HEWITT
TEXAS

CITY COUNCIL MEETING AGENDA

October 21, 2019
Regular Meeting - 7:00 PM
CITY HALL, 200 PATRIOT COURT
HEWITT, TX 76643

MAYOR AND CITY COUNCIL

Charlie Turner – Mayor, Ward 1

Wilbert Wachtendorf – Mayor Pro Tem, Ward 1

Bill Fuller – Council Member, Ward 2

Vacant – Council Member, Ward 2

Steve Fortenberry – Council Member, Ward 3

Erica Bruce – Council Member, Ward 3

Michael S. Bancale – Council Member, At-Large

CITY STAFF

Bo Thomas, City Manager
Michael W. Dixon, City Attorney
Miles Whitney, City Engineer

Lydia Lopez, City Secretary

Lee Garcia, Finance Director

Waynette Ditto, Library Director

Kevin Reinke, Utilities Director

Jim Devlin, Police Chief

Lance Bracco, Fire Chief

Tracy Lankford, Community Dev. Director

Tuck Saunders, Assistant Police Chief

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 **21st day of October, 2019, at 7:00 PM in Hewitt City Hall, Council Chambers, 200 Patriot Court**, Hewitt, Texas, at which time the following subjects will be discussed and upon which action may be taken:

In order to address the Council on any item, you must complete a Speaker's Request Form and submit to the City Secretary prior to the start of the Council meeting. Comments on non-agenda items must be made only during the citizens' comments agenda item. Council may not comment publicly on issues raised during citizen comments that are not listed on the Agenda but may direct the City Manager to resolve or request the matter to be placed on a future agenda. Such public comments shall not include any "deliberation" as defined by Chapter 551 of the Government Code, as now or hereafter amended.

Pursuant to HB 2480, effective September 1, 2019: For all non-public hearing items that are on the agenda, citizens can speak immediately prior to the time that the item is considered by the Council. However, in order for the Presiding Officer to recognize your request to speak on that agenda item, you must have identified that agenda item on the Speaker Request Form turned into the City Secretary.

All comments must be directed to the Presiding Officer, rather than an individual Council Member or city staff. Comments are limited to five (5) minutes and must pertain to the subject matter listed on the Speaker's Request Form.

1. Call meeting to order.
2. Pledge of Allegiance to the U.S. Flag
3. Special presentation to the Hewitt Police Department Officers and Staff.
4. Consider approval of minutes of the City Council Workshop/Regular Meeting of October 7, 2019.
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. Presentation of report from City Engineer
   - Update on pending utility projects.
   - Update on pending street projects.
   - Update on pending drainage projects.
7. Briefing and discussion concerning Financial Statements ending September 31, 2019.
8. Consideration and action on approval of Quarterly Investment Report Ending September 30, 2019.
9. Conduct a public hearing to allow for comments regarding the election by City Council to utilize tax abatements, reinvestment zones and the guidelines controlling these economic development measures.
10. Consideration and action on Resolution No. 2019-18 declaring the City of Hewitt eligible to participate in tax abatements and create reinvestment zones within the City.

11. Consideration and action on Ordinance No. 2019-23 adopting tax abatement guidelines and establishing an effective date.
12. Conduct a public hearing to allow for comments regarding the authorization of the use of 380 agreements for economic development purposes.
13. Consideration and action on Ordinance No. 2019-24 establishing an Economic Development Program pursuant to Chapter 380 of the Local Government Code.
14. Consideration and action on Ordinance No. 2019-25 amending Chapter 6 "Amusements and Entertainments", approving the continued receipt of its share of bingo prize fee funds; imposing such fee for bingo games conducted in the corporate limits of the City of Hewitt.
15. Consideration and action on approving an Interlocal Agreement with the Tarrant County Cooperative Program.
16. 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 3:00 AM/PM on October 16, 2019.

CITY OF HEWITT

Lydia Lopez

Lydia Lopez, TRMC/CMC
City Secretary

In compliance with the American with Disabilities Act, the City of Hewitt will provide reasonable accommodations for persons attending and/or participating in this Council Meeting. To better serve you, request must be made at least 24 hours prior to the meeting. Contact the City Secretary at 254.666.6171 or by fax at 254.666.6014. The building is wheelchair accessible, with handicap parking available at the front of the building.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: October 21, 2019

AGENDA ITEM #: 4

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider approval of minutes of the City Council Workshop/Regular Meeting of October 7, 2019.

STAFF RECOMMENDATION/ITEM SUMMARY:

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

SUGGESTED MOTION:

"I move approval of the minutes as presented but allow for corrections."

ATTACHMENTS:

Draft minutes

HEWITT
TEXAS

MINUTES OF A CITY COUNCIL WORKSHOP/REGULAR MEETING HEWITT CITY HALL – 200 PATRIOT COURT October 7, 2019 – 6:30 PM/7:00 PM

Members present: Mayor Charlie Turner (presiding), Mayor Pro Tem Wilbert "Walky" Wachtendorf, Council Members Bill Fuller, Michael S. Bancale, Steve Fortenberry, and Erica Bruce

Staff present: City Manager Bo Thomas, City Attorney Mike Dixon, City Engineer Miles Whitney, Police Chief Jim Devlin, Assistant Police Chief Tuck Saunders, Fire Chief Lance Bracco, Finance Director Lee Garcia, Library Director Waynette Ditto, Human Resources Generalist Jessica Higgins, Utilities Director Kevin Reinke, and City Secretary Lydia Lopez

Staff absent: Community Development Director Tracy Lankford

1. Mayor Charlie Turner called the meeting to order at 6:30 PM. City Secretary Lydia Lopez polled the Council for attendance.
   ALL PRESENT: Fuller, Bancale, Wachtendorf, Fortenberry, Bruce, Turner

2. **SPECIAL PRESENTATION BY MIDWAY ISD SUPERINTENDENT DR. GEORGE KAZANAS REGARDING THE MIDWAY ISD 2019 BOND ELECTION.**
   Midway ISD Superintendent Dr. George Kazanas, 301 Appaloosa Trail, Waco, TX, 76712, presented information regarding the Midway ISD bond election to be held on November 5, 2019. Mayor Charlie Turner requested that Dr. Kazanas provide a copy of the presentation.

3. **ADJOURN.**
   MOTION: Council Member Bill Fuller moved to adjourn the meeting at 6:57 PM.
   SECOND: Council Member Erica Bruce
   AYES: Fuller, Bancale, Wachtendorf, Fortenberry, Bruce, and Turner
   NAYES: None
   ABSENT: None
   MOTION PASSED.

REGULAR MEETING – 7:00 PM

1. **CALL TO ORDER.** Mayor Charlie Turner called the meeting to order at 7:00 PM. City Secretary Lydia Lopez polled the Council for attendance.
   ALL PRESENT: Fuller, Bancale, Wachtendorf, Fortenberry, Bruce, Turner

2. **PLEDGE OF ALLEGIANCE TO THE U.S. FLAG.** Mayor Charlie Turner asked Temple Police Chief Floyd Mitchell to lead the Pledge of Allegiance.

3. **SPECIAL PRESENTATION TO THE HEWITT POLICE DEPARTMENT FOR ACHIEVING DESIGNATION AS TEXAS BEST PRACTICES RECOGNIZED AGENCY BY THE TEXAS POLICE CHIEFS ASSOCIATION.** Temple Police Chief Floyd Mitchell, 209 E Avenue A, City of Temple, TX, representing the Texas Police Chiefs Association presented a certificate to Police Chief Jim Devlin and Hewitt Police Department for achieving the designation as a Texas Best Practices Recognized Agency.

4. **CONSIDER APPROVAL OF MINUTES OF THE COUNCIL WORKSHOP/REGULAR MEETING OF SEPTEMBER 16, 2019.**
MOTION: Mayor Pro Tem Wilbert "Walky" Wachtendorf moved approval of the minutes as presented but to allow for corrections.
SECOND: Council Member Michael Bancale
AYES: Fuller, Bancale, Wachtendorf, Fortenberry, Bruce, and Turner
NAYES: None
ABSENT: None
MOTION PASSED.

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.
Ann Schiltz, 1220 Dendron, appeared to congratulate the Library for providing the following events: Deaf Awareness event, Dog Days, (Upcoming events) Game Night for Persons with Special Needs – October 17, 2019, November 1, 2019 Arbor Day, and November 6, 2019 – Salute to the Veterans Ceremony.

6. **CONDUCT INTERVIEWS AND CONSIDER APPOINTMENT(S) TO THE PARKS & BEAUTIFICATION COMMITTEE.**
City Manager Bo Thomas stated that two applications were received from Conway Briscoe and Jamie McKinney who expressed an interest in serving on the Parks & Beautification Committee. A brief interview was held with Conway Briscoe, 602 Madison Circle and Jamie McKinney, 411 Karen Street. Council Members expressed appreciation for their interest in serving.
MOTION: Council Member Michael Bancale moved approval of the appointment of Conway Briscoe and Jamie McKinney to the Parks and Beautification Committee.
SECOND: Council Member Bill Fuller
AYES: Fuller, Bancale, Wachtendorf, Fortenberry, Bruce, and Turner
NAYES: None
ABSENT: None
MOTION PASSED.

7. **ADMINISTER OATH OF OFFICE TO NEWLY APPOINTED MEMBERS TO THE PARKS & BEAUTIFICATION COMMITTEE.** City Secretary Lydia Lopez administered the Oath of Office to newly appointed members to the Parks & Beautification Committee Conway Briscoe and Jaime McKinney.

8. **TO AUTHORIZE AND RATIFY THE PURCHASE OF A REPLACEMENT HEAT PUMP UNIT FOR THE TRAINING ROOM OF THE HEWITT PUBLIC SAFETY FACILITY.** City Manager Bo Thomas presented. A brief discussion was held concerning the warranty of existing unit and specifications of replacement unit.
MOTION: Council Member Steve Fortenberry moved approval of the purchase of a replacement heat pump unit for the Training Room of the Public Safety Facility in an amount of $12,400.
SECOND: Council Member Bill Fuller
AYES: Fuller, Bancale, Wachtendorf, Fortenberry, Bruce, and Turner
NAYES: None
ABSENT: None
MOTION PASSED.

9. **CONSIDER RESOLUTION NO. 2019-16 SUBMITTING CANDIDATE NOMINATIONS FOR THE MCLENNAN COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS FOR THE YEARS 2020-2021.**
City Manager Bo Thomas presented. A brief discussion was held to seek volunteer. Council Member Michael Bancale offered to submit his name as a candidate.
MOTION: Council Member Erica Bruce moved approval of Resolution No. 2019-16 submitting candidate nomination of Michael Bancale for the McLennan County Appraisal District (McCAD) Board of Directors.
SECOND: Council Member Bill Fuller
AYES: Fuller, Wachtendorf, Fortenberry, Bruce, and Turner
NAYES: None
ABSENT: None
ABSTAINED: Bancale
MOTION PASSED.

