

**Bastrop, TX Special City Council Meeting  
Agenda**

**Bastrop City Hall City Council Chambers  
1311 Chestnut Street  
Bastrop, TX 78602  
(512) 332-8800**



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**September 17, 2019 at 5:30 P.M.**

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*City of Bastrop City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at (512) 332-8800 or write 1311 Chestnut Street, 78602, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.*

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As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purposes of seeking confidential legal advice from the City Attorney on any item on the agenda at any time during the meeting.

The City of Bastrop reserves the right to reconvene, recess, or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

**PLEASE NOTE: ANYONE WISHING TO ADDRESS THE COUNCIL MUST COMPLETE A CITIZEN COMMENT FORM AND GIVE THE COMPLETED FORM TO THE CITY SECRETARY PRIOR TO THE START OF THE CITY COUNCIL MEETING.**

- 1. CALL TO ORDER**
- 2. WORK SESSION/BRIEFINGS**
  - 2A. Discuss letter received from the Texas Department of Transportation (TxDOT) regarding their concerns about the State Park Trail Project.
  - 2B. Receive update on the Boards and Commissions Ordinance.
  - 2C. Receive a presentation and discuss incorporated changes to the Bastrop Building Block Code updates, technical manual, and pattern book with Matt Lewis.
  - 2D. Annual review of the Financial Policy by City Council.

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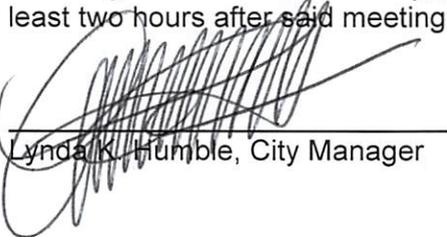
- 2E. Discuss the Fairview Cemetery Memorial Tree Program.
- 2F. Receive briefing on Easement Acquisition on Main Street Rehabilitation Project.
- 2G. Annual review of the Purchasing Policy by City Council.
- 2H. Receive presentation on the City of Bastrop Emergency Shelter Open House being conducted on Saturday, September 21, 2019.

## INDIVIDUAL CONSIDERATION

- 3A. Consider action to approve the first reading of Ordinance No. 2019-44 of the City Council of the City of Bastrop, Texas amending the Bastrop City Code of Ordinances, Chapter 1, titled "General Provisions", Article 1.02, titled "Administration," Section 1.02.002, Article 1.04, titled "Boards, Committees and Commissions," Sections 1.04.001 and 1.04.002, Article 1.05, titled "Housing Authority," Section 1.05.002, Article 1.10, titled "Parks," Section 1.10.001, Article 1.12, titled "Libraries," Division 2, titled "Library Board," Section 1.12.062, Article 1.15, titled "Code of Ethics," Division 3, titled "Implementation," Section 1.15.013, Article 1.16, titled "Art in Public Places," Section 1.16.002 and 1.16.003; Chapter 3, titled "Building Regulations," Article 3.02, titled "Construction Standards Board of Adjustments and Appeals," Sections 3.02.001, 3.02.002, and 3.02.003; Chapter 14, titled "Zoning," Article 14.03, titled "Historic Landmark Preservation," Section 14.03.001; Chapter 15, titled "Cemeteries," Article 15.01, titled, "Fairview Cemetery," Section. 15.01.002; unifying appointments, terms, number of members, residency requirements, and the filling of vacancies for city boards and commissions attached as Exhibit A; providing for findings of fact; enactment; dissolution; repealer; severability; providing an effective date, proper notice and meeting; and move to include on the September 24, 2019 agenda for a second reading.
- 3B. Consider action to approve Resolution No. R-2019-81 of the City Council of the City of Bastrop, Texas approving and adopting the Investment Policy and Investment Strategies attached as Exhibit A; approving the list of Qualified Brokers attached as Exhibit B; making various provisions related to the subject; and establishing an effective date.

## 12. ADJOURNMENT

I, the undersigned authority, do hereby certify that this Notice of Meeting as posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located at the entrance to the City of Bastrop City Hall, a place of convenient and readily accessible to the general public, as well as to the City's website, [www.cityofbastrop.org](http://www.cityofbastrop.org) and said Notice was posted on the following date and time: Friday, **September 13, 2019 at 7:00 p.m.** and remained posted for at least two hours after said meeting was convened.



