.00		$ -
Koozie Sponsor	$	150.00		$ -
Tattoo Sponsor	$	100.00		$ -
CHAMBER SPECIAL EVENT: HEWITT EXPRESS GOLF CLASSIC • SEPTEMBER		**Rate**	**Qty**	**Tot**
Presenting Sponsor	$	5,800.00	1	$ 5,800.00
Prizes Sponsor	$	4,400.00		$ -
Polo Shirt	$	3,400.00		$ -
Golf Cap	$	3,000.00		$ -
Wilson Ultra Golf Balls	$	1,900.00		$ -
Cooler	$	1,300.00		$ -
Travel Mug	$	1,150.00		$ -
Tote bag for sponsored goodies	$	1,150.00		$ -
Golf Towel	$	1,150.00		$ -
Mouse Pad	$	900.00		$ -
Hand Sanitizer	$	900.00		$ -
Lip Balm/Sunscreen combo	$	825.00		$ -
Golf Tees	$	800.00		$ -
Neoprene Glasses Case	$	550.00		$ -
Event Staff T-Shirt	$	550.00		$ -
Hole-In-One - Vehicle Contest (*plus insurance)	$	550.00		$ -

Million Dollar Shoot Out Contest (*plus insurance)	$ 550.00		$ -
Million Dollar Shootout Insurance	$ 380.00		$ -
Closest to the Pin Contest	$ 550.00		$ -
Cart Sponsorship	$ 500.00		$ -
Koozie	$ 500.00		$ -
Longest Drive Contest	$ 320.00		$ -
Interactive Hole Sponsorship	$ 330.00		$ -
Hospitality Sponsor	$ 275.00		$ -
Hole Sponsorship	$ 220.00		$ -
Tournament Winners 1st	$ 410.00		$ -
Tournament Winners 8th	$ 310.00		$ -
Tournament Winners 14th	$ 210.00		$ -
Tournament Winners 20th	$ 110.00		$ -
Team of 4	$ 450.00		$ -
Player	$ 115.00		$ -
CITY SPECIAL EVENT: HPL'S DOG DAYS OF SUMMER • OCTOBER	**Rate**	**Qty**	**Tot**
Presenting Sponsor	*TBA*		
Disc Dogs	*TBA*		
Saturday Sound and Stage	*TBA*		
Weiner Dog Race	*TBA*		
DJ Sponsor	*TBA*		
Service Dog Awards	*TBA*		
Splash Zone	*TBA*		
Glam Fur	*TBA*		
CHAMBER SPECIAL EVENT: CREEKSIDE SPOOKTACULAR • OCTOBER	**Rate**	**Qty**	**Tot**
Presenting Sponsor	$ 1,000.00	1	$ 1,000.00
Event Staff T-Shirt Sponsor	$ 550.00		$ -
DJ Sponsor	$ 300.00		
Costume Contest Sponsor	$ 150.00		$ -
Kids Zone Activity Sponsor	$ 100.00		$ -
Trick or Treat Space (Complimentary for Members)	$ -		$ -
CITY SPECIAL EVENT: HEWITT'S CHRISTMAS TREELIGHTING • DECEMBER	**Rate**	**Qty**	**Tot**
Presenting Sponsor	$ 3,000.00		$ -
Photobooth Sponsor	$ 500.00		$ -
Hot Chocolate and Cookie Sponsor	$ 400.00		$ -
Supporting Sponsor	$ 150.00		$ -
CHAMBER DIGITAL ADVERTISING	**Rate**	**Qty**	**Tot**
Chamber Mobile App Homepage Ad linked to member website (*monthly rate*)	$ 45.00	12	$ 540.00
Chamber Website Home Page Ad • linked to member website (*monthly rate*)	$ 55.00	36	$ 1,980.00
Awards Page • linked to member website (*monthly rate*)	$ 55.00		$ -
Calendar Page Ad • linked to member website (*monthly rate*)	$ 55.00		$ -
E-Bulletin • 2x2 Interactive square linked to member website (*weekly rate*)	$ 30.00	156	$ 4,680.00

E-Bulletin • 7x2 Interactive Banner linked to member website (*weekly rate*)	$ 30.00		$ -
e-Blast • Exclusive e-mail to members, residents, community leaders (*2,000*)	$ 75.00	14	$ 1,050.00
CHAMBER LUNCHEON SPONSORSHIP	**Rate**	**Qty**	**Tot**
Presenting Sponsor (8- Promoted as series sponsor, speaking time during event intro)	$ 600.00		$ -
Featured Sponsor (2 minute speaking, 1 lunch) *(4/Yr), book all for $240)	$ 55.00	2	$ 110.00
Supporting Sponsor (logo recognition & PA at event) *(12/Yr), book all for $480)	$ 50.00	12	$ 600.00
Luncheon, Breakfast & Workshop Attendance (*members only rate*)	$ 12.00	26	$ 312.00
CHAMBER MISC		**Qty**	**Tot**
Business After Hours / State Of The City Exclusive Sponsorship	$ 210.00	1	$ 210.00
Resident Welcome Bag logo recognition (*1300 distribution, annual rate*)	$ 245.00	1	$ 245.00
Logo / Website Recognition on Annual Rack Card (min. 3,000 dist.)	$ 250.00		$ -
Student Of The Year	$ 300.00		$ -
Event Invitation mailout for State Of The City (design, print and postage)	$ 400.00	1	$ 400.00
ONGOING COMMUNITY DEVELOPMENT		Qty	Tot
Insurance covering volunteers and visitors			N/A
Annual Membership thru Dec 31, 2018		1	$ 283.00
Annual Rack Card		1	$ 1,000.00
Annual Staff Support listed on Chamber Staff Support Detail (not included in publicity total)		1	$ 3,127.00