10. **CONSIDER RESOLUTION NO. 2019-17 AUTHORIZING AN AGREEMENT FOR THE RESERVATION OF RAW WATER AND SALE & DELIVERY OF TREATED WATER – WHOLESALE CUSTOMER WITH THE CITY OF WACO, TEXAS THROUGH SEPTEMBER 30, 2045, AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS TO COMPLETE TRANSACTION.** City Manager Bo Thomas summarized details of agreement and advised that the Waco City Council approved the agreement on September 17, 2019.
MOTION: Council Member Michael Bancale moved to approve Resolution No. 2019-17 authorizing an Agreement for Reservation of Raw Water and Sale & Delivery of Treated Water with the City of Waco, Texas through September 30, 2045.
SECOND: Mayor Pro Tem Wilbert "Walky" Wachtendorf
AYES: Fuller, Bancale, Wachtendorf, Fortenberry, Bruce, and Turner
NAYES: None

ABSENT: None
MOTION PASSED.

11. CONSIDER AUTHORIZING THE CITY MANAGER TO SIGN AN AGREEMENT FOR ELECTRIC RATES FOR A TERM OF 90 MONTHS THRU HUDSON ENERGY, AS BROKERED BY EMEX.

City Manager Bo Thomas presented. Mayor Pro Tem Wilbert "Walky" Wachtendorf inquired about service addresses at 200 Chama Drive and 105 Tampico Drive. Mr. Thomas advised that all service addresses would be verified. Council Member Steve Fortenberry inquired on the terms of the current contract.

MOTION: Council Member Bill Fuller moved to approve.
SECOND: Council Member Michael Bancale
AYES: Fuller, Bancale, Wachtendorf, Fortenberry, Bruce, and Turner
NAYES: None
ABSENT: None
MOTION PASSED.

12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON WARD 2 CITY COUNCIL VACANCY, INCLUDING BUT NOT LIMITED TO: ACTION, IF ANY, TO BE TAKEN TO FILL VACANCY; APPOINTMENT; APPOINTMENT PROCESSES; AND OTHER MATTERS RELATING TO ANY OF THE ABOVE.

City Manager Bo Thomas stated that this item was back on the agenda based on the question raised at the last Council meeting. He further summarized an email response from the City Attorney advising that there is no prohibition to appointing the person who created the vacancy. Mr. Thomas advised that the Council still had the option to come up with a process to appoint to fill the vacancy or seek interest from the community or as stated in the Charter may, 'not shall', fill vacancy. City Attorney Mike Dixon provided his legal opinion advising that he could find no law prohibiting the Council from considering the appointment of the person creating the vacancy.

Lengthy discussion was held. Mayor Charlie Turner expressed that he would recommend that the Council leave the position vacant. Council Member Michael Bancale inquired about the length of the term and expressed concern with a split Council decision. Mayor Pro Tem Wilbert "Walky" Wachtendorf also expressed concern with a split Council decision; presented several ways to remedy which included to appoint someone, conduct a special election which he opposed to because of the cost; or take application and interview to make an appointment. Mayor Pro tem Wachtendorf stated that he had spoken with a former Council Member (James Vidrine) who would serve until the next election in May. Council Member Bill Fuller suggested that the Council seek interested applicants and appoint at the next Council Meeting. Council Member Erica Bruce expressed her concern with the Council making an appointment as it would take the voter out of the equation and the last appointment made by Council did not go well. She agreed with the Mayor that the Council should wait to fill the vacancy. Council Member Steve Fortenberry recommended that the citizens be allowed to make the decision. Council Member Bancale also stated that he had received a call from Mr. Bob Potter who voiced an interest in serving.

MOTION: Council Member Michael Bancale moved to table this decision and discuss at the next Council meeting.
SECOND: Council Member Steve Fortenberry
AYES: Fuller, Bancale, Fortenberry, Bruce, and Turner
NAYES: Wachtendorf
ABSENT: None
MOTION PASSED.

Mayor Charlie Turner convened to the following Executive Sessions at 8:09 PM.

13. **Executive Session:** The Council will convene into Executive Session at 8:09 PM in accordance with the following provisions: A closed meeting will be held pursuant to Section 551.087 of the Government Code (V.T.C.A.) so that the Council may deliberate regarding Economic Development negotiations AND Section 551.074 of the Government Code (V.T.C.A.) so that Council may deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee (Council Vacancy – Ward 2).

The Council recessed the Executive Session and reconvened the Regular Meeting at 8:57 PM.

14. **ADJOURN.**
MOTION: Council Member Bill Fuller moved to adjourn the meeting at 9:01 PM.
SECOND: Council Member Michael Bancale
AYES: Fuller, Bancale, Wachtendorf, Fortenberry, Bruce
NAYES: Turner
ABSENT: None
MOTION PASSED.

Approved: ___________________

ATTEST:

____
Lydia Lopez, City Secretary

____
Wilbert Wachtendorf, Mayor Pro Tem

HEWITT TEXAS

AGENDA ITEM #5 – HEARING OF VISITORS

PROCEDURES FOR CITIZEN PARTICIPATION AT MEETINGS

In order to address the Council on any item, you must complete a Speaker's Request Form and submit to the City Secretary prior to the start of the Council meeting. Comments on non-agenda items must be made only during the citizens' comments agenda item. Council may not comment publicly on issues raised during citizen comments that are not listed on the Agenda but may direct the City Manager to resolve or request the matter to be placed on a future agenda. Such public comments shall not include any "deliberation" as defined by Chapter 551 of the Government Code, as now or hereafter amended.

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HEWITT TEXAS

AGENDA ITEM #6 - City Engineer's Report

HEWITT TEXAS

CITY ENGINEER'S REPORT
October 15, 2019

Utility Projects

IH – 35 Waterline; Phase 3

We are to hold a final walk-through on the project Thursday, Oct. 17th.

FM 2113; Spring Valley Rd.

Plans have been submitted to TxDOT for permitting.

Street Projects

Ritchie Road Improvements; (From Warren Dr. to Park Place Dr.)

Contactor is working on the Hewitt side of the project and temporary road closures and detours will be off and on through the process.

April/December; Mill and Overlay

We should be holding a Pre-Construction in the next week or so.

E. Warren Street Improvements

Survey work is being progressed.

Drainage Projects

920/924 Oakmont Dr.; 36" RCP Storm Sewer

The City is to meet with the residents on Friday, Oct. 18th, to discuss the concern.

208/212 Cross Country Drainage Improvements

Discussing the possibility of acquiring additional drainage easement for this project with the property owner of one of the homes.

HEWITT
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CITY ENGINEER'S REPORT
October 15, 2019

By:

STATE OF TEXAS
MILES W. WHITNEY
116154
LICENSED
PROFESSIONAL ENGINEER

P.E.

Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.

HEWITT TEXAS

COUNCIL AGENDA ITEM #7

The Financial Statements ending September 31, 2019, were sent electronically on October 9, 2019. Finance Director Lee Garcia will be available to respond to any questions or comments.

HEWITT
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COUNCIL AGENDA ITEM FORM

MEETING DATE: October 21, 2019

AGENDA ITEM #: 8

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consideration and action on approval of Quarterly Investment Report as of September 30, 2019.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City's Investment Policy, Section XI. Reporting (PFIA 2256.023) requires the preparation of a quarterly report for the City Council. Please see the following Investment Report for the Quarter ending September 30, 2019.

SUGGESTED MOTION:

"I move approval of the Quarterly Investment Report as of September 30, 2019."

ATTACHMENTS:

September 2019 Quarterly Investment Report

City of Hewitt

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2019

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Hewitt is in compliance with the Public Funds Investment Act and the Investment Policy and its incorporated strategies.

City Manager

Finance Director

Accountant

Disclaimer: These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

City of Hewitt, Texas
Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

	September 30, 2018			September 30, 2019		
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Ave. Yield**	**Book Value**	**Market Value**
Pools/Bank/TCB	1.19%	$ 7,926,773	$ 7,926,773	2.03%	$ 10,087,832	$ 10,087,832
Securities/CDs	2.59%	10,747,779	10,747,779	2.64%	6,622,253	6,622,253
Totals		**$ 18,674,552**	**$ 18,674,552**		**$ 16,710,085**	**$ 16,710,085**
Fourth Quarter-End Yield	**2.00%**			**2.27%**		

Average Quarter-End Yields - Fiscal Year *(1)*:

	September 30, 2018	September 30, 2019
Hewitt	1.43%	1.90%
Rolling Three Month Treasury	1.69%	2.30%
Rolling Six Month Treasury	1.73%	2.37%
TexPool	1.62%	2.31%
Fiscal YTD Interest Earnings	$ 283,901	$ 373,915

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

[redacted]

Description	Amount	Portfolio Name	Maturity Date
		ALLIANCE BANK	
ALLIANCE 2.25 10/16/2019	1,066,846.74	010 Utility Fund Operating	10/16/2019
ALLIANCE 2.45 7/19/2021	1,004,165.97	013 UF Self-Supt Debt	07/19/2021
ALLIANCE 2.45 7/19/2021	903,749.38	007 GF 90 Day Reserve	07/19/2021
ALLIANCE 2.65 4/15/2020	911,888.72	007 GF 90 Day Reserve	04/15/2020
ALLIANCE 2.65 4/17/2020	803,870.36	014 UF 90 Day Reserve	04/17/2020
ALLIANCE BANK 2.95 6/8/2020	522,900.40	010 Utility Fund Operating	06/08/2020
ALLIANCE BANK 2.95 7/5/2020	367,896.72	012 UF Water Deposits	07/05/2020
ALLIANCE BANK MM	496,119.18	050 GF Capital Projects	
	6,077,437.47		
		CASH	
Cash on Hand Cash	550.00	001 GF Operating	
Cash on Hand Cash	1,300.00	010 Utility Fund Operating	
	1,850.00		
		EAST WEST BANK	
East West Bank 2.97 7/1/2020	1,040,934.41	010 Utility Fund Operating	07/01/2020
	1,040,934.41		
		INDEPENDENT BANK	
Independent Bank MM	801.29	003 GF Street Reserve	
Independent Bank MM	1,609,423.02	010 Utility Fund Operating	
Independent Bank MM	225,004.75	015 Drainage Fund	
Independent Bank MM	140,251.16	016 Hotel Fund	
Independent Bank MM	25,338.31	050 GF Capital Projects	
Independent Bank MM	293,272.42	070 UF Capital Projects	
Independent Bank MM	384,029.53	008 PEG Account	
Independent Bank MM	255,743.92	054 2017 Bond Fund	
Independent Bank MM	6,607.45	013 UF Self-Supt Debt	
Independent Bank MM	437,850.34	014 UF 90 Day Reserve	
Independent Bank MM	113,047.42	007 GF 90 Day Reserve	
Independent Bank MM	95,715.01	006 GF Tax I&S	
Independent Bank MM	610.15	005 HHIT	
Independent Bank MM	109,714.94	012 UF Water Deposits	
Independent Bank MM	409,450.17	001 GF Operating	
Independent Bank MM	928.28	004 Payroll Acct	
Independent Bank	4,107,788.16		
		SOUTHSIDE BANK	
Southside Bank MM	483,982.72	006 GF Tax I&S	
Southside Bank MM	948,803.81	010 Utility Fund Operating	
Southside Bank MM	313,914.54	013 UF Self-Supt Debt	
Southside Bank MM	2,016,464.04	054 2017 Bond Fund	
Southside Bank MM	230,443.51	011 UF Equipment Res	
Southside Bank MM	1,003,785.14	001 GF Operating	
Southside Bank MM	214,291.48	003 GF Street Reserve	
	5,211,685.24		