Lynda K. Humble, City Manager



# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 2A

**TITLE:**

Discuss letter received from the Texas Department of Transportation (TxDOT) regarding their concerns about the State Park Trail Project.

**STAFF REPRESENTATIVE:**

Trey Job, Assistant City Manager of Development Services

**BACKGROUND/HISTORY:**

The State Park Trail Project received funding from Capital Area Metropolitan Planning Organization (CAMPO). It was one of multiple pedestrian enhancement projects applied for by the City of Bastrop in the 2015 cycle. The project was reviewed by Horizon Environmental Services, Inc. Once the trail project was approved and funded, an advanced funding agreement was executed in 2017.

In 2017, the City issued a Request for Qualifications (RFQ) for the design and construction of the trail. MWM DesignGroup was awarded the contract for design and construction in February of 2018. Recently, TxDOT has brought up the following concerns:

- SH 21 could be expanded in the future. This trail is located in the ROW and would be the City's responsibility to relocate.
- If the trail is removed due to SH 21 right-of-way improvements, the City would have to reimburse CAMPO.
- There are considerable concerns about pedestrian traffic interacting with the traffic flow at SH 95 and SH 21.

**POLICY EXPLANATION:**

This project became part of the 2018 work plan and has been discussed briefly at City Council meetings. Since TxDOT has raised these concerns, staff is seeking a policy discussion with Council to determine future outcomes.

**RECOMMENDATION:**

Discuss letter received from the Texas Department of Transportation (TxDOT) regarding their concerns about the State Park Trail Project.

**ATTACHMENTS:**

- Letter from TxDOT.
- Map of Proposed trail alignment.



125 EAST 11TH STREET, AUSTIN, TEXAS 78701-2483 | 512.463.8588 | WWW.TXDOT.GOV

August 16, 2019

Lynda Humble  
City Manager  
City of Bastrop  
PO Box 427  
Bastrop, Texas 78602

Dear Ms. Humble:

During the meeting on Monday, July 15th, TxDOT expressed concerns after reviewing the State Park Trail project in regards to the route selected at the intersection of SH95/SH21 (Chestnut) to Bastrop State Park along SH21. TxDOT feels that this has potential to be a great project but suggests the city evaluate alternative alignments that do not pose as many safety challenges.

Should the City of Bastrop choose to evaluate other alternatives, I would ask the City present their findings for TxDOT concurrence. I would also recommend the City of Bastrop confirm with CAMPO on the limitations/requirements associated with this project as awarded.

As we recently discussed, TxDOT has a consultant on board who will also be looking at the intersection of SH95/SH21 for solutions of the best possible operational improvements. This will include evaluating and balancing multimodal transportation needs at this very busy intersection. These solutions could be used in support of future projects for consideration by all parties. TxDOT will continue to work and partner with the City of Bastrop to enhance the safety and efficiency of the roadway network in Bastrop.

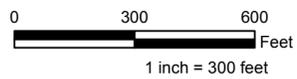
Sincerely,

Diana Schulze, P.E.  
Bastrop Area Engineer

OUR VALUES: People • Accountability • Trust • Honesty

OUR MISSION: Through collaboration and leadership, we deliver a safe, reliable, and integrated transportation system that enables the movement of people and goods.

An Equal Opportunity Employer



**STP-MM PROJECT #2**  
**STATE PARK PEDESTRIAN PATH**

**Legend**

— State Park Pedestrian Path



# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 2B

**TITLE:**

Receive update on the Boards and Commissions Ordinance.

**STAFF REPRESENTATIVE:**

Tracy Waldron, Chief Financial Officer

**BACKGROUND/HISTORY:**

On September 26, 2017, the City Council discussed proposed changes to the Boards & Commissions Ordinance. Staff has taken the recommendations discussed at this meeting and incorporated them into a draft ordinance.

After a review of the ordinances, in collaboration with Bojorquez Law Firm, the decision was made to create an ordinance that amends all the sections of the Code of Ordinance with the updates recommended by City Council.