PAYMENT OPTIONS *Due in full Jan. 15, 2017 to receive discount OR 1st of each month / 1st of each Quarter (please select one)

_______ *January (5% disc.)   _____X____ Monthly   ________ Quarterly

YOUR INVESTMENT IS APPRECIATED! ANNUAL SPONSORSHIP & INVESTMENT VALUE:	$ 30,000.00
***OPTIONAL 5% DISCOUNT**	
CHAMBER STAFF SUPPOERT (BREAKDOWN ON FOLLOWING PAGE)	
TOTAL INVESTMENT DUE	$ 30,000.00

BUSINESS MEMBER:____

PRINT______________________________ SIGN _________________________________ DATE____________________

Chamber and City services listed are special member rates and will not receive a refund, credit or rollover, and services must be paid in full by end of calendar year. Chamber staff will provide updates regarding remaining contract benefits and services. 2016 sponsors are given first right of refusal. Chamber sponsorships are for members only. Ad edit/design fees range $35-$150. Your investment supports the chamber's mission and community development efforts, scholarships, access to state/local resources, growth, annual business opportunities, business education, community information and more!

INVEST $3,000+ AND RECEIVE NAME RECOGNITION ON 2017 CHAMBER INVESTOR MUGS

1ST RT. REFUSAL DEADLINE 11.15.16 • 2017 CONTRACT DEADLINE 12.5.16 • BENEFITS AND AD FEES LISTED AT HEWITTCHAMBER.COM

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 10

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consideration and appointment of an audit firm for the fiscal year ending September 30, 2017 thru 2019 with the option of auditing for the next two subsequent fiscal years.

STAFF RECOMMENDATION/ITEM SUMMARY:

Each year the City is required to have an annual audit performed by a qualified independent audit firm. The current agreement with Pattillo, Brown, & Hill expires after the completion of the September 30, 2016 audit. The City has advertised in the Hometown News on October 21^{st} and 28^{th}, 2016. Four firms have submitted their bids for consideration. Please see the attached summary of the four bids.

ATTACHMENTS:

Audit Bid Comparison

AUDIT BID RESULTS for fiscal years 2017 thru 2019, with optional 2 year extension

Name of Firm	Location	Governmental Audit Experience	Peer Review	Similar Engagements	2017 Fee	2018 Fee	2019 Fee	Optional 2020 Fee	Optional 2021 Fee	Partner in Charge
BKD, LLP	Dallas	Yes	Yes	Yes	$ 41,500	$ 42,600	$ 43,700	$ 44,800	$ 45,900	Kevin Kemp
BrooksCardiel, PLLC	Woodlands	Yes	Yes	Yes	$ 20,025	$ 20,625	$ 21,245	$ 21,900	$ 22,550	Mike Brooks
Jayne, Reitmeier, Boyd & Therrell, P.C.	Waco	Yes	Yes	Yes	$ 19,900	$ 20,400	$ 20,910	$ 21,970	$ 22,520	Diane Ward
Pattillo, Brown & Hill, LLP	Waco	Yes	Yes	Yes	$ 23,250	$ 23,500	$ 23,750	$ 24,000	$ 24,250	Chris Pruitt

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 11

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consideration and action on a resolution approving financing terms by BB&T at 1.58% for four (4) years. The annual payment is $94,882.62.

STAFF RECOMMENDATION/ITEM SUMMARY:

The city published two times in the Hometown newspaper on October 21st and 28th, 2016, for financing of public vehicles, public works vehicles, and equipment. Two bids were received with the lowest bid coming from BB&T at 1.58% for 4 years. The other bid was for 3.99%. Staff recommends acceptance of BB&T bid to fund the approved lease financed items.

ATTACHMENTS:

Resolution Approving Financing Terms
Lease Financed Items
Lease Payment Schedule

Resolution No. ______________

WHEREAS: The City of Hewitt, Texas (the "City") has previously determined to undertake a project for the purchase of various vehicles and equipment (the "Project"), and the finance director has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The City hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated November 14, 2016. The amount financed shall not exceed $365,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.58% and the financing term shall not exceed 4 years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the City are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Lease Purchase Agreement and a Project Fund Agreement as BB&T may request.

3. The finance director is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The finance director is authorized to approve changes to any Financing Documents previously signed by City officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the finance director shall approve, with the finance director's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The City shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The City intends that the adoption of this resolution will be a declaration of the City's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The City intends that funds that have been advanced, or that may be advanced, from the City's general fund, or any other City fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of City officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this ________ day of ________________ 2016.