TEXPOOL			
TexPool LGIP	5,498.16	011 UF Equipment Res	
TexPool LGIP	1,614.18	012 UF Water Deposits	
TexPool LGIP	87,498.57	001 GF Operating	
TexPool LGIP	23,195.42	010 Utility Fund Operating	
TexPool LGIP	11,045.74	003 GF Street Reserve	
TexPool LGIP	116,617.50	013 UF Self-Supt Debt	
TexPool LGIP	1,823.66	006 GF Tax I&S	
TexPool LGIP	12,838.96	050 GF Capital Projects	
TexPool LGIP	10,257.25	070 UF Capital Projects	
TexPool	270,389.44		
TOTAL PORTFOLIO	16,710,084.72		

Summary

Quarter End Results by Investment Category:

	June 30, 2019		September 30, 2019		
Asset Type	**Book Value**	**Market Value**	**Book Value**	**Market Value**	**Ave. Yield**
Pools/DDA/MMA	$ 14,203,988	$ 14,203,988	$ 10,087,832	$ 10,087,832	2.03%
Securities/CDs	4,682,289	4,682,289	6,622,253	6,622,253	2.64%
Totals	**$ 18,886,277**	**$ 18,886,277**	**$ 16,710,085**	**$ 16,710,085**	

Quarter Average Yield (1)	
Total Portfolio	2.27%
Rolling Three Month Treasury	2.023%
Rolling Six Month Treasury	2.166%
TexPool	2.164%

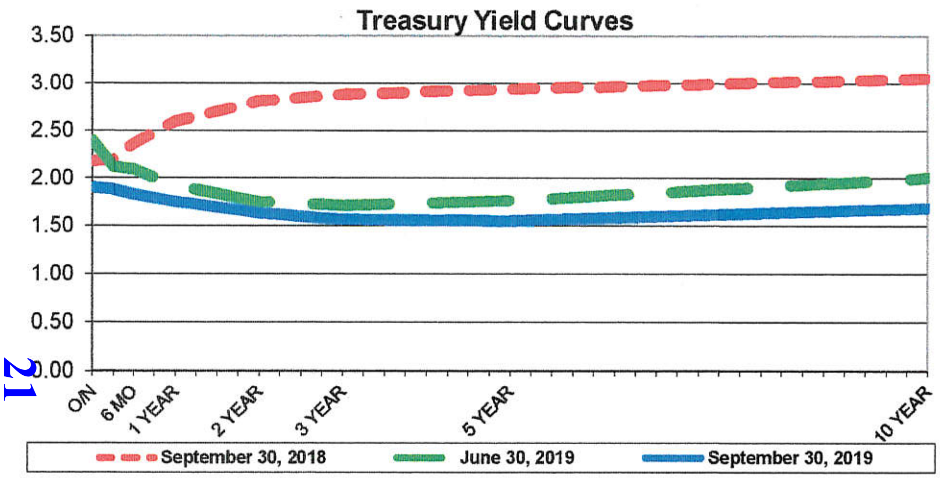
Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	1.90%
Rolling Three Month Treasury	2.30%
Rolling Six Month Treasury	2.37%
TexPool	2.31%

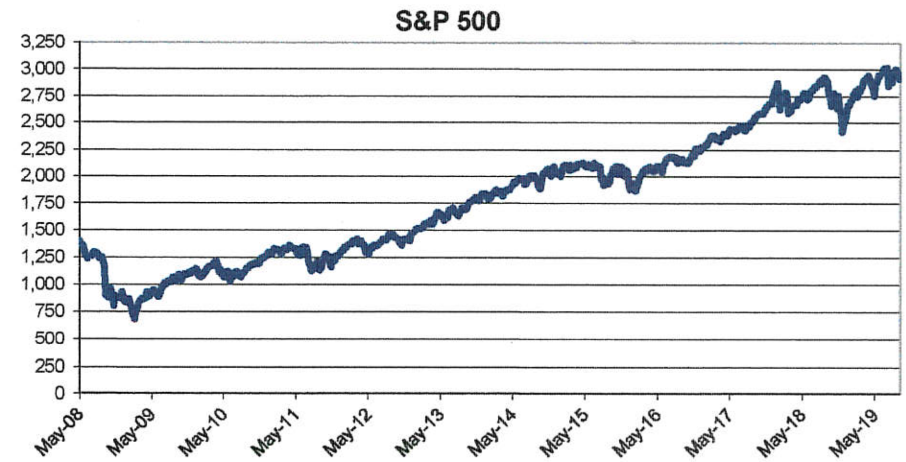
Interest Earnings	
Quarterly Interest Income	$ 101,690
Year-to-date Interest Income	$ 373,915

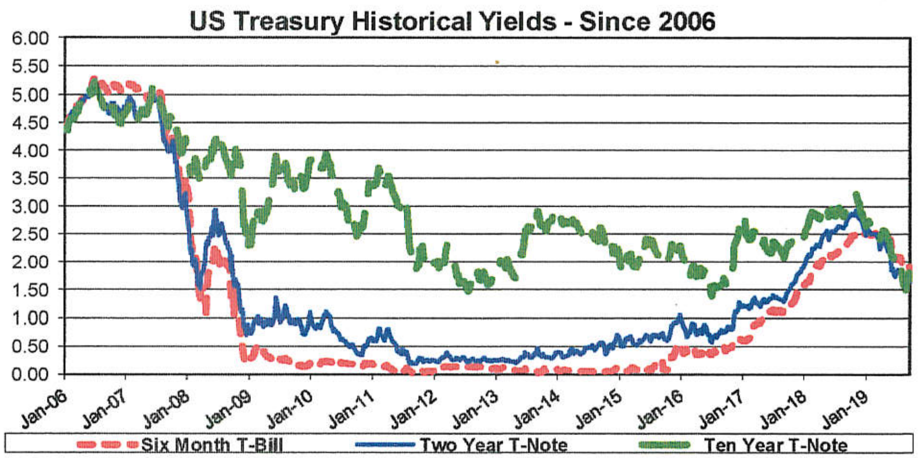
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

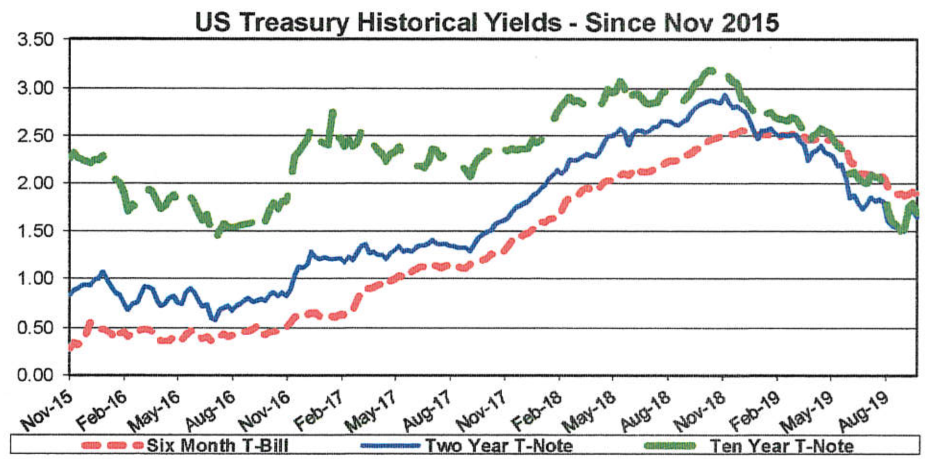
(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

The Federal Open Market Committee (FOMC) reduced the Fed Funds target range to 1.75% - 2.00% (Effective Fed Funds are trading +/-1.83%). The Futures Market continues to project additional decreases. Gradual Federal Reserve Bank portfolio reduction ended. August Non Farm Payroll added 136,000 new jobs, with the rolling three month averaging 157,000. Crude oil settled back and trades +/-$55. The Stock Markets waffled near the recent highs. Consumer spending continues albeit less robustly. Overall economic activity remains mostly positive with 2nd Quarter GDP recorded at 2.0%. Brexit, Chinese trade concerns, growth outlook, and other factors may weigh on US growth. The inverted Yield Curve persists with yields declining.









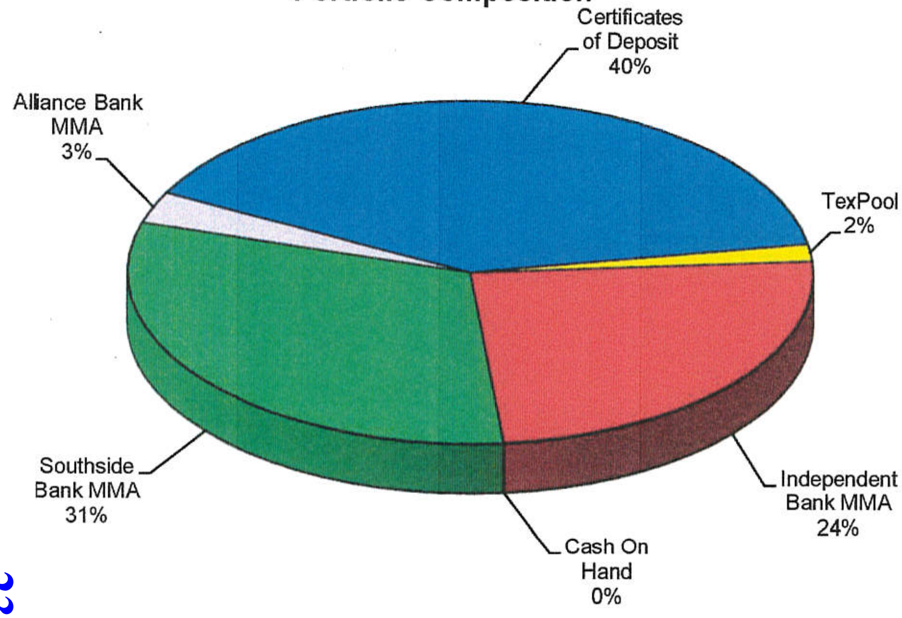
Investment Holdings
September 30, 2019

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash on Hand		0.00%	10/01/19	09/30/19	$ 1,850	$ 1,850	1.00	$ 1,850	1	0.00%
Independent Bank - MMA		1.76%	10/01/19	09/30/19	4,107,788	4,107,788	1.00	4,107,788	1	1.76%
Southside Bank - MMA		2.25%	10/01/19	09/30/19	5,211,685	5,211,685	1.00	5,211,685	1	2.25%
Alliance Bank - MMA		1.97%	10/01/19	09/30/19	496,119	496,119	1.00	496,119	1	1.97%
TexPool	AAAm	2.16%	10/01/19	09/30/19	270,389	270,389	1.00	270,389	1	2.16%
Alliance Bank CD		2.25%	10/16/19	07/16/19	1,066,847	1,066,847	100.00	1,066,847	16	2.27%
Alliance Bank CD		2.65%	04/15/20	04/16/19	911,889	911,889	100.00	911,889	198	2.65%
Alliance Bank CD		2.65%	04/17/20	04/17/19	803,870	803,870	100.00	803,870	200	2.65%
Alliance Bank CD		2.95%	06/08/20	06/08/18	522,900	522,900	100.00	522,900	252	2.97%
East West Bank CD		2.97%	07/01/20	09/30/18	1,040,934	1,040,934	100.00	1,040,934	275	3.01%
Alliance Bank CD		2.95%	07/05/20	06/05/18	367,897	367,897	100.00	367,897	279	2.97%
Alliance Bank CD		2.45%	07/19/21	07/19/19	1,907,915	1,907,915	100.00	1,907,915	658	2.47%
Total					**$ 16,710,085**	**$ 16,710,085**		**$ 16,710,085**	**128**	**2.27%**
									(1)	(2)