**POLICY EXPLANATION:**

In order to update this Ordinance, Staff is seeking direction and input on the following items:

1. Residency Requirements – the recommendation was made to allow residency in the city limits or its extraterritorial jurisdiction on each board or commission unless otherwise controlled and mandated by state or federal law or exception stated in the code.
2. Number of Members on Each Board or Commission - the recommendation was made to have 7 members on each board or commission and shall be assigned a “place” unless otherwise controlled and mandated by state or federal law or exception stated in the code.
3. Terms - Two (2) consecutive terms of three (3) years with a full term abstained for that same board. They would be eligible for appointment on a different board. Term limits would encourage new ideas and allow for broader citizen participation on each board over time.
4. There were two (2) boards that Mayor Schroeder did not appoint members, which included the Vision Task Force and North Area Form Based Codes. Council was in agreement to dissolve these two committees through the appropriate action.
5. Board and Commission appointments are being aligned with the City’s fiscal year. This ordinance is being updated to reflect the current schedule of providing notices of vacancies in July and appointments being approved in September for ratification effective October 1<sup>st</sup> of each year.

6. Attendance of Board & Commission Members should be updated monthly to the City Secretary. If attendance by a specific member becomes an issue, it will be addressed according to policy during the year with timely communication between the Staff Liaison, City Secretary, and Mayor.
7. Any additional suggested change by Council Members for inclusion in the Board & Commission Ordinance and/or Resolution.

Staff is seeking input and direction on the items listed above in order to update the City's Board & Commission Ordinance.

**FUNDING SOURCE:**

N/A

**RECOMMENDATION:**

Receive update on the Boards and Commissions Ordinance.

**ATTACHMENTS:**

- PowerPoint



## Boards & Commissions Ordinance Update

- September 26, 2017 – Council workshop session
- Recommendations were made at that meeting
- Staff has worked with legal to draft an Ordinance streamlining the membership criteria and appointment process



## Boards & Commissions Ordinance Update

### Chapter 1, Article 1.02.002 Administration

**(b)(1)(D)(5) Attendance records will be provided to the City Secretary monthly and once a member is not in compliance with the attendance requirements, she will inform the Mayor.**



## Boards & Commissions Ordinance Update

### Chapter 1, Article 1.04.001 Attendance at meetings; appointments

(c)(2) City will provide notice of openings in July (previously was April)

(c)(5) Appointments will be made in Sept. of each year with an effective date of Oct 1<sup>st</sup>



## Boards & Commissions Ordinance Update

Chapter 1, Article 1.04.002 Membership, terms and filling of vacancies

- (1) Can only serve two (2) consecutive terms, must abstain from that board for at least one full term
- (2) 7 members – unless controlled by federal or state law, or note an exception in the code.
- (3) Three (3) year terms – staggering of membership, by place, will begin after first meeting in October (previously July)
- (b) Board members shall reside within the City limits or the City's ETJ unless otherwise noted



## Boards & Commissions Ordinance Update

### Boards controlled by rules set in Chapter 1, Article 1.04.002 Membership, terms and filling of vacancies

- Bastrop Art in Public Places
- Construction Standards Board of Adjustments and Appeals
- Fairview Cemetery Advisory Board
- Library Board
- Main Street Advisory Board
- Parks and Public Tree Advisory Board



## Boards with Exceptions

BOARD	EXCEPTION
Ethics Commission	No Change in # of members
Bastrop Housing Authority Commission	Controlled by Local Government Code 392.0331
Zoning Board of Adjustments/Sign Review Board	Controlled by Local Government Code Chp. 211
Economic Development Corp.	Resolution created the initial board, governed by own By-laws referencing Dev. Corp Act of 1979 as amended
Hunter's Crossing Local Gov. Corp.	City approved Articles of Inc. Dec. 9, 2003, governed by own By-laws & Local Gov't. Code Chp.
Planning & Zoning Commission	Controlled by Local Government Code Chp. 211
Youth Advisory Council	No Change in # of members, terms & residency
Historic Landmark Commission	City residence only (not open to ETJ)
Main St.	Allowed to have separate By-laws



# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 2C

**TITLE:**

Receive a presentation and discuss incorporated changes to the Bastrop Building Block Code updates, technical manual, and pattern book with Matt Lewis.