THE CITY OF HEWITT, TEXAS

____
Ed Passalugo, Mayor

ATTEST:

____
Lydia Lopez, TRMC
City Secretary

City of Hewitt, Texas
CAPITAL OUTLAY - LEASE FINANCING
FY 2016 - 2017

POLICE DEPARTMENT			
	2017 Chevy Tahoe PPV Vehicles (2)		118,562
FIRE DEPARTMENT			
	Thermal Imager Camera	8,721	
	T-41 Telescoping RAM (Extrication)	3,594	
	Mobile Data Terminals w/software	25,598	37,913
COMMUNITY SERVICES			
	2016 Kawasaki Pro Turn 148	6,200	
	2016 Kawasaki Pro Turn 472 (Two)	20,000	
	2016 Kubota 91 hp Tractor w/15' Shredder	56,000	82,200
LIBRARY			
	17 Dell Latitude 3500 Laptops		18,350
PLANNING & DEVELOPMENT			
	2016 Ford F150 Crew Cab Truck		39,403
		TOTAL GENERAL FUND	296,428
UTILITY MAINTENANCE			
	Kubota Valve Excerciser/GPS enabled		75,260
		TOTAL UTILITY FUND	75,260
		TOTAL CAPITAL OUTLAY-Lease Financing	371,688
		Financing for:	365,000

City of Hewitt, Texas
$365,000.00 Police & Public Works Vehicles, Heavy Equipment, Laptops
9943002557-00005

DRAFT AMORITZATION SCHEDULE-TO BE UPDATED TO REFLECT FUNDING DATE

Compound Period: Annual

Nominal Annual Rate: 1.580 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	12/01/2016	365,000.00	1		
2	Payment	12/01/2017	94,882.62	4	Annual	12/01/2020

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	12/01/2016				365,000.00
2017 Totals		0.00	0.00	0.00	
1	12/01/2017	94,882.62	5,767.00	89,115.62	275,884.38
2018 Totals		94,882.62	5,767.00	89,115.62	
2	12/01/2018	94,882.62	4,358.97	90,523.65	185,360.73
2019 Totals		94,882.62	4,358.97	90,523.65	
3	12/01/2019	94,882.62	2,928.70	91,953.92	93,406.81
2020 Totals		94,882.62	2,928.70	91,953.92	
4	12/01/2020	94,882.62	1,475.81	93,406.81	0.00
2021 Totals		94,882.62	1,475.81	93,406.81	
Grand Totals		379,530.48	14,530.48	365,000.00	

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 13

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consideration and action on a resolution amending the City of Hewitt's Purchasing Policy.

STAFF RECOMMENDATION/ITEM SUMMARY:

Staff is recommending the proposed update to the existing Purchasing Policy.

ATTACHMENTS:
Resolution and Purchasing Policy
Current Purchasing Policy

RESOLUTION NO. ___________

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS, AMENDING AND APPROVING THE CITY OF HEWITT INVESTMENT POLICY; AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND HAS BEEN OPEN TO THE PUBLIC AS REQUIRED BY LAW

WHEREAS, the Hewitt City Council adopted an Investment Policy governing investment of City funds in compliance with the Public Funds Investment Act; and

WHEREAS, the Public Funds Investment Act requires that an annual review of public fund investment policies and strategies be conducted; and

WHEREAS, amendments to the Investment Policy are required by the Public Funds Investment Act to be approved by the Hewitt City Council; and

WHEREAS, the City's Investment Advisor, City Manager, and Finance Director have reviewed the Investment Policy and are in agreement that it is of benefit to the City of Hewitt to amend the Investment Policy; and

WHEREAS, the attached Investment Policy amends the City's former Investment Policy and complies with the Public Funds Investment Act, and authorizes the investment of City funds in safe and prudent investments.

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

SECTION 1. The facts and recitations contained in the above preamble of this Resolution are hereby incorporated for all purposes.

SECTION 2. The City Council of the City of Hewitt approves the revised investment policy (as shown in the attached Exhibit A) and is hereby adopted by the City of Hewitt to be effective immediately.

SECTION 3. It is hereby officially found and determined that the meeting at which this resolution is passed was noticed and has been open to the public as required by law.

PASSED AND APPROVED this the 5th day of December 2016.

CITY OF HEWITT, TEXAS

____
Ed Passalugo, Mayor

ATTEST:

____
Lydia Lopez, City Secretary

INVESTMENT POLICY
CITY OF HEWITT
Approved by City Council
December 5, 2016

I. POLICY

It is the policy of the City of Hewitt (the "City") that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to achieve reasonable interest earnings based on market conditions.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to City funds. The City's investment portfolio shall be designed and managed in a manner intended to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of:

- **Safety** and preservation of principal
- Maintenance of sufficient **liquidity** to meet operating needs
- **Diversification** to minimize market risks
- **Public trust** from prudent investment activities
- Achievement of **reasonable interest earnings**

II. PURPOSE

The purpose of this Investment Policy is to establish guidelines and policies controlling the investment of the City's funds. The Policy is designed to comply with Chapter 2256 of the Texas Government Code, the Public Funds Investment Act, (the "Act"), which requires the City to adopt a written Investment Policy regarding the investment of its funds and funds under its control. This Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

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

III. SCOPE

This Policy shall govern the investment of all financial assets of the City. All funds accounted for in the City's Comprehensive Annual Financial Report (CAFR) are to be governed by this Policy and include:

- General Fund
- Capital Projects Funds
- Enterprise Funds
- Debt Service Funds, including reserves and sinking funds
- Any new fund created by the City, unless specifically exempted from this Policy by law.

This Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

IV. INVESTMENT OBJECTIVES AND STRATEGIES

The City shall manage and invest its cash with five primary objectives, listed in order of priority: **safety, liquidity, diversification, public trust, and yield.** The safety of the principal invested will represent the primary objective.

The City shall maintain a comprehensive cash management program, which includes timely collection of account receivables, timely payments to vendors in accordance with invoice and available discount terms, and prudent investment of all assets.

Attention to cash management principles will assure that cash is available when needed and all funds will be invested to obtain the best use of City assets to obtain a reasonable market rate of earnings.