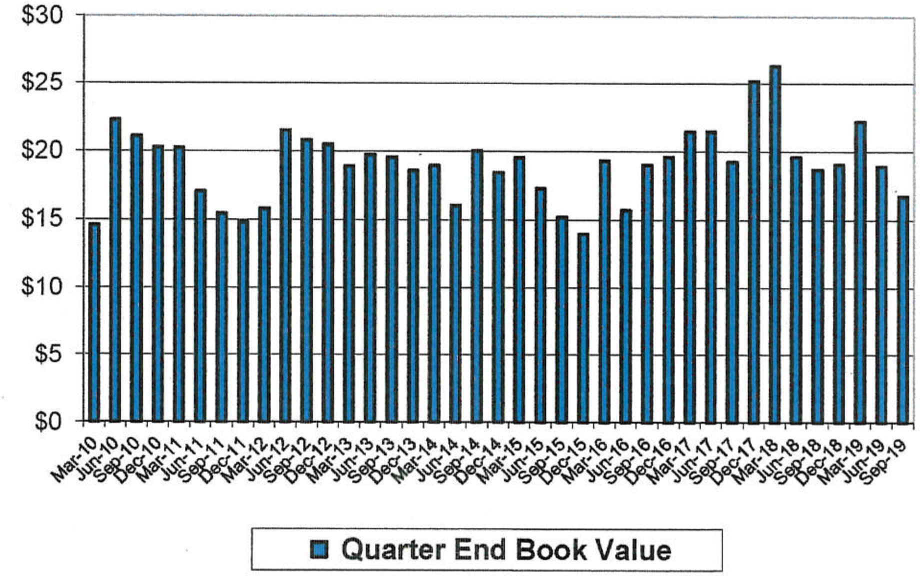
(1) Weighted average life - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for pool, and bank account investments.

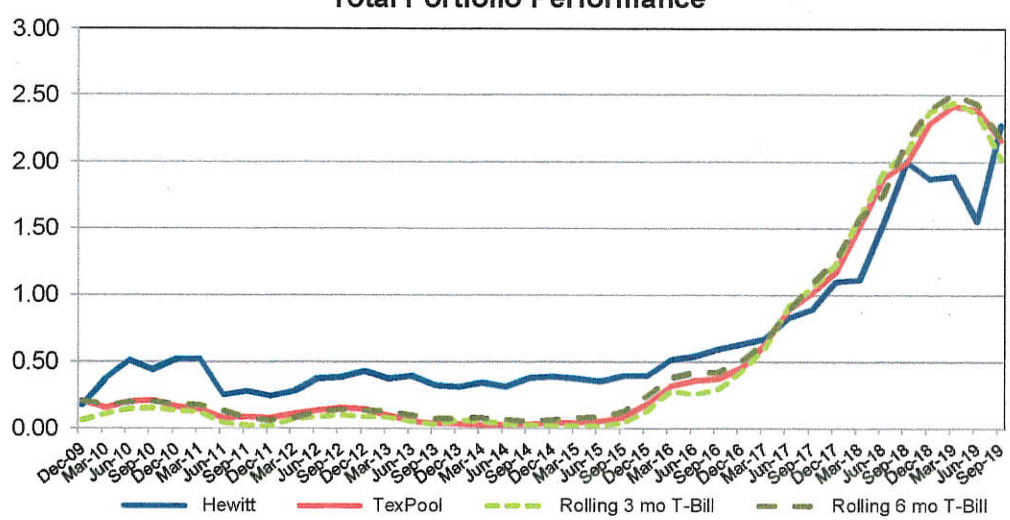
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Portfolio Holdings Group By: Portfolio Name As of 9/30/2019				
Description	Rate	Amount	Maturity Date	Days To Maturity
GENERAL OPERATING FUNDS				
Cash on Hand Cash	0.000	550.00		1
Independent Bank MM	1.760	409,450.17		1
Southside Bank MM	2.250	1,003,785.14		1
Independent Bank MM	1.760	928.28		1
Independent Bank MM	1.760	610.15		1
		1,415,323.74		
GF STREET RESERVES				
Independent Bank MM	1.760	801.29		1
Southside Bank MM	2.250	214,291.48		1
TexPool LGIP	2.164	11,045.74		1
		226,138.51		
GF DEBT SERVICE				
Independent Bank MM	1.760	95,715.01		1
Southside Bank MM	2.250	483,982.72		1
TexPool LGIP	2.164	1,823.66		1
		581,521.39	Req'd Reserves=$543,975	
GF 90 DAY RESERVES				
ALLIANCE 2.45 7/19/2021	2.450	903,749.38	07/19/2021	658
ALLIANCE 2.65 4/15/2020	2.650	911,888.72	04/15/2020	198
Independent Bank MM	1.760	113,047.42		1
TexPool LGIP	2.164	87,498.57		1
		2,016,184.09	Req'd Reserves=$1,908,190	
PEG FUNDS				
Independent Bank MM	1.760	384,029.53		1
		384,029.53		
TOTAL GENERAL FUND PORTFOLIO		4,623,197.26		
HOTEL FUND				
Independent Bank MM	1.760	140,251.16		1
		140,251.16		
GENERAL FUND CAPITAL PROJECTS				
ALLIANCE BANK MM	1.970	496,119.18		1
Independent Bank MM	1.760	25,338.31		1
TexPool LGIP	2.164	12,838.96		1
Fund 15		534,296.45		
Independent Bank MM	1.760	255,743.92		1
Southside Bank MM	2.250	2,016,464.04		1
Fund 18		2,272,207.96		
TOTAL GF CAPITAL PROJECT FUNDS		2,806,504.41		

UTILITY OPERATING FUNDS				
ALLIANCE 2.25 10/16/2019	2.250	1,066,846.74	10/16/2019	16
ALLIANCE BANK 2.95 6/8/2020	2.950	522,900.40	06/08/2020	252
Cash on Hand Cash	0.000	1,300.00		1
East West Bank 2.97 7/1/2020	2.970	1,040,934.41	07/01/2020	275
Independent Bank MM	1.760	1,609,423.02		1
Southside Bank MM	2.250	948,803.81		1
TexPool LGIP	2.164	23,195.42		1
		5,213,403.80		
UF EQUIPMENT RESERVES				
Southside Bank MM	2.250	230,443.51		1
TexPool LGIP	2.164	5,498.16		1
		235,941.67		
UF WATER DEPOSITS				
ALLIANCE BANK 2.95 7/5/2020	2.948	367,896.72	07/05/2020	279
Independent Bank MM	1.760	109,714.94		1
TexPool LGIP	2.164	1,614.18		1
		479,225.84		
UF DEBT SERVICE				
ALLIANCE 2.45 7/19/2021	2.450	1,004,165.97	07/19/2021	658
Independent Bank MM	1.760	6,607.45		1
Southside Bank MM	2.250	313,914.54		1
TexPool LGIP	2.164	116,617.50		1
		1,441,305.46	Req'd Reserves=$548,210	
UF 90 DAY RESERVES				
ALLIANCE 2.65 4/17/2020	2.650	803,870.36	04/17/2020	200
Independent Bank MM	1.760	437,850.34		1
		1,241,720.70	Req'd Reserves=$1,219,013	
TOTAL UTILITY FUND PORTFOLIO		8,611,597.47		

DRAINAGE FUND				
Independent Bank MM	1.760	225,004.75		1
		225,004.75		

UTILITY CAPITAL PROJECT FUND				
Independent Bank MM	1.760	293,272.42		1
TexPool LGIP	2.164	10,257.25		1
		303,529.67		

TOTAL PORTFOLIO	2.266	16,710,084.72		

Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2019 Par Value	June 30, 2019 Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	September 30, 2019 Par Value	September 30, 2019 Book Value
Cash on Hand	0.00%	10/01/19	$ 1,850	$ 1,850	$ –	$ –	$ 1,850	$ 1,850
Independent Bank - MMA	1.76%	10/01/19	8,758,141	8,758,141		(4,650,353)	4,107,788	4,107,788
Southside Bank - MMA	2.25%	10/01/19	4,182,141	4,182,141	1,029,545		5,211,685	5,211,685
Alliance Bank - MMA	1.97%	10/01/19	992,989	992,989		(496,869)	496,119	496,119
TexPool	2.16%	10/01/19	268,867	268,867	1,522		270,389	270,389
Alliance Bank CD	2.60%	07/16/19	1,060,493	1,060,493		(1,060,493)	–	–
Alliance Bank CD	2.25%	10/16/19	–	–	1,066,847		1,066,847	1,066,847
Alliance Bank CD	2.65%	04/15/20	905,825	905,825	6,064		911,889	911,889
Alliance Bank CD	2.65%	04/17/20	798,525	798,525	5,346		803,870	803,870
Alliance Bank CD	2.95%	06/08/20	519,032	519,032	3,869		522,900	522,900
East West Bank CD	2.97%	07/01/20	1,033,240	1,033,240	7,694		1,040,934	1,040,934
Alliance Bank CD	2.95%	07/05/20	365,175	365,175	2,722		367,897	367,897
Alliance Bank CD	2.45%	07/19/21	–	–	1,907,915		1,907,915	1,907,915
TOTAL			**$ 18,886,277**	**$ 18,886,277**	**$ 4,031,523**	**$ (6,207,715)**	**$ 16,710,085**	**$ 16,710,085**