**STAFF REPRESENTATIVE:**

Matt Jones, Director of Planning and Development

**BACKGROUND/HISTORY:**

The Bastrop Building Block Codes are scheduled to go before Planning & Zoning Commission on September 26, 2019 for their recommendation to Council. There are several concepts that Staff would like to discuss with Council prior to adoption. Those concepts include:

1. Create an Iredell Overlay District to address H.B. 2439, which prevents cities from regulating building materials except in historical districts.
2. Need to discuss Certificate of Appropriateness parameters in the proposed Iredell Overlay District.
3. Discuss Employment Center Zoning Parameters.
4. Review "permanent" development process, incorporating new codes, while maintaining compliance with H.B. 3167.
5. Since the new codes won't have a use chart, are you comfortable with Conditional Use Permits going away?
6. Discuss process to address zoning change requests as a part of the zoning adoption process.
7. Discuss shade requirements outside street perimeter.



# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 2D

**TITLE:**

Annual review of the Financial Policy by City Council.

**STAFF REPRESENTATIVE:**

Tracy Waldron, Chief Financial Officer

**BACKGROUND/HISTORY:**

The City of Bastrop Financial Policy was last approved by Council on September 26, 2017. This policy provides guidelines for managing risk and assisting the City in complying with established public management best practices, while ensuring compliance with federal, state and local laws, and reporting requirements

**POLICY EXPLANATION:**

The Financial Policy will be reviewed annually, as a part of the budget, and adopted by the City Council each year as a part of that process.

**FUNDING SOURCE:**

N/A

**RECOMMENDATION:**

Annual review of the Financial Policy by City Council.

**ATTACHMENTS:**

- Financial Policy



**Financial policies provide guidelines for managing risk and assisting the City in complying with established public management best practices, while ensuring compliance with federal, state and local laws and reporting requirements.**



## **Financial Policy**

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## I. Purpose Statement

The overriding goal of the Financial Management Policies is to enable the city to achieve a long-term stable and positive financial condition while conducting its operations consistent with the Council-Manager form of government established in the City Charter. The watchwords of the city's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The purpose of the Financial Management Policies is to provide guidelines for the financial management staff in planning and directing the city's day-to-day financial affairs and in developing recommendations to the City Manager.

The scope of the policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control and debt management.

## II. Accounting, Auditing, And Financial Reporting

**A. Accounting** – The City of Bastrop finances shall be accounted for in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board. The fiscal year of the City shall begin on October first of each calendar year and shall end on September thirtieth of the following calendar year. This fiscal year shall also be established as the accounting and budget year. Governmental fund types use the modified accrual basis of accounting, revenues are recognized when susceptible to accrue (i.e., when they are measurable and available). Expenditures are recognized when the related funds liability is incurred, if measurable, except for principle and interest on general long-term debt, which are recorded when due.

Proprietary fund types are accounted for on a full accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time

liabilities are incurred

**B. Funds** – Self-balancing groups of accounts are used to account for city financial transactions in accordance with generally accepted accounting principles. Each fund is created for a specific purpose except for the General Fund, which is used to account for all transactions not accounted for in other funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project funds.

**C. External Auditing** – The city will be audited annually by outside independent auditors. The auditors must be a CPA firm of national reputation and must demonstrate that they have the breadth and depth of staff to conduct the city's audit in accordance with generally accepted auditing standards, generally accepted government auditing standards, and contractual requirements. The auditors' report on the city's financial statements including any federal grant single audits will be completed within 120 days of the city's fiscal year end, and the auditors' management letter will be presented to the city staff within 150 days after the city's fiscal year end. An interim management letter will be issued prior to this date if any materially significant internal control weaknesses are discovered. The city staff and auditors will jointly review the management letter with the City Council within 60 days of its receipt by the staff.