The City shall maintain a "buy and hold" portfolio strategy. Maturity dates are to be matched with cash flow requirements and investments purchased with the intent to be held until maturity. Investments shall not be sold or redeemed prior to maturity with the following exceptions:

- An investment with declining credit may be sold or redeemed early to minimize loss of principal, or
- Liquidity needs of the portfolio require that the investment be sold or redeemed.

Safety [*PFIA 2256.005(b)(2)*]

Safety of principal is the foremost objective of the City's investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital throughout the portfolio. Safety will be attained through mitigating credit and interest rate risk.

- Credit Risk – The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by purchasing high credit quality securities and diversifying the investment portfolio by market sector and maturity so that potential losses on individual issuers will be minimized.

- Interest Rate Risk – The City will minimize the realized risk that the market value of investments in the portfolio will fall due to changes in general interest rates, by analyzing cash flow and investing within the parameters of that cash flow and diversifying by market sector and maturity.

Liquidity [*PFIA 2256.005(b)(2)*]

The investment portfolio shall remain sufficiently liquid to meet all anticipated operating requirements by structuring the portfolio maturities with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in cash equivalent alternatives such as financial institution deposits, money market mutual funds, and local government investment pools that offer same-day liquidity.

Diversification

The portfolio will be diversified by investment types and maturity to avoid market risks and issuer default, as appropriate.

Public Trust

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

Yield (Optimization of Interest Earnings) [*PFIA 2256.005(b)(3)*]

The investment portfolio shall be designed with the objective of attaining a reasonable market yield at all times, taking into account the investment risk constraints and liquidity needs of the City. Return on investment is of lesser importance compared to the safety and liquidity objectives described above.

Investment Strategies by Fund Type:

1. **General, Enterprise, or Operating-type Funds**

Suitability – Any investment eligible in the Investment Policy is suitable for General, Enterprise, or Operating-type funds.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity of each fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

Liquidity – General, Enterprise, or Operating-type Funds require the greatest short-term liquidity of any of the fund-types. Demand deposit accounts, short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification – Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

2. **Capital Projects Funds**

Suitability – Any investment eligible in the Investment Policy is suitable for Capital Projects Funds.

Safety of Principal – All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Projects Funds to not exceed the anticipated expenditure schedule, the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or three years.

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

Liquidity – Most capital projects programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Demand deposit accounts, short term investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification – Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then current market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield – Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy's risk constraints. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective for non-borrowed funds.

3. Debt Service Funds

Suitability – Any investment eligible in the Investment Policy is suitable for Debt Service Funds.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Marketability – Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Liquidity – Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Demand deposit accounts, short term investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification – Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield – Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

4. Debt Service Reserve Funds

Suitability – Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or five years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and influence maturity extension.

Marketability – Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then current market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Diversification – Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield – Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority [*PFIA 2256.005(f)*]

Investment Officer(s)
In accordance with the Act, the City Council designates the City Manager and the Finance Director as the City's Investment Officers. An Investment Officer is authorized to execute investment transactions and transfer funds between City accounts on behalf of the City. No person may engage in an investment transaction or the management of City funds except as provided under the terms of this Policy. The investment authority granted to an Investment Officer is effective until rescinded by the City Council.

The City Council shall provide periodic training in investments for the Investment Officer(s) through courses and seminars offered by professional organizations, associations, and other independent sources approved by Council. Training will be in accordance with the provisions of the Act and is in order to insure the quality and capability of investment management in compliance with the Act.

Investment Officer(s) shall attend ten (10) hours of investment training within twelve (12) months of attaining the position and shall receive eight (8) hours of investment training not less than once in a two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date. The Government Finance Officers' Association of Texas (GFOAT), Government Treasurers' Organization of Texas (GTOT), Texas Municipal League (TML), University of North Texas (UNT), Texas Association of Regional Councils, American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA) are approved independent training sources.

Internal Controls

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

Accordingly, within the scope of the annual audit, the City shall establish a process for annual independent review by an external auditor to assure compliance with this Policy and supporting procedures. At a minimum, the internal controls shall address the following points:

- Control of collusion.
- Separation of transactions authority from accounting and record keeping.
- Custodial safekeeping.
- Delegation of authority to subordinate staff members.
- Written reporting and confirmation for all investments and wire transfers.

Prudence (*PFIA 2256.006*)

The standard of prudence as defined by the Act and to be applied by the Investment Officer at all times shall be the "prudent person" rule. This rule states that:

> "*Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.*"

In determining whether an Investment Officer has exercised prudence in the performance of their duty, the determination shall be made taking into consideration:

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

The Investment Officer, if acting in accordance with written procedures and exercising due diligence, shall not be held personally liable for any specific investment's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest [*PFIA 2256.005(i)*]

The Investment Officer(s), and employees involved in the investment process, shall refrain from any personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions.

Investment Officer(s) shall disclose any personal or business relationship involving material interests in financial institutions with which the City conducts business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officer(s) shall refrain from undertaking personal investment transactions with the same individual or firm with which business is conducted on behalf of the City.

Any Investment Officer(s) of the City who has a personal business relationship with an organization, or is related with the second degree by affinity or consanguinity to an individual, seeking to sell an investment to the City shall file a statement disclosing that relationship, in accordance with the Act, with the Texas Ethics Commission and the City Council.

VI. SUITABLE AND AUTHORIZED INVESTMENTS

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

1. Obligations of the United States of America, its agencies and instrumentalities, excluding those prohibited by the PFIA.