Allocation By Fund
September 30, 2019

Book and Market Value	Cash on Hand	Independent Bank - MMA (1.76%)	TexPool (2.164%)	Southside Bank - MMA (2.25%)	Alliance Bank · MMA (1.97%)	10/16/19 Alliance Bank (2.25%)	04/15/20 Alliance Bank (2.65%)	04/17/20 Alliance Bank (2.65%)
GF Operating	$ 550	$ 409,450	$ 87,499	$ 1,003,785	$ –	$ –	$ –	$ –
GF Street Reserve	–	801	11,046	214,291	–	–	–	–
GF Tax I&S	–	95,715	1,824	483,983	–	–	–	–
GF 90 Day Reserves	–	113,047	–	–	–	–	911,889	–
PEG Account	–	384,030	–	–	–	–	–	–
Street Capital	–	25,338	12,839	–	496,119	–	–	–
Hotel Fund	–	140,251	–	–	–	–	–	–
HHIT	–	610	–	–	–	–	–	–
Drainage Fund	–	225,005	–	–	–	–	–	–
Payroll Account	–	928	–	–	–	–	–	–
UF Operating	1,300	1,609,423	23,195	948,804	–	1,066,847	–	–
UF Deposits	–	109,715	1,614	–	–	–	–	–
UF Self-Supporting	–	6,607	116,618	313,915	–	–	–	–
UF 90-Day Reserves	–	437,850	–	–	–	–	–	803,870
UF Equipment	–	–	5,498	230,444	–	–	–	–
UF Capital (2016 Bonds)	–	293,272	10,257	–	–	–	–	–
2017 Bond Funds	–	255,744	–	2,016,464	–	–	–	–
Totals	**$ 1,850**	**$ 4,107,788**	**$ 270,389**	**$ 5,211,685**	**$ 496,119**	**$ 1,066,847**	**$ 911,889**	**$ 803,870**

Allocation By Fund (continued)
June 30, 2019

	06/08/20	07/01/20	07/05/20	
Book and Market Value	Alliance Bank (2.95%)	East West Bank (2.97%)	Alliance Bank (2.95%)	Total
GF Operating	$ –	$ –	$ –	$ 2,302,879
GF Street Reserve	–	–	–	224,761
GF Tax I&S	–	–	–	567,315
GF 90 Day Reserves	–	–	–	1,841,402
PEG Account	–	–	–	373,197
Street Capital	–	–	–	1,153,725
Hotel Fund	–	–	–	128,809
HHIT	–	–	–	601
Drainage Fund	–	–	–	218,604
Payroll Account	–	–	–	847
UF Operating	519,032	1,033,240	–	4,558,969
UF Deposits	–	–	365,175	476,037
UF Self-Supporting	–	–	–	1,433,748
UF 90-Day Reserves	–	–	–	1,234,490
UF Equipment	–	–	–	234,500
UF Capital (2016 Bonds)	–	–	–	573,576
2017 Bond Funds	–	–	–	3,562,818
Totals	$ 519,032	$ 1,033,240	$ 365,175	$ 18,886,277

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: October 21, 2019

AGENDA ITEM #: 9

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Conduct a public hearing to allow for comments regarding the election by City Council to utilize tax abatements, reinvestment zones and the guidelines controlling these economic development measures.

STAFF RECOMMENDATION/ITEM SUMMARY:

Open the public hearing at ______.
Close the public hearing at ______.

SUGGESTED MOTION:

None at this time

ATTACHMENTS:

Supporting documentation in packet is Ordinance No. 2019-23

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: October 21, 2019

AGENDA ITEM #: 10

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Consideration and action on Resolution No. 2019-18 declaring the City of Hewitt eligible to participate in tax abatements and create reinvestment zones within the City.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City of Hewitt desires to become more active with its economic development efforts and initiatives. Chapter 312 of the Tax Code allows the City Council to elect to become eligible to participate in tax abatements and create reinvestment zones within the City.

SUGGESTED MOTION:

I move to approve Resolution No. 2019-18 to approve and adopt tax abatement and reinvestment zones within the City of Hewitt.

ATTACHMENTS:

Resolution No. 2019-18

RESOLUTION NO. 2019-18

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS ELECTING TO BECOME ELIGIBLE TO PARTICIPATE IN TAX ABATEMENT

On the ___ day of ________, 20______, came on before the City Council of the City of Hewitt, Texas the matter of participation in tax abatement as provided by Chapter 312 of the Texas Property Tax Code. The Council, having found election to participate in tax abatement to be in the best interest of the City and its citizens to attract economic development, to create jobs, to retain jobs, and to create investment/re-investment in the City, desires to elect to participate in tax abatement by adoption of this Resolution.

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

1. The City of Hewitt elects to become eligible to participate in tax abatement under Chapter 312 of the Texas Property Tax Code; and
2. The City of Hewitt elects to use tax abatement as a means of encouraging development and redevelopment/reinvestment as allowed by Chapter 312 of the Texas Property Tax Code.

PASSED this _____ day of _________, 20____.

____
Wilbert Wachtendorf, Mayor Pro Tem

ATTEST:

____
Lydia Lopez, City Secretary

Approved:

____
Michael W. Dixon, City Attorney

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: October 21, 2019

AGENDA ITEM #: 11

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Consideration and action on Ordinance No. 2019-23 adopting tax abatement guidelines and establishing an effective date.

STAFF RECOMMENDATION/ITEM SUMMARY:

Now that the City Council has elected to become eligible to participate in tax abatement and reinvestment zones Chapter 312 of the Tax Code requires a municipality participating in tax abatement must adopt guidelines and criteria governing tax abatement agreements. This ordinance establishes those guidelines and addresses the Purpose for tax abatement, Reinvestment Zone qualifications and process for designation, requirements for Notice Publication and Public Hearing, Council approval on tax abatement agreements and the Application Process.

SUGGESTED MOTION:

I move to authorize and adopt Ordinance No. 2019-23 establishing guidelines for tax abatement.

ATTACHMENTS:

Ordinance No. 2019-23 including Guidelines and Appendix 1.

ORDINANCE NO. 2019-23

ORDINANCE OF THE CITY OF HEWITT, TEXAS ADOPTING TAX ABATEMENT GUIDELINES AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, notice of a public hearing on the adoption of property tax abatement guidelines was duly given, and a public hearing was held at which persons were given the opportunity to speak for or against tax abatement and the tax abatement guidelines; and

WHEREAS, the City of Hewitt has elected to become eligible to participate in tax abatement under Chapter 312 of the Tax Code; and

WHEREAS, Chapter 312 of the Tax Code contains various requirements relating to municipal tax abatement; and

WHEREAS, Chapter 312 of the Tax Code also requires that a municipality participating in tax abatement must adopt guidelines and criteria governing tax abatement agreements entered into by the municipality; and

WHEREAS, the City Council finds it necessary and proper to adopt guidelines which both serve as a guide to the legal requirements for tax abatement and establish criteria and requirements for tax abatement.

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

1. the "City of Hewitt Tax Abatement Guidelines" attached hereto as EXHIBIT A, and incorporated by reference herein, are ADOPTED and shall govern the City's participation in tax abatement under Chapter 312 of the Texas Property Tax Code.
2. this Ordinance [and the Tax Abatement Guidelines adopted hereby] is effective on passage.

PASSED THIS _____ DAY OF ____________, 20_______.

____

Wilbert Wachtendorf, Mayor Pro Tem

____
Lydia Lopez, City Secretary

Approved:

____
Michael W. Dixon, City Attorney

EXHIBIT A

CITY OF HEWITT, TEXAS TAX ABATEMENT GUIDELINES

1. Purpose. To serve as a guide to City Staff in complying with the required procedures for participation in tax abatement under Chapter 312 of the Tax Code and to establish criteria and standards for tax abatement agreements entered into by the City.

2. Reinvestment Zones.

2.1 General. Tax abatement can ONLY be granted with regard property located within a properly designated Reinvestment Zone. Thus, as an initial matter it must be confirmed that the property is within a Reinvestment Zone previously designated by the City. If it is not, a Reinvestment Zone must be created before any tax abatement agreement is reached.

2.2 Criteria for Reinvestment Zone. The statutory criteria for an area to be designated as a Reinvestment Zone are listed in Section 312.202 of the Tax Code. The listed criteria that will normally be applicable is that the area must "be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the municipality." However, in some cases other criteria may be applicable, such as the area being in need of Reinvestment due to urban blight. [Residential tax abatement is also provided for in Chapter 312 under certain conditions. The City currently does not seek to participate in residential tax abatement, but may-strictly in compliance with the Tax Code-at a future date]. The term "reinvestment zone" includes an "enterprise zone" designated under Chapter 2303 of the Government Code.

2.3 Process for Designating a Reinvestment Zone.

A. Designation of a Reinvestment Zone is by Ordinance. The ordinance designating a reinvestment zone must: Describe the boundaries of the zone; Find that the property meets the criteria for a zone (Section 312.202, Tax Code); State that the property within the zone is eligible for commercial-industrial tax abatement; and Make the findings required to be made after the public hearing (discussed below).

The property description must be a legal description, general descriptions will not suffice. In most cases a zone will be designated that is coextensive with the property for which tax abatement is sought rather than designating an area wherein multiple properties are located.

The specific criteria under which the zone is being created must be stated.

B. Published Notice and Public Hearing Required. To be eligible for designation as a reinvestment zone, the City Council must hold a public hearing on the designation. At the hearing, interested persons are entitled to speak and present evidence for or against the designation. See § 312.201, Property Tax Code. Not later than the 7th day before the date of the hearing, notice of the hearing must be published in a newspaper of general circulation in the municipality; written notice must be given to the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone. Notice to the presiding officer of the governing body is considered notice to the governing body. After holding the public hearing, the City Council must make a finding that the improvements sought are feasible and practical and would be a benefit to the land included in the zone and to the City after the expiration of any tax abatement agreement. This finding will be contained in the Designation Ordinance.

3. Tax Abatement. Tax abatement can only be granted to an eligible property under a written Tax Abatement Agreement approved by the City Council. The abatement granted is only with regard to a percentage of the added taxable value (per the appraised value assigned by the McLennan County Appraisal District) created by the real property improvements and/or personal property additions on the land within the zone. The increase is calculated by reference to the Base Year, which is the year in which the Tax Abatement Agreement is entered into by the City and the Owner. The Base Year Value is based on the appraised value assigned by the McLennan County Appraisal District. Tax abatement is available with regard to qualifying projects for both new facilities and structures and for the expansion or modernization of existing facilities and structures. The term of a Tax Abatement Agreement cannot exceed 10 years. The City can provide tax abatement for the value of personal property, equipment or fixtures on Owned by the Lessee of the property upon which the personal property, equipment or fixtures are located. Abatement is not granted to the owner of the leased property.

4. Application for Tax Abatement

4.1 The property owner must generally file an application for tax abatement with the City Manager for a tax abatement to be considered by the City Council.

4.1.1 Exception. The City Council may consider as a tax abatement application a submittal which contains a description of the property, the proposed improvements and additions, any employment positions to be created or maintained, abatement terms, percentages and conditions, and other information included therein based on negotiations by City officials and legal counsel with the business, in lieu of requiring an application.