**D. External Auditors Responsible to City Council** - The external auditors are accountable to the City Council and will have access to direct communication with the City Council if the city staff is unresponsive to auditor recommendations or if the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

**E. External Auditor Rotation** – The city will not require external auditor rotation, but will circulate requests for proposal for audit services periodically, normally at five-year

intervals or less.

**F. External Financial Reporting** – The city will prepare and publish a Comprehensive Annual Financial Report (CAFR). The CAFR will be prepared in accordance with generally accepted accounting principles and may be presented annually to the Government Finance Officers Association (GFOA) for evaluation and possibly awarding of the Certification of Achievement for Excellence in Financial Reporting. The CAFR will be published and presented to the City Council within 180 days after the end of the fiscal year. City staffing and auditor availability limitations may preclude such timely reporting. In such case, the Chief Financial Officer will inform the City Manager and the City Manager will inform the City Council of the delay and the reasons therefore.

### III. Internal Controls

**A. Written Policies & Procedures** – The Finance Department is responsible for developing city-wide written policies & procedures on accounting, cash handling, and other financial matters. The Policies will be reviewed by the City Manager and approved by the City Council. The procedures will only need approval by the City Manager.

The Finance Department will assist department managers as needed in tailoring these written procedures to fit each department’s requirements.

**B. Internal Audit** – The Finance Department may conduct reviews of the departments to determine if the departments are following the written procedures as they apply to the departments.

Finance will also review the written policies and procedures on accounting, cash handling and other financial matters. Based on these reviews Finance will recommend internal control improvements as needed.

**C. Department Managers Responsible** – Each department manager is responsible to

the City Manager to ensure that good internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented, and that all independent and internal control recommendations are addressed.

### IV. Operating Budget

**A. Preparation** – The city’s “operating budget” is the city’s annual financial operating plan. It consists of governmental and proprietary funds, including the general obligation debt service fund. The budget is prepared using the same basis of accounting as the audited financial statements. The budget is prepared by the City Manager with the assistance of the Chief Financial Officer and cooperation of all city departments. The City Manager transmits the document to the City Council thirty (30) days prior to the commencement of the fiscal year per the City Charter. The budget should be enacted by the City Council prior to the fiscal year beginning. ~~The operating budget may be submitted to the GFOA annually for evaluation and possible awarding of the Award for Distinguished Budget Presentation.~~

The budget document presented to Council will be in compliance with Article VI Section 6.02 of the City Charter.

A copy of the proposed budget shall be filed with the City Secretary, at the Public Library and available on the City’s website when it is submitted to the City Council in accordance with the provisions of the City Charter Article VI Section 6.03.

At the Council meeting at which time the budget is submitted, the Council shall, in conformance with the requirements of state law, shall cause to be published the date, time and place of a Public Hearing. At this hearing, interested citizens may express their opinions concerning items of expenditure, giving reasons for wishing to increase or decrease any such items. This is in accordance with the provisions of the City Charter Article VI Section 6.04.

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After public hearing, the Council shall analyze the budget, making any additions or deletions considered appropriate, and shall, at least three (3) days prior to the beginning of the fiscal year, adopt the budget by a favorable vote. This in accordance with the provisions of the City Charter Article VI Section 6.05.

On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by Council shall constitute the official appropriations of proposed expenditures for the year and shall constitute the basis of the official levy of the property tax as the amount of tax to be assessed and collected for that tax year. This in accordance with City Charter Article VI Section 6.06.

The annual budget shall be published in a format that satisfies all criteria established by the Government Finance Officers Association's Distinguished Budget Program and shall be submitted for consideration of this award. The final budget document shall be published no later than ninety days following the date of the budget's adoption by City Council.

**B. Balanced Budgets** – An operating budget will be balanced, with current revenues, inclusive of beginning resources, greater than or equal to current operating expenditures/expenses.

**C. Planning** – The budget process will begin with a Staff Budget Retreat followed by a Council Budget Workshop to provide direction to the City Manager on goals of the organization. From Jan. – April, each Department Director will enter their line item budgets into the budget software. -submitting Expanded Level of Service (ELS) forms accompanied by a summary form ranking their requests by priority. The Chief Financial Officer will use the current budget as a base line and enter all ELS requests into the accounting system. Meetings are scheduled with the City Manager, Chief Financial Officer and Department Directors, to review their draft budgets. A summary of this draft budget is presented to City Council by the City

Manager, at a Budget workshop There will be several more Council budget workshops as the City Manager and staff work through estimating revenue and making the necessary expense cuts to prepare a balanced budget for final approval.