2. Certificates of Deposit and other evidences of deposit at a financial institution that, i) has its main office or a branch office in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, ii) is secured by obligations in a manner and amount provided by law for deposits of the City, or iii) is executed through a depository institution that has its main office or a branch office in Texas that participates in the Certificate of Deposit Account Registry Service (CDARS), or similar program, and meets the requirements of the PFIA.

   In addition to the above provisions, the City may invest in certificates of deposit through an Authorized Broker/Dealer that has its main office or a branch office in this State. The Broker/Dealer or the depository institution must arrange for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City. The full amount of the principal and accrued interest of each of the certificates of deposit must be insured by the United States or an instrumentality of the United States.

   The City may appoint the depository institution, or broker/dealer as custodian for the City with respect to the certificates of deposit issued for the account of the City with that entity.

3. Fully collateralized flex direct repurchase agreements executed in compliance with the Act, under the terms of an executed Master Repurchase Agreement, and secured in accordance with this Policy. All repurchase agreement transactions will be on a delivery versus payment basis.

4. AAA-rated, SEC registered money market mutual funds which strive to maintain a net asset value of $1.00 per share.

5. AAA-rated, Texas local government investment pools, which meet all the requirements of the Act. Participation in any pool must be authorized by resolution of the City Council.

Un-Authorized Investments [*PFIA 2256.009(b)(1-4)*]

Mortgage backed securities including interest-only or principal-only collateralized mortgage obligations (CMO), inverse floating interest rate CMO or CMO with a maturity date of over 10 years are strictly prohibited for investment by the City.

Credit Rating and Effect of Loss of Required Rating [*PFIA 2256.021]*

No less than quarterly, the Investment Officer will obtain the current credit rating for each held investment from a reliable source to ensure that the investment has maintained the required minimum rating. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

VII. INVESTMENT PARAMETERS

Maximum Maturities and Maximum WAM [*PFIA 2256.005(b)(4)(B)*]

The longer the maturity of investments, the greater the price volatility and market risk. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities which match cash flow needs to limit risks caused by changes in interest rates.

The City shall attempt to match its investments with anticipated cash flow requirements. The City's fund-type investment strategies will determine appropriate maximum maturity and weighted average maturity. Certificates of deposit and repurchase agreements may be collateralized using longer dated investments in accordance with this Policy.

Dollar-weighted average maturity will be calculated using the stated final maturity dates of each security. [PFIA 2256.005(b)(4)(C)]

VIII. AUTHORIZED BANKS AND DEALERS

The process of obtaining and contracting with a primary depository to serve the banking service needs of the City will be governed by Chapter 105 of the Local Government Code: Depositories for Government Funds and Chapter 2257, the Public Funds Collateral Act, Texas Government Code.

At least every five (5) years a primary depository shall be selected for banking services through the City's procurement process, which shall include a formal request for application (RFA). The selection of a depository will be determined through a competitive process and evaluation of applications will include the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with State law.
- The ability to provide required banking services.
- Creditworthiness and financial stability of the depository.
- The ability to provide cost effective services as defined by the City based on the lowest net banking service cost, consistent with the ability to provide the required levels of service.

The City may utilize other financial institutions as depositories for deposits and the purchase of certificates of deposit under the terms of a written depository/collateral agreement as defined by this Policy.

Collateral Policy (*PFCA 2257.023*)

Collateral Pledged to the City by Depositories

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all financial institution deposits in a depository above the FDIC insurance coverage. In order to anticipate and provide for market price fluctuations and provide a required level of security for all funds, with the exception of deposits secured with irrevocable letters of credit from a U.S. Government Agency at 100% of principal and accrued interest, the depository will provide and maintain collateral whose market value equals or exceeds 102% of the total value of principal and accrued interest on City deposits less an amount insured by the FDIC.

Any financial institution designated as a depository by the City will provide collateral in accordance with this Policy and applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as a depository will be required to sign a Depository/Collateral Agreement with the City. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and

- The agreement must be part of the Depository's "official record" continuously since its execution.

The written agreement will specify the acceptable collateral, require independent safekeeping of the collateral, require City approval before substitution or release of investment securities, provide for original safekeeping receipts, and complete monthly reporting of collateral including the valuation of securities.

A clearly marked evidence of pledge must be supplied to the City and retained by the Investment Officer(s). A monthly collateral report provided by the custodian shall be reviewed by the Investment Officer(s) to assure that the market value of the pledged securities is adequate.

<u>Collateral may be held only by an independent institution including a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the City.</u>

A Repurchase Agreement, as authorized by the Act, has a defined termination date, is secured by a combination of cash and obligations as described by Section 2256.009(a)(1) and requires the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's account, and deposited at the time the investment is made with the City or with a third party selected and approved by the City. Securities (termed as collateral) are bought (i.e. owned) under a Repurchase Agreement and will be maintained at a margin of 102% and delivered versus payment. The collateral terms and conditions will be controlled by a <u>written repurchase agreement</u>.

Authorized Collateral For Depositories and Repurchase Agreements

The City shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities, including mortgage backed securities which pass the high-risk mortgage obligation test, and irrevocable letters of credit.

- Direct obligations of any U.S. state or its subdivisions rated at least A by at least one nationally recognized rating agency.

All collateral shall be subject to inspection and audit by the Investment Officer(s) and the City's independent auditors.