4.1.3 An Application for Tax Abatement must include the following:

a. a legal description and common description of the real property for which tax abatement is sought;

b. a description of any personal property for which tax abatement is sought;

c. the proposed capital improvements to the property and any proposed additions of personal property thereon over and above what exists on the property at the date of the Application and any proposed increases in employment or retention of jobs which the

Applicant is proposing as incentive for the grant of the tax abatement. This shall include the number of jobs, average wage of jobs, employment benefits to be provided, and a commitment to retain the jobs throughout the abatement period;

d. the name, address, and telephone number of the applicant;

e. if the applicant is other than a natural person, identification of the form of the entity and a copy of the articles of incorporation, partnership agreement, or other document establishing the entity must be provided. Where the applicant is other than a natural person, a certificate of good standing from the State Comptroller shall be provided, and a verification of the entity's status from the State Secretary of State shall be provided where applicable;

f. the applicant must provide a current tax certificate showing that all property taxes due on the property have been paid;

g. the applicant must provide a statement of the taxable value of the property and personal property thereon as shown on the assessment for the year of the application, and must state the estimated increase in the taxable value from its project;

h. the Application must disclose any discharges of pollutants which are expected to accompany the Applicant's operations on the property; and

i. the applicant shall provide a map showing the property, and the location of proposed improvements.; and

j. estimated water and sewer requirements for the project shall be identified.

5. Tax Abatement Agreements

5.1 Tax Abatement Agreements must, by statute, contain the following terms and conditions:

(a) list the kind, number, and location of all proposed improvements of the property;

(b) provide access to and authorize inspection of the property by City employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;

(c) limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;

(d) provide for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;

(e) contain each term agreed to by the owner of the property;

(f) require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement; and

(g) provide that the governing body of the City may cancel or modify the agreement if the property owner fails to comply with the agreement.

See §§312.205 and 312.206, Tax Code. *See Also* §312.402, Tax Code.

5.2 An Owner must stay current on the unabated portions of property taxes on the property. Failure to do so may result in termination of the Tax Abatement Agreement.

5.3 The Tax Abatement Agreement will contain other provisions as required by the City or its legal counsel.

5.4 The duration of a tax abatement shall not exceed ten (10) years.

5.4 The Base Year Value of the property, the percentage of abatement, and the length of abatement shall be clearly set forth in the Agreement.

5.4 The "Base Year Value" is the taxable value of the property for the tax year in which the Agreement is executed.

5.5 The abatement provided by a Tax Abatement Agreement is only for the increase of the taxable value over the Base Year Value caused by the improvements and additions made by the property owner to the property which are specifically set forth in the Agreement. The abatement shall not be applied to improvements or personal property located on the property before the Tax Abatement Agreement is executed, or which are not included in the improvements or additions expressly described in the Tax Abatement Agreement. The abatement provided by the Tax Abatement Agreement shall not apply to inventory or supplies.

5.6 A Tax Abatement Agreement will generally take effect on January 1 of the next year after the improvements and/or additions are completed. A certificate of completion must be provided to the City Judge upon (or the entity administering compliance) completion of the improvements/additions. "Completion" is subject to independent verification of completion by the City (and the municipality if in a municipal reinvestment zone).

5.7 The Abatement Period may be started during construction if the parties so agree in the Tax Abatement Agreement.

5.8 The start of the Abatement Period may be deferred to a later year if the parties agree to such in the Tax Abatement Agreement.

5.9 All Tax Abatement Agreements must be approved by the City Attorney.

6. Guidelines of General Application

6.1 No member of the City Council may have an interest in property to be included in a reinvestment zone, or property for which a tax abatement is granted by the City.

6.2 No tax abatement agreement is effective until formally approved by the City Council and fully executed by all parties. NO TAX ABATEMENT CAN BE GRANTED FOR PROPERTY THAT IS NOT LOCATED WITHIN A PROPERLY ESTABLISHED REINVESTMENT ZONE.

6.3 Tax abatement will only be granted for increases in the taxable value of the property over the Base Year Value as defined in these Guidelines, and only for increases in value caused by improvements/additions identified in the applicable tax abatement agreement. The term improvements/additions include both new structures and facilities and the expansion and modernization of existing structures or facilities. In some situations, involving leases—the applicable Base Year value may be zero. According to Section 312.402 (a-3) of the Tax Code the value of fixtures and personal property placed on the leased property is what is considered for abatement.

6.4 There can be no implied promise to grant tax abatement, and tax abatement may only be granted by the City Council by formal action, taken by the City Council as a body, which approves the same.

6.5 Meetings at which at a tax abatement is considered by the City Council must be posted and held in accordance with the Open Meetings Act (Chapter 551 of the Government Code). (added by H.B. 3143, 2019) The City Council must give the public notice of the meeting at which the City Council will consider approval of a Tax Abatement Agreement. The notice is posted for the meeting in the manner required by the Texas Open Meetings Act (Ch. 551, Texas Government Code) at least 30 days before the time of the meeting scheduled to consider the Tax Abatement Agreement. The Notice must contain:

1) The name of the property owner and the name of the applicant for the Tax Abatement Agreement;
2) The name and location of the Reinvestment Zone where the subject property is located;
3) A general description of the improvements or repairs required to be made under the Tax Abatement Agreement; and
4) The estimated cost of the improvements or repairs.

6.6 The conflict of interest provisions of Chapter 171 of the Local Government Code apply to actions taken by the City Council on any tax abatement.

6.7 The term and percentages of tax abatement for a project are based on rational review of the economic development benefits received, and other factors.

The proposed term/percentages should primarily be a function of the level of improvements/additions and job creation/retention.

Proposals which include significant job creation/retention shall generally have priority over those which involve only improvements/additions to property. Another factor shall be the quality of the jobs proposed. Generally, a proposed abatement involving creation of near minimum wage jobs should be accorded less favorable abatement than one involving provision of jobs having more attractive wages and benefits.

Other matters, such as whether the project will serve as an anchor for other development or is likely to create additional development are important factors.

Whether the Project and potential other development stimulated by the project serves the City's growth plan.

Projects that are expected to provide significant increases to City sales tax revenues are given greater consideration than projects that only increase taxable values.

Businesses having a regional or national impact will be given greater consideration. These are businesses that ship most of their production outside of the City.

Other businesses may be given greater consideration because they draw consumers into the City to make purchases.

When a project provides for little job creation but significant capital investment, care must be taken to properly analyze the possible impacts to the tax valuation in the future from factors such as depreciation, market changes, regulatory changes, appraisal methodologies, tax exemptions, and other relevant matters. The percentage and length of tax abatement must be carefully considered in view of the diminishing or fluctuating future value of the project. Rapid depreciation and unpredictable future valuations are factors that will be considered in setting abatement percentages and length on such projects.

Green energy projects are one of these areas. Beyond the capital investment, the provision of green energy creates more energy to power Texas industry while reducing pollution in creating that energy—which also makes Texas a better place to live and work. However, green energy projects involve rapid depreciation and provide few jobs. Standard Terms and abatement percentages for Green Energy Projects are attached hereto as Appendix 1.

Other factors such: as public infrastructure and utility requirements of the development, community impacts, direct and indirect economic impacts, environmental impacts, and the potential for future expansion may also be considered as part of the analysis.

6.8 In accordance with §312.002(d) of the Tax Code, the City's adoption of these Guidelines does not:

(1) limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement;

(2) limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or

(3) create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

6.9 Sale, Lease or Allocation to Tax Exempt Entity. If a sale, lease, or allocation of the Project or its output is made to an entity exempt from property taxation, and such results in a portion of the Project being exempt from property taxation, the City may terminate the Tax Abatement Agreement and the Abatement granted thereunder. If this occurs, the owner must repay any taxes abated related to the portion of the property that has become exempt from year 1 to when the portion of the property became tax exempt.

6.10 Alternatively, to keep the tax abatement agreement in place for the rest of the property, the Owner shall pay in a lump sum the present value of taxes that will be lost to the City with regard to the exempt portion of the property over the next 20 years using a calculation agreed to by the parties in writing, but if unable to be agreed to, resolved by binding mediation to take place in McLennan County, Texas before a mediator selected by the City from the approved list of mediators maintained by the Federal District Court in Waco..

6.11 In the event of conflict between these Guidelines and a provision of Chapter 312 of the Tax Code, Chapter 312 of the Tax Code shall control.

6.12 These Guidelines must be re-evaluated and re-approved every two years.

7. Notice Requirements.

To adopt or amend guidelines, notice of public hearing and public hearing held before adoption.

To designate a Reinvestment zone Published Notice of Public Hearing at least 7 days before hearing [Also sent to the presiding officer of the governing body of each taxing entity that includes boundaries within the reinvestment zone at least 7 days before hearing]. Public hearing held. At the end, after approving the ordinance creating the Reinvestment Zone, approve intent to enter into a proposed tax abatement Agreement. Send copy of notice of Intent and copy of proposed Tax Abatement Agreement to the presiding officer of the governing body of each taxing entity that includes boundaries within the reinvestment zone at least 7 days before meeting at which adopt Tax Abatement Agreement.

The City Council must give the public notice of the meeting at which the City Council will consider approval of a Tax Abatement Agreement. The notice is posted for the meeting in the manner required by the Texas Open Meetings Act (Ch. 551, Texas Government Code) at least 30 days before the time of the meeting scheduled to consider the Tax Abatement Agreement. The Notice must contain:

1) The name of the property owner and the name of the applicant for the Tax Abatement Agreement;
2) The name and location of the Reinvestment Zone where the subject property is located;
3) A general description of the improvements or repairs required to be made under the Tax Abatement Agreement; and
4) The estimated cost of the improvements or repairs.

8. Amendment or other Action. (added by H.B. 3143, 2019) An adoption, re-adoption, amendment, repeal, or reauthorization of these Guidelines must only occur after a public hearing is held at which members of the public have the opportunity to be heard.

APPENDIX 1

GREEN ENERGY ABATEMENT SCHEDULES

Clean Energy. This category generally provides limited job creation and involves rapid depreciation in value for property tax purposes. Therefore, standard Abatement Periods and Percentages are set. The minimum Capital Investment to be considered for Green Energy Abatement is $20,000,000.

Between $20,000,000 and $50,000,000 of Capital Investment

Abatement Year	Abatement Percentage
1	50%
2	50%
3	40%
4	40%
5	35%
6	20%

Between $50,000,000 and $100,000,000 of Capital Investment

Abatement Year	Abatement Percentage
1	50%
2	50%
3	50%
4	45%
5	40%
6	40%
7	30%

Between $100,000,000 and $200,000,000

Abatement Year	Abatement Percentage
1	70%
2	60%
3	55%

4	55%
5	50%
6	50%
7	40%
8	40%
9	40%
10	30%

Greater than $200,000,000 of Capital Investment

Abatement Year	Abatement Percentage
1	70%
2	70%
3	65%
4	60%
5	55%
6	50%
7	45%
8	40%
9	40%
10	30%

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: October 21, 2019

AGENDA ITEM #: 12

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Conduct a public hearing to allow for comments regarding the authorization of the use of 380 agreements for economic development purposes.

STAFF RECOMMENDATION/ITEM SUMMARY:

Open the public hearing at ______.
Close the public hearing at ______.

SUGGESTED MOTION:

None at this time

ATTACHMENTS:

Supporting documentation in packet is Ordinance No. 2019-24

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: October 21, 2019

AGENDA ITEM #: 13

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Consideration and action on Ordinance No. 2019-24 establishing an Economic Development Program pursuant to Chapter 380 of the Local Government Code.