**D. Reporting** – Periodic financial reports are available within INCODE to enable the department managers to manage their budgets and to enable the Finance Department to monitor and control the budget as approved by the City Council. Summary monthly financial reports will be presented to the City Council within 45 days after the end of each month, if council meetings do not interfere with reporting requirement. Such reports will include current year revenue and expenditure budgets and year-to-date actual figures for all major funds.

**E. Control** – Operating Expenditure Control is addressed in another section of the Policies.

**F. Performance Measures** – Where appropriate, performance measures and productivity indicators will be used as guidelines and reviewed for efficiency and effectiveness. This information will be included in the annual budgeting process.

## V. Capital Budget

**A. Preparation** – The city's capital budget will be included in the city's operating budget. The capital budget will be prepared by the City Manager with assistance from the Finance Department and involvement of all required city departments.

**B. Appropriation** – An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned

**C. Control** – All capital project expenditures must be appropriated in the capital budget. Finance must certify the availability of resources so an appropriation can be made

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before a capital project contract is presented by the City Manager to the City Council for approval.

**D. Alternate Resources** – Where applicable, assessments, impact fees, or other user-based fees should be used to fund capital projects which have a primary benefit to certain property owners.

**E. Debt Financing** – Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases.

**F. Reporting** – Financial reports will be available to enable the department managers to manage their capital budgets and to enable the finance department to monitor the capital budget as authorized by the City Manager.

## VI. Revenue Management

**A. Simplicity** – The city will strive to keep the revenue system simple which will result in a decrease of compliance costs for the taxpayer or service recipient and a corresponding decrease in avoidance to pay.

**B. Certainty** – An understanding of the revenue source increases the reliability of the revenue system. The city will ~~try to~~ understand its revenue sources and enact consistent collection policies so that assurances can be provided that the revenue base will materialize according to budgets and plans.

**C. Equity** – The city will strive to maintain equity in the revenue system structure. It is recognized that public policy decisions may lead to subsidies in certain circumstances,

e.g., Over 65 property tax exemptions.

**D. Administration** – The benefits of revenue will exceed the cost of producing the revenue. The cost of collection will be reviewed annually for cost effectiveness as a part of the indirect cost, and cost of services analysis.

**E. Revenue Adequacy** – The city will require that there be a balance in the revenue system. That is, the revenue base will have the characteristic of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.

**F. Cost/Benefit of Abatement** – The city will use due caution in the analysis of any tax, fee, or water and wastewater incentives that are used to encourage development. A cost/benefit (fiscal impact) analysis will be performed as a part of such analysis and presented to the appropriate entity considering using such incentive.

**G. Diversification and Stability** – In order to protect the government from fluctuations in revenue source due to fluctuations in the economy, and variations in weather (in the case of water and wastewater), a diversified revenue system will be sought.

**H. Non-Recurring Revenues** – One-time revenues will not be used for ongoing operations. Non-recurring revenues will be used only for non-recurring expenditures. Care will be taken not to use these revenues for budget balancing purposes.

**I. Property Tax Revenues** – For every annual budget, the City shall levy two property tax rates: Maintenance/Operations and Interest/Sinking (debt service). The debt service levy shall be sufficient for meeting all principle and interest payments associated with the City's outstanding general debt obligations for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the Debt Service Fund. The maintenance and operations levy shall

**be accounted for in the General Fund. The City will adhere to state law when calculating these tax rates.**

Property shall be assessed at 100% of the fair market value as appraised by the Bastrop Central Appraisal District. Reappraisal and reassessment shall be done regularly as required by State law. A 97% collection rate will serve as a minimum goal for tax collection, with the delinquency rate of 4% or less. The 97% rate is calculated by dividing total current year tax collections for a fiscal year by the total tax levy for the fiscal year.