Authorized Brokers/Dealers (*PFIA 2256.025*)

The City Council shall, at least annually, review, revise, and adopt a list of qualified broker/dealers (see Attachment A) authorized to engage in securities transactions with the City. To purchase securities, the City must have a list of no less than two broker/dealers.

Authorized brokerage firms may include primary dealers or regional broker/dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).

Delivery vs. Payment [*PFIA 2256.005(b)(4)(E)*]

Securities purchased by the City shall be settled into the City's depository on a **delivery versus payment** (DVP) basis. DVP assures that City funds will not be released until the purchased security has been received. Securities will be held by an independent third-party safekeeping agent as evidenced by safekeeping receipts.

PFIA Policy Certificates

All investment providers, including financial institutions, banks, broker/dealers, and local government investment pools, will be required to provide information regarding the firm and the individual representative as required by the City. Each investment provider will be required to sign a certification acknowledging that the organization has received and reviewed the City's current Investment Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the City's Policy. When material changes are made to the Policy, re-certification is required.

IX. PERFORMANCE BENCHMARK

The City's investment portfolio will be managed in accordance with the parameters specified within this Policy including the objective of a reasonable market yield commensurate with the investment risk constraints and the cash flow requirements of the City.

The weighted average yield to maturity (the standard for calculating portfolio rate of return) on the total portfolio will be calculated and reviewed on at least a quarterly basis. In accordance with the City's cash flow needs and based on the maximum weighted average maturity of the adopted Investment Strategy, the City's portfolio shall be designed with the objective of regularly meeting or exceeding the respective Strategy's average yield on the appropriate US Treasury-Bill for the same period. This benchmark is not just a measure of market performance but equally a measure of the risk in the portfolio.

XI. REPORTING (*PFIA 2256.023*)

The Investment Officers shall prepare for the City Council an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in detail and summary information. This reporting shall be made in accordance with the Act.

The quarterly investment report shall include a summary statement of investment activity during the period. This summary will be prepared in a manner that will allow the City Council to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will include the following at a minimum:

- A listing of individual investments held at the end of the reporting period.
- Unrealized gains or losses at the end of the period (the difference between market and book value).
- Average weighted yield to maturity of portfolio.
- Fully accrued interest for the reporting period and total earnings for the period
- The percentage of the total portfolio by type of investment.
- Statement of compliance of the City's investment portfolio with State law and the investment strategy and Policy approved by the City Council.

Market values will be obtained from reputable and independent sources.

In conjunction with the annual audit, an independent auditor will perform a formal annual review of the quarterly reports with the results reported to the City Council by that auditor [*PFIA 2256.023*(*d*)].

XII. INVESTMENT POLICY ADOPTION [*PFIA 2256.005*(*e*)]

The City's Investment Policy shall be reviewed and adopted at least annually by resolution of the City Council. It is the City's intent to comply with State laws and regulations. The City's Investment Policy may be revised by Council consistent with changing laws, regulations, or the needs of the City. The City Council shall review and approve the Policy and investment strategies annually, approving any changes or modifications, at a legally scheduled meeting.

Adopted by Hewitt City Council: December 5th, 2016

Attachment A

City of Hewitt, Texas
Authorized Broker/Dealer List

Coastal Securities (pending merger with FTN)
Tony Sekaly
920 Memorial City Way, 11th Floor
Houston, TX 77024
800-681-4121

Duncan Williams, Inc.
Patrick Boyer
6750 Poplar Avenue
Suite 100
Memphis, TN 38138
901-604-6811

Raymond James & Associates, Inc.
Polly Moore
2801 Via Fortuna, Ste. 650
Austin, TX 78746-7907
512-306-2503

Wells Fargo Brokerage Services, L.L.C.
Chuck Landry
1445 Ross Avenue
Suite 210
Dallas, TX 75202
800-937-0998
214-777-4018

Note: The firm name is authorized. Contact data informational only.

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 13

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consideration and action on a resolution amending the City of Hewitt's Purchasing Policy.

STAFF RECOMMENDATION/ITEM SUMMARY:

Staff is recommending the proposed update to the existing Purchasing Policy.

ATTACHMENTS:
Resolution and Purchasing Policy
Current Purchasing Policy

RESOLUTION NO. ________

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS, ADOPTING THE "PURCHASING POLICY"; REPEALING ALL RESOLUTIONS IN CONFLICT; DECLARING AN EFFECTIVE DATE; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City of Hewitt Purchasing Policy is hereby adopted to revise prior Policies related to Purchasing City Services as shown on the attachment "A" and incorporated herein by reference.

SECTION 2. That should any section, clause, or provision of this resolution be declared by court of competent jurisdiction to be invalid, the same shall not affect the validity of this resolution or any other resolution of the City as a whole or any part thereof, other than the part so declared to be.

SECTION 3. That this resolution shall become effective immediately upon passage, and be applied to all purchases on or after December 5th, 2016.

SECTION 4. That it is hereby officially found and determined that the meeting at which resolution is adopted was noticed and has been open to the public as required by law.

PASSED AND APPROVED this 5th day of December, 2016.

CITY OF HEWITT

____
Ed Passalugo, Mayor

ATTEST:

____
Lydia Lopez, City Secretary

Purchasing Policy

Effective 12-5-16

General Policy

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 or their designee(s).

3) The account number(s) to be expensed.

Purchase Orders

All expenses of **$1,000 or more** are required to be supported by all of the items under **General Policy** with the addition of a Purchase Order.

Purchase orders are required for expenses of **$1,000 or more** and shall be signed by the originator of the purchase order, the department head, or their designee(s), **and** the city manager, or their designee(s).