STAFF RECOMMENDATION/ITEM SUMMARY:

Chapter 380 agreements allow municipalities another tool or option for economic development purposes. Those powers are in the form of the use of City employees or funds, loans or grants of public money and personnel and services of the City. This ordinance also outlines the Application for Incentives, Economic Development Performance Standards, Project Agreements, Program Administration and Business Reporting and Monitoring.

SUGGESTED MOTION:

I move to approve and adopt Ordinance No. 2019-24 establishing the use of Chapter 380 agreements for economic development purposes.

ATTACHMENTS:

Ordinance No. 2019-24

ORDINANCE NO. 2019-24

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS ESTABLISHING AN ECONOMIC DEVELOPMENT PROGRAM PURSUANT TO CHAPTER 380 OF THE LOCAL GOVERNMENT CODE

WHEREAS, the improvement and diversification of the economy in the Hewitt area is a goal that should be pursued for both the current and future welfare of the citizens of the City of Hewitt; and

WHEREAS, the City Council has attempted to identify ways to achieve this goal; and

WHEREAS, economic development and diversification, the elimination of unemployment or underemployment, and the development of transportation and commerce in the State of Texas are public purposes pursuant to Article III, §52-a of the Texas Constitution; and

WHEREAS, the City Council has both express and implied authority to establish a program to stimulate business and commercial activity in the City; and

WHEREAS, Chapter 380 of the *Local Government Code* authorizes the City Council to establish a program for economic development, and to stimulate, encourage and develop business location and commercial activity in the City; and

WHEREAS, the City Council finds it advisable and in the best interest of the citizens of the City to adopt an economic development program.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS THAT THE ECONOMIC DEVELOPMENT PROGRAM SET FORTH HEREIN IS APPROVED AND ADOPTED AS FOLLOWS:

I. GENERAL PROGRAM STATEMENT

1.1 The following economic development program (hereinafter "Program") is for the purpose of developing and diversifying the economy and developing transportation and commerce in the state of Texas, and, more specifically, the City of Hewitt, Texas, and for the purpose of eliminating unemployment and underemployment. The authority for this Program is Chapter 380 of the *Texas Local Government Code*.

1.2 All transactions and expenditures of money under this Program must be approved in advance by the City Council. No person to whom a member of the City Council is related in the prohibited degree as set forth in Chapter 573 of the *Government Code* shall be eligible to receive incentives or benefits under this Program. Likewise, no business in which a member of the City Council holds a "substantial interest" as that term is defined in Chapter 171 of the *Local Government Code* shall be eligible for incentives or benefits under this Program.

1.3 Under no circumstance shall any incentive or benefit be provided under this Program without specific contractual protections and guarantees, and the continuing supervision of the City Council or its designee to assure: (a) the public purpose of economic development, development of transportation and/or commerce, economic diversification and the elimination of unemployment and underemployment is to be served; (b) that the public purpose is accomplished; (c) that there is sufficient protection and verifiable accountability of the handling of public money; (d) that the City receives adequate consideration in the form of economic development benefits to the City and its citizens; and (e) the City has remedies to recoup incentives from a business if it fails to meet certain performance standards set by the City Council.

1.4 Except as otherwise expressly stated herein, this Program applies to businesses to be engaged or engaging in manufacturing, assembly, warehousing/distribution, larger scale retail, and/or other commercial enterprises, including enterprises which create or facilitate tourism, and professional and technical support businesses. However, due to the difficulty in creating appropriate performance measures for tourism, many of the incentives set forth below may not be available to a business promising increased tourism absent the business providing accompanying increases in local employment and making significant local capital investment. Thus, increased tourism will generally be treated as an indirect factor in making decisions on Program Projects.

1.5 This Program applies within the boundaries of the City of Hewitt and any extraterritorial jurisdiction of the City of Hewitt.

II. ECONOMIC DEVELOPMENT POWERS

2.1 Section 380.001 of the *Local Government Code* authorizes the City to:

a) use City employees or funds,

b) make loans or grants of public money, and

c) provide personnel and services of the City

to support the Program and carry out its purposes. The City may also accept contributions, gifts, or other resources to develop and administer the Program.

2.2 Possible uses of the authority provided by §380.001 of the *Local Government Code* include, but are not limited to:

- Loans, lease-purchases or other forms of financing for site acquisition or development;
- Grants to defray the cost of site acquisition or site development;
- Utility extensions or infrastructure improvements;
- "In kind" services such as site preparation for certain infrastructure elements using City equipment/personnel/or contractors;

- Grants/assistance for job training or re-location; and
- Waiver or rebate of permit and other fees.

2.3 Development Incentives, such as those identified in section 2.2 above, must be provided only in strict accordance with this Program. The incentives provided for any specific Program Project are determined by the City Council in its sole discretion.

2.3.1 Applying for Incentives

To be considered for Development Incentives, a business must provide the following information for review by the City:

a) name of company;

b) form of business (corporation, partnership, etc.);

c) state of incorporation or organization;

d) proof of authority to do business in the State of Texas;

e) other documentation requested, or which the business desires to submit, which addresses the business' financial ability to perform as promised and the feasibility of its proposed project;

f) the number of jobs expected to be created or maintained, the average pay for such jobs, employee benefits to be provided, improvements to be constructed and the level of capital investment to be made, sales tax revenues expected to be generated, and other information showing the expected economic development benefits to the City;

g) designated contact persons, and

h) other information requested by the City for its due diligence review of the business and its proposed project.

2.3.2 Economic Development Performance Standards

In order to qualify for Development Incentives, a business must enter into a Program Project Agreement setting forth various Economic Development Performance Standards that the business agrees to provide and meet.

In determining the eligibility of a business for Development Incentives, and the level and type of Development Incentives to be provided, the City will consider various factors, including, but not limited to:

a) level of capital investment,

b) increase of the City's tax base and the level of increased sales tax revenue,

c) the number of jobs to be created and/or maintained,

d) the level of wages and benefits for jobs created, and the total payroll,

e) the "fit" of the business with the City's overall development concept and goals,

f) the opportunity for future expansions of the business, and

g) indirect economic development benefits, such as the likelihood of spurring additional development in the area.

Other indirect factors that the City may consider include the expected level of purchases of products and services from local sources, indirect employment gains, environmental impact of the business, increased tourism, affect on City utilities and streets, effect of business at the chosen location on other landowners, and other relevant factors.

2.3.3 Program Project Agreements

As a necessary condition of any provision of Development Incentives, the business must enter into a Program Project Agreement with the City in the form and containing the terms approved by the City Council and the City's legal counsel.

A Program Project Agreement's terms must include, but are not limited to, the following:

a) identification of Development Incentives and the terms of the payment/ delivery of Development Incentives;

b) identification of the Economic Development Performance Standards that the business must meet; and identification of deadlines for construction of improvements, start of operations, and meeting specific employment or payroll standards;

c) remedies for the City's recovery of Development Incentives if the business fails to comply with the Economic Development Performance Standards;

d) provision for inspections and reports determined by the City to be necessary to review the compliance of the business with the Economic Development Performance Standards;

e) other provisions considered necessary or proper by the City or its legal counsel;

f) a venue provision providing that all disputes will be heard in a court of competent jurisdiction sitting in McLennan County, Texas, with Texas law to control; and

g) a provision requiring any subsequent purchaser or assignee to accept and abide by the economic development obligations of the business and requiring the approval of the City for any assignment, which approval will not be unreasonably withheld if the assignee assumes the business' obligations to the City and is deemed financially able and competent to carry out those obligations.

2.4 Financing by the City through loans for eligible Projects will require documentation and liens/security interests substantially similar to that found in bank financings. ALL financing documents must be approved by legal counsel. In some circumstances, personal guaranties of loans may be required. Loan proceeds will be released only on a draw request basis, meaning that a draw request will have to be submitted to and approved by the City before the proceeds will be paid. Appropriate documentation of the work or items for which the draw request is made shall be required to be provided by the business and its contractors/vendors, along with lien releases/affidavits, and other items required by the City for its own protection. Any construction contract must provide for performance and payment bonds in the amount of the cost of the work, with both the business and the City as beneficiaries, and provide for at least a 5% retainage. The business must provide or cause to be provided property insurance on the financed Project in the amount of the replacement cost, which insurance must name the City as an insured. Liability insurance naming the City as an additional insured will also be required.

III. OTHER PROGRAM ELEMENTS

It is the intention of the City Council that this Program shall have a broad scope in order that continued development of the City's economy can be realized. The City shall have the right and power to use any of the Development Incentives identified herein or authorized by Chapter 380 of the *Local Government Code* (whether or not identified herein) to promote economic development through eligible Projects anywhere within the City or its ETJ.

Any Project under this Program must comply with the standards and requirements set forth in this Program, Chapter 380 of the *Local Government Code*, and the Texas Constitution.

The nature and level of incentives, or whether any incentives are provided, are decisions within the sole discretion of the City Council. No promise of incentives is binding on the City unless contained in a Program Project Agreement approved by the City Council and signed by both parties.

IV. LEVEL OF DEVELOPMENT INCENTIVES

4.1 It is difficult to establish bright-line standards for the level of Development Incentives that may be offered to a business. Thus, the determination will be made on a case-by-case basis taking into consideration the factors set forth in Section 2.3.2 above. The City may conduct or have conducted an appropriate cost/benefit analysis to aid in this determination.

4.2 The foregoing being said, some general rules are recognized:

- Development Incentives in the form of direct grants, as opposed to loans or in-kind services, will generally require that a greater level of benefit to the local economy/tax base be provided by the business;

- Provision of increased employment is preferred to increased capital investment alone, and increased employment generally must be a component of any Project;

- Although the number of jobs created is a substantial factor; the quality of the jobs is also very important. Jobs created must be quality, full-time jobs, having an *average* wage (broken down hourly) among all positions of at least 125% of minimum wage, and providing access to employee medical benefits. A Project proposing the creation of higher wage jobs that provide better benefits may be given greater consideration for participation in the Program than a Project proposing to create more jobs of a lesser quality;

- The jobs created must be located within the City or its ETJ to be considered;

- Jobs to be filled by persons actually residing within or to reside within the City and its surrounding area will be given greater consideration than jobs that may be filled by persons commuting to the business from outside the Hewitt area.

- Jobs retained will be considered jobs created where there is a real possibility that the jobs could be lost if incentives are not provided.

- Expansions to existing business operations can qualify as capital investment.

As previously stated, the final determination of the terms of a Program Project Agreement rests solely with the City Council.

V. PROGRAM ADMINISTRATION

5.1 The City Council shall have and retain control and final decision making authority over all aspects of the Program. However, as authorized by law, the City Council may appoint another entity or person for the administration of parts or all of the Program. The City Manager or in his/her absence the Mayor shall serve as the Program Administrator.

5.2 The Program Administrator's duties shall include, but not be limited to:

- identifying target businesses or industries;

- analyzing business proposals and making recommendations to the City Council thereon;

- negotiating tentative Development Incentives and Economic Development Performance Standards with the businesses in coordination with legal counsel for presentation to the City Council;

PASSED AND SIGNED THIS _______ DAY OF ______________________, 20___.