All delinquent taxes will be pursued as part of the collection contract the City has with the Bastrop County Tax Assessor/Collector. aggressively pursued by being turned over to an attorney, and a penalty assessed to compensate the attorney as allowed by State law, and in accordance with the attorney's contract.

**J. User-Based Fees** – For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee where possible. There will be an annual review of fees and charges to ensure that fees provide adequate coverage of costs and services.

**K. General and Administrative Charges** – A method will be maintained whereby the General Fund can impose a charge to the enterprise/ proprietary funds for general and administrative services (~~indirect costs~~overhead allocation) performed on the funds' behalf. The details will be documented and said information will be maintained in the Finance Department.

**L. Utility Rates** – The city will strive to review utility rates annually and, if necessary, adopt new rates to generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs. This policy does not preclude drawing down cash balances to finance current operations. However, it is best that any extra cash

balance be used instead to finance capital projects.

**M. Interest Income** – Interest earned from investment of available monies that are pooled will be distributed to the funds monthly in accordance with the claim on cash balance of the fund from which monies were provided to be invested.

**N. Revenue Monitoring** – Revenues actually received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the appropriate budget report.

**VII. Expenditure Control**

**A. OPERATING EXPENDITURES** -

Shall be accounted, reported and budgeted for in the following categories;

- 1. Personnel Costs**
- 2. Supplies and Materials**
- 3. Maintenance and Repairs**
- 4. Occupancy**
- 5. Contractual Services**
- 6. Other Charges**
- 7. Contingency**

**B. Appropriations** – The level of budgetary control is the department level budget in all Funds. Transfers between expenditure accounts within a department may occur with the approval of the ~~Chief Financial Officer~~Department Director. City Manager approval is required if transferring from a personnel or capital accounts within a department. When budget adjustments (i.e., amendments), are required between departments and/or funds, these must be approved by the City Council through an Ordinance

**BC. Vacancy Savings/Contingency Account** – The General Fund Contingency Account will be budgeted at a minimal amount (\$35,000). The contingency account balance for expenditures may be increased quarterly by the amount of available vacancy savings.

**CD. Contingency Account Expenditures** –

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The City Council must approve all contingency account expenditures over \$50,000. The City Manager must approve all other contingency account expenditures.

**DE. Central Control** – Significant vacancy (salary) and capital budgetary savings in any department will be centrally controlled by the City Manager.

**EF. Purchasing Control** – All purchases shall be made in accordance with the city's Purchasing Policy. Authorization levels for appropriations previously approved by the City Council are as follows: below Directors \$1,000 (Directors can request to have this amount raised by submitting a written request to the Finance Department), for Directors up to \$9,999, for Chief Financial Officer up to \$14,999, and with any purchases exceeding \$15,000 to be approved by the City Manager.

**FG. Professional Services** – Professional services will generally be processed through a request for proposals process, except for smaller contracts. The City Manager may execute any professional services contract less than \$50,000 provided there is an appropriation for such contract.

**GH. Prompt Payment** – All invoices will be paid within 30 days of receipt in accordance with the prompt payment requirements of State law. Procedures will be used to take advantage of all purchase discounts where considered cost effective. However, payments will also be reasonably delayed in order to maximize the city's investable cash, where such delay does not violate the agreed upon terms.

## VIII. Asset Management

**A. Investments** – The city's investment practices will be conducted in accordance with the City Council approved Investment Policies.

**B. Cash Management** – The timing and amount of cash needs and availability shall be systematically projected in order to maximize

interest earnings from investments.

**C. Investment Performance** – A quarterly report on investment performance will be provided by the Chief Financial Officer to the City Council.

**D. Fixed Assets and Inventory** – These assets will be reasonably safeguarded properly accounted for, and prudently insured. The City will perform an annual inventory of all assets with a value greater than \$1,000. Asset control will be conducted in accordance with the City Council approved Purchasing Policy Sec. IV.

## IX. Financial Condition and Reserves

**A. No Operating Deficits** – Current expenditures should be paid with current revenues. Deferrals, short-term loans, or one-time sources should be avoided as budget balancing technique. Reserves will be used only for emergencies on non-recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums.