Purchase Order Defined

A Purchase Order is defined as a purchase contract between the City and a vendor and the contract details related to commodities, prices, terms and conditions specifying each party's rights and obligations. Generally, a contract's terms and conditions are called into question only when a dispute arises. A purchase order becomes a valid contract only after being properly completed, accepted, and approved by both parties. Oral requisitions/purchases are not considered valid purchases by the City.

Emergency Purchase Order

An emergency shall be defined as any situation which, if not corrected immediately, would result in a hazard to persons or property, could result in damage to building(s) or facilities, would result in a violation of law, statute, or ordinance established by governmental or regulatory authority, or if not acted upon, would be seriously detrimental to the City.

Failure to anticipate a need is not, of itself, considered a bona fide emergency. Emergency Purchase Orders are generally used for repairs. To initiate an emergency purchase, the authorized person in the department must complete the Purchase Order for expenses of **$1,000 or more** and have it ready for approval by the department head, or their designee(s) , and City Manager, or their designee(s), for approval as soon as possible and practicable.

Purchase Credit Cards (PCards)

Purchases that are made with City of Hewitt Purchase Cards (PCards) need to follow the same instructions under **General Policy** and **Purchase Orders,** including **Emergency Purchase Orders**.

Check Requests

A Check Request may be used for intangible items such as registration fees, travel expenses, refunds, etc. (NOTE: Tangible property such as supplies, equipment, etc. require a Purchase Order if the expense is for **$1,000 or more**). Check Requests need to follow the same instructions under **General Policy** and **Purchase Orders**, including **Emergency Purchase Orders**.

Trade-Ins

Purchase requisitions involving a trade-in must include pertinent information about the item that is to be traded (e.g. dollar value of trade-in, description, manufacturer, model, serial, or VIN number, etc.).

Purchasing Policy (revised 1-9-09)

General Rules

All expenses under $500 are required to be supported by invoices indicating receipt of the order, approval by the department head or their designate and the account number to be expensed. If the invoice includes a back order, please ask the vendor to issue a separate invoice for that item(s) so it can be processed at a later time.

Purchase orders are required for purchases of $500 or more and need to be signed by the department head and the city manager and supported by a detailed invoice(s) indicating receipt of the order and the account number to be expensed.

Blanket Purchase Order

Blanket Purchase Orders should only be used when purchasing specified services or items from the same vendor which are purchased and paid in a predictable manner during a specified time period, usually one year.

The Blanket P. O. may not be used to purchase fixed assets. When setting up a Blanket P.O., departments should provide a listing of the products and/or services to be procured as well as the prices and discounts associated with these products and/or services.

Blanket Purchase Orders should not be used as a means to provide an open line of credit with a vendor, when prices are unknown at the time of ordering or when control of the department's expenditures would be significantly weakened.

Emergency Purchase Order

An emergency shall be defined as any situation which, if not corrected immediately, would result in a hazard to persons or property, could result in damage to building(s) or facilities, would result in a violation of law, statute, or ordinance established by governmental or regulatory authority, or if not acted upon, would be seriously detrimental to the City.

Failure to anticipate a need is not, of itself, considered a bona fide emergency. Emergency orders are generally used for repairs. To initiate an emergency purchase, the authorized person in the department must complete the Purchase Order for expenses of $500 or more and have it ready for approval by the department head and City Manager as soon as possible.

Back Orders

Items that are on back order and are keeping the original invoice from being processed and paid may be struck from the original Purchase Order (all 3 copies). A new Purchase Order noting only that back ordered item(s) shall be issued and authorized by the appropriate parties.

Purchase Credit Cards (PCards)

Purchases that are made with City of Hewitt Purchase cards (PCard) need to follow the same instructions as purchase orders. Purchase orders are required for PCard items of $500 or more and need to be signed by the department head and the city manager and supported by detailed invoices indicating receipt of the order and the account number to be expensed.

Check Requests

A Check Request should be used by departments for registration fees, membership dues, subscriptions and other intangible items. (Tangible property such as supplies, equipment, etc. require a Purchase Order if greater than $500). A check request is not needed for expenses less than $500 and need department head approval, expense account indicated and documentation supporting the request. Expenses of $500 or greater need to have a Check Request form and City Manager approval.

Trade-Ins

Purchase requisitions involving a trade-in must include pertinent information about the item that is to be traded (e.g., description, manufacturer, model, serial or VIN number, etc.)

Legal Compliance

Per the City of Hewitt Code of Ordinances, article VI, Finance,Section 2-301. Purchase Procedure, all purchases made and contracts executed by the city shall be reviewed by the city manager 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. Subject to the terms and conditions of this section as set forth herein below, the city manager has general authority to contract for expenditures without further approval of the council for all budgeted items not exceeding $15,000.

A Purchase Order is defined as a purchase contract between the City and the vendor and contract details commodities, prices, terms and conditions specifying each party=s rights and obligations. Generally, a contract′s terms and conditions are called into question only when a dispute arises. A purchase order becomes a valid contract **only** after being properly completed, accepted and approved by both parties. Oral requisitions/purchases are not considered valid purchases by the City.

If a purchase order has become a contract between the vendor and the city, when a vendor has shipped items as specified on a Purchase Order, they have legally complied with their part of the contract and are under no obligation to accept returns for credit for items delivered as specified.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: December 5, 2016

AGENDA ITEM #: 14

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consideration and action on an ordinance amending Chapter 2-Administration, Article VI.-Finance, Section 2.301-Purchase Procedure.