CITY OF HEWITT, TEXAS

____
Wilbert Wachtendorf, Mayor Pro Tem

ATTEST:

____
Lydia Lopez, City Secretary

APPROVED:

____
Michael W. Dixon, City Attorney

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: October 21, 2019

AGENDA ITEM #: 14

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Consideration and action on Ordinance No. 2019-25 amending Chapter 6 "Amusements and Entertainments", approving the continued receipt of its share of bingo prize fee funds; imposing such fee for bingo games conducted in the corporate limits of the City of Hewitt.

STAFF RECOMMENDATION/ITEM SUMMARY:

This past Legislative session saw the passing of HB 914. This bill requires any local government that currently receives bingo revenue to pass an ordinance prior to November 1st opting to maintain its share of bingo revenue. If this does not occur, the bingo revenues remain for charitable purpose.

Approval of this ordinance will preserve the City of Hewitt's ability in the future to receive bingo fees should there be a bingo operation come to Hewitt.

SUGGESTED MOTION:

I move to approve Ordinance No. 2019-25 amending Chapter 6 "Amusements and Entertainments.

ATTACHMENTS:

Ordinance
Letter from Texas Lottery Commission

ORDINANCE NO. <u>2019-25</u>

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS AMENDING CHAPTER 6 OF THE CODE OF ORDINANCES AND ALL AMENDMENTS THERETO, KNOWN AS THE AMUSEMENTS AND ENTERTAINMENTS CHAPTER, APPROVING THE CONTINUED RECEIPT OF ITS SHARE OF BINGO PRIZE FEE FUNDS; IMPOSING SUCH FEE FOR BINGO GAMES CONDUCTED IN THE CORPORATE LIMITS OF THE CITY OF HEWITT; AND PROVIDING FOR THE PUBLICATION AND EFFECTIVE DATE THEREOF.

WHEREAS, the City of Hewitt was entitled to receive a portion of a bingo prize fee for bingo games conducted in the City; and

WHEREAS, House Bill 914 provides that if the City of Hewitt desires to impose the prize fee for bingo games conducted in the City after January 1, 2020, the City Council of the City of Hewitt must vote to impose such fee before November 1, 2019;

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

<u>SECTION ONE</u>. That all matters and facts set forth in the recitals hereinabove are found to be true and are approved by the City Council of the City of Hewitt, Texas.

<u>SECTION TWO</u>. That the City Council of the City of Hewitt, Texas, hereby approves the continued receipt of its share of bingo prize fee funds and imposes such fee for bingo games conducted in the corporate limits of the City of Hewitt.

<u>SECTION THREE</u>. That the City Secretary is hereby directed to notify:

(a) the Texas Lottery Commission ("TLC") of the passage of this ordinance by sending the TLC a certified copy of the same along with a completed verification notice, which is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes, no later than November 1, 2019, and

(b) each licensed authorized organization within the corporate limits of the City of Hewitt of the continued imposition of the fee.

<u>SECTION FOUR</u>. That all provisions of the ordinances of the City of Hewitt in conflict with the provisions of this Ordinance be, and the same are hereby, repealed, and all other provisions of the ordinances of the City of Hewitt not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION FIVE. Should any section, paragraph, sentence, clause, or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

SECTION SIX. This Ordinance shall become effective upon passage.

PASSED AND APPROVED this the ____ day of October, 2019 at a Regular Meeting of the City Council of the City of Hewitt, Texas.

CITY OF HEWITT

BY: ________________________________
Wilbert Wachtendorf, Mayor Pro Tem

ATTEST:

____
Lydia Lopez, City Secretary

APPROVED:

____
Michael W. Dixon, City Attorney

EXHIBIT "A"

TEXAS LOTTERY COMMISSION – CHARITABLE BINGO DIVISION
BINGO PRIZE FEE FUNDS
COUNTY/MUNICIPALITY GOVERNING BODY VOTE VERIFICATION NOTICE

This form serves as the required notice to the Texas Lottery Commission (Commission) that a county or municipality has fulfilled two of the requirements of House Bill 914, 86th Texas Legislature (H.B. 914) that are necessary for that county or municipality to continue to receive a share of bingo prize fees after January 1, 2020. Specifically, Section 11 of H.B. 914 provides:

> "(a) a county or municipality may receive a portion of the prize fee…only if:
> (1) The county or municipality was entitled to receive a portion of a bingo prize fee as of January 1, 2019; and
> (2) The governing body of the county or municipality:
> (A) by majority vote of the members of the governing body approves the continued receipt of funds under that section and notifies the Texas Lottery Commission of that decision not later than November 1, 2019; and
> (B) notifies each licensed authorized organization within the county's or municipality's jurisdiction, as applicable, of the continued imposition of the fee."

This form is only an attestation that certain requirements set forth in H.B. 914 have been fulfilled.

Accordingly, the undersigned county or municipal representative hereby swears and affirms that:

(1) the county or municipality was entitled to receive a share of a bingo prize fee as of January 1, 2019; and

(2) the governing body of the county or municipality approved the continued receipt of the share of bingo prize fee funds by a majority vote.

CITY OF HEWITT

BY: ______________________________
Wilbert Wachtendorf, Mayor Pro Tem

Date: ______________________________

ATTEST:

____
Lydia Lopez, City Secretary

Texas Lottery Commission

Commissioners:
J. Winston Krause, Chairman
Mark A. Franz • Robert Rivera • Erik C. Saenz

Gary Grief
Executive Director

Michael P. Farrell
Director

September 27, 2019

Mayor Charles D. Turner
City of Hewitt
200 Patriot Court
Hewitt, TX 76643

Dear Mayor Turner:

This is the final notice I am sending regarding the requirements and deadlines imposed by the 86th Legislature's House Bill (HB) 914.

This letter is being sent to the provided point of contact and to offices in the county and municipalities that currently receive a share of the prize fees collected on charitable bingo activity that occurs in its jurisdiction.

The most immediate matter for your attention is that your local government will only continue to receive a share of the bingo prize fees collected after Jan. 1, 2020 if it meets the requirements set forth in HB 914 that require your governing body to:

(1) approve the continued receipt of the share of bingo prize fee funds by a majority vote; and
(2) notify the TLC of that decision no later than Nov. 1, 2019; and
(3) notify each licensed authorized organization conducting bingo within the county's or municipality's jurisdiction, as applicable, of the continued imposition of the fee.

Additionally, under the language of the bill, the **only** way a city/municipality can be certain their share of prize fees will go to charities instead of the county in which the city is located is for the city to take two votes: first, a vote **before Nov. 1** to continue receiving the prize fees; then, **after Nov. 1, a second vote to discontinue receiving the prize fees.**

Similarly, under the language of the bill, the **only** way a county can be certain their share of prize fees will go to charities instead of the city/municipality in said county where bingo is conducted is for the county to take two votes: first, a vote **before Nov. 1** to continue receiving the prize fees; then, **after Nov. 1, a second vote to discontinue receiving the prize fees.**

The bill author for HB 914, Representative Senfronia Thompson, provided the Commission with a letter of legislative intent regarding provisions related to the allocation of bingo prize fees to local governments and licensed bingo charities. Enclosed is a copy of this letter for your review.

The agency encourages you to seek independent legal advice if you have any questions about the payment of prize fees.

If you have not done so already, please let us know as soon as possible if there is a specific contact person or office to direct our future correspondence, and that will serve as your county and/or municipality's official address of record for notification purposes. Without a dedicated address for this purpose, it is possible that future communications may be misdirected.

Finally, as a reminder, the Texas Lottery Commission will no longer be collecting all prize fees and redistributing them to counties and cities at the end of this fiscal year. Beginning Jan. 1, 2020, the charitable organizations will be sending as appropriate, the prize fees directly to the government entity.

If you have any questions, email us at bingo.services@lottery.state.tx.us or call 800-246-4677 and follow the prompts.

Sincerely,

Michael P. Farrell
Director
Charitable Bingo Operations Division

Enclosure

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: October 21, 2019

AGENDA ITEM #: 15

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consideration and action on approving an Interlocal Agreement with the Tarrant County Cooperative Purchasing Program.

STAFF RECOMMENDATION/ITEM SUMMARY:

Staff recommends the City's membership in an Interlocal Agreement with Tarrant County. The City is a member of several cooperative purchasing agreements and find that membership is a valuable tool to decrease the cost of potential purchases and that often vendors choose to work with a particular group.

Currently the City is a member of TIPS (The Interlocal Purchasing System); TxSmartBuy (State of Texas Cooperative Purchasing Program); HGAC (Houston-Galveston Area Council); the Fort Worth Cooperative Purchasing Program, Buyboard and the Dallas County Cooperative Purchasing Program.

ATTACHMENTS:

Tarrant County Interlocal Agreement

TARRANT COUNTY COOPERATIVE PURCHASING PROGRAM

ENTITY INFORMATION SHEET

If your entity is currently participating or plans to participate in Tarrant County's Cooperative Purchasing Program, please complete this Entity Information Sheet and return to Jennice Anderson, Tarrant County Cooperative Purchasing Administrator. ***(Address and additional information below regarding the Interlocal Agreement Form)***. Please contact Ms. Anderson at (817) 884-1414 if you have any questions.

Name of Entity: City of Hewitt, Texas

Point of Contact: Bo Thomas

Title: City Manager

Phone Number: 254-666-6171

Fax Number: 265-666-6014

Internet Address: www.cityofhewitt.com

E-Mail Address: bothomas@cityofhewitt.com

Additional Contacts: Lee Garcia, Finance Director

Lydia Lopez, City Secretary

Complete Mailing Address: financedirector@cityofhewitt.com

citysecretary@cityofhewitt.com

Information as of this Date: October 21, 2019

NOTE:	**To complete the Interlocal Agreement, please sign and return FOUR (4) DUPLICATE ORIGINAL AGREEMENTS, EACH CONTAINING AN ORIGINAL SIGNATURE, to the attention of Jennice Anderson, Cooperative Purchasing Administrator, Tarrant County Purchasing Department, 100 E. Weatherford Street, Suite 303, Fort Worth, Texas 76196.**

II.

The City of Hewitt, Texas agrees that all specifications for selected items shall be determined by Tarrant County.

III.

The City of Hewitt, Texas agrees to pay the supplier for all goods, equipment and products pursuant to this Agreement. The successful bidder or bidders shall bill ______________________ directly for all items purchased, and the City of Hewitt, Texas shall be responsible for vendor's compliance with all conditions of delivery and quality of the purchased items.

IV.

Mr. Bo Thomas (name), City Manager (title) is hereby designated as the official representative to act for the City of Hewitt, Texas in all matters relating to this Agreement.

V.

This Agreement shall take effect upon execution by both signatories.

VI.

This Agreement shall be in effect from the date of execution until terminated by either party to the Agreement upon written thirty (30) days' notice prior to cancellation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers the day and year first above written.

TARRANT COUNTY	**(Entity)** The City of Hewitt, Texas
BY: ______________________	BY: ______________________
TITLE: ______________________	TITLE: City Manager
DATE: ______________________	DATE: 10/21/2019