STAFF RECOMMENDATION/ITEM SUMMARY:

The purchase procedure ordinance has been updated and expanded to reflect current purchasing practices. A copy of the current ordinance is also attached for your reference.

ATTACHMENTS:
Ordinance-Proposed Purchase Procedure
Current Ordinance-Purchase Procedure

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS: AMENDING CHAPTER 2-ADMINISTRATION, ARTICLE VI.-FINANCE, SECTION 2-301-PURCHASE PROCEDURE OF THE CODE OF ORDINANCES OF THE CITY OF HEWITT; PROVIDING FOR SEVERABILITY; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING AN EFFECTIVE DATE; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED WAS NOTICED AND OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION I

That Chapter 2 – ADMINISTRATION, Article VI. – FINANCE, Section 2.301 – PURCHASE PROCEDURE, is hereby amended to read as follows:

Sec. 2.301 – Purchase Procedure.

(a) Subject to the terms and conditions of V.T.C.A., Local Government Code, Chapter 252, Purchasing and Contracting Authority of Municipalities and the City of Hewitt's Purchasing Policy, the city manager, or their designee(s) has general authority to contract for expenditures without further approval of the council for all budgeted departmental appropriations within guidelines stated in the City's most recently adopted Purchasing Policy.

(b) All purchase orders made and contracts executed by the city shall be reviewed by the department head, or their designee(s), who shall determine that there is to the credit of such department a sufficient budgeted appropriation to pay for the expenditures for which the contract or order is to be issued.

(c) Purchase order requests for budgeted departmental appropriations must be approved by the city manager, or their designee(s).

(d) In the case of emergencies as defined in the City of Hewitt's Purchasing Policy, or the unavailability of the city manager, the department head, or their designee(s) making the request may approve the request and the city manager, or their designee(s), will be informed for approval at the earliest opportunity.

(e) Where competitive bidding is otherwise required by city charter, this section hereby constitutes the city's election to allow the provision of V.T.C.A., Local Government Code Section 252.002 to supersede the charter.

SECTION II

That the terms and provisions of this ordinance shall be deemed to be severable and that if any section, subsection, sentence, clause, or phrase of this ordinance shall be declared to be invalid or unconstitutional, the same shall not affect the validity of any other section, subsection, sentence, clause, or phrase of this ordinance and the remainder of such ordinance shall continue in full force and effect the same as if such invalid or unconstitutional provision had never been a part hereof.

SECTION III

That all ordinances, codes, regulations, policies and guidelines of and in the City of Hewitt in conflict herewith are hereby repealed to the extent of such conflict.

SECTION IV

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

SECTION V

That this ordinance shall take effect upon passage and publication in accordance with the City Charter.

PASSED AND APPROVED this 5th day of December, 2016.

CITY OF HEWITT, TEXAS

By: ________________________________

Ed Passalugo, Mayor

ATTEST:

____

Lydia Lopez, City Secretary

APPROVED:

____

O. Charles Buenger, City Attorney

Sec. 2-301. - Purchase procedure.

(a) All purchases made and contracts executed by the city shall be reviewed by the city manager, 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.

(b) Subject to the terms and conditions of this section as set forth herein below, the city manager has general authority to contract for expenditures without further approval of the council for all budgeted items not exceeding $15,000.00.

(c) With respect to any and all contracts for the purchase of insurance requiring an expenditure of more than $5,000.00, the provisions of this section shall not apply and such purchases shall be governed by applicable state laws. Further, where an expenditure of municipal funds involves the use of funds derived from federal or state programs governed by V.T.C.A., Local Government Code ch. 19, the provisions of this section shall not apply, and such expenditures will be governed by the applicable state or federal law.

Where competitive bidding is otherwise required by city charter, this section hereby constitutes the city's election to allow the provisions of V.T.C.A., Local Government Code art. 15 to supersede the charter.

(d) Purchase order requests for budgeted items not exceeding $15,000.00, but submitted for more than $500.00 must be approved by the city manager.

Purchase order requests for budgeted items not exceeding $500.00 (example: paper, office supplies, lights, switches, etc.) must be approved by the department head.

Purchase order requests are not required for items costing less than $50.00. Department heads shall review and initial all receipts.

(e) Purchase order requests for non-budgeted items costing over $500.00, but not exceeding $3,000.00 must be approved by the city manager, if the city manager is available. Non-budgeted items costing over $3,000.00 must be approved by the city council. In case of emergency (emergency defined as an occurrence that effects the immediate operations of the city) or in the unavailability of the city manager, the department head making the request can approve the request and the city manager will be informed at the earliest opportunity.

Purchase order requests for non-budgeted items costing less than $500.00 (example: paper, office supplies, oil, filters, etc.) can be approved by the department head only if the department head requesting the purchase order had the funds to cover the request in the related budget area. If funds are not available or the account is over budget, the city manager may grant permission to extend the budget area to set a deficit amount.

(f) No purchase order request will be predated or presigned.

Once a purchase order request has been approved and a P.O. issued, no additional items will be added.

Purchase orders are assigned to departments and are not intended to cover more than one department on the same purchase order request. Multiple department requests made on one purchase order shall require the approval of each department head affected.

Authorization of purchase orders will be given on the standard city form and shall be filed by the bookkeeper for record.

A check request form may be substituted for a purchase request, following the same guidelines above.

(Ord. No. 11-01-99-2, § 1, 11-1-99)