**B. Operating Reserves** – Failure to meet these standards will be disclosed to the City Council as soon as the situation is recognized and a plan to replenish the ending resources over a reasonable time frame shall be adopted.

1. The General Fund ending fund balance will be maintained at an amount up to three months' worth of estimated expenditures or at a level of 25% of budgeted operating expenditures.
2. The Enterprise/ Proprietary Funds will be maintained at a minimum level of 35% of budgeted operating expenditures.
3. Fund balances which exceed the minimum level established for each fund may be appropriated for non-recurring capital projects.

**C. Risk Management Program** – The city will

aggressively pursue every opportunity to provide for the public's and city employees' safety and to manage its risks.

**D. Loss Financing** – All reasonable options will be investigated to finance losses. Such options may include risk transfer, insurance and risk retention. Where risk is retained, reserves will be established based on a calculation of incurred but not reported claims, and actuarial determinations and such reserves will not be used for any purpose other than for financing losses.

**E. Enterprise/ Proprietary Fund Self-Sufficiency** – The city's enterprise funds' resources will be sufficient to fund operating and capital expenditures. The enterprise funds will pay (where applicable) their fair share of general and administrative expenses, in-lieu-of-property taxes and/or franchise fees. If an enterprise fund is temporarily unable to pay all expenses, then the City Council may waive general and administrative expenses, in-lieu-of-property taxes and/or franchise fees until the fund is able to pay them.

**F. Hotel Occupancy Tax Fund** – This fund has a long-term effect on the City's economy and the reserve level needs to be sufficient to allow the fund to operate if a downturn in the economy occurred. Sufficient level of reserves should be a minimum of one year of expenditures to allow the City to ensure continuity of the organizations promoting tourism. Policy makers will need to determine priorities and funding levels should the economic downturn be expected to exceed the current adopted budget plus one-year reserves.

## X. Debt Management

**A. Self-Supporting Debt** – When appropriate, self-supporting revenues will pay debt service in lieu of tax revenues.

**B. Analysis of Financing Alternatives** – The city will explore all financing alternatives in addition to long-term debt including leasing,

grants and other aid, developer contributions, impact fees, and use of reserves or current monies.

**C. Voter Authorization** – The city shall obtain voter authorization before issuing General Obligation Bonds as required by law. Voter authorization is not required for the issuance of Revenue Bonds and Certificates of Obligation. However, the city may elect to obtain voter authorization for Revenue Bonds.

**D. Bond Debt** – The City of Bastrop will attempt to maintain base bond ratings of AA2(Moody's Investors Service) and AA (Standard & Poor's) on its general obligation debt, and AA- on its revenue bonds. In an attempt to keep the debt service tax rate flat, retirement of debt principal will be structured to ensure constant annual debt payments when possible.

**E. IRS Compliance** – The City will have a written policy for monitoring compliance with IRS laws and regulations for tax exempt debt.

## XI. Staffing and Training

**Adequate Staffing** – Staffing levels will be adequate for the fiscal functions of the city to function effectively. Overtime shall be used only to address temporary or seasonal demands that require excessive hours. Workload scheduling alternatives will be explored before adding staff.

**Training** – The city will support the continuing education efforts of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues. Staff will be held accountable for communicating, teaching, and sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.

## XII. Grants Financial Management

**A. Grant Solicitation** – Each department is responsible for researching and applying for grants that support needs within their

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# Financial Policy

~~department. The purpose of this policy is to ensure grant funding is solicited with prior approval of the City Manager. The grant application should only be made with input from pertinent departments. The City Manager will be informed about available grants by the departments. The City Council will have final approval over which grants are applied for. The grants should be cost beneficial and meet the city's objectives.~~

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Tracy Waldron, CFO

**History of Financial Policies:**

Previously Approved 9/23/14  
Previously Approved 10/25/16  
Previously Approved 5/9/17  
Previously Approved 9/26/17

**B. Grant Acceptance – All grants awarded to the City of Bastrop must be accepted by action of the City Council. If the grant opportunity is identified early enough for inclusion in the annual budget, is shall be identified and budgeted in revenue and expenditure accounts. If the grant is accepted but has not been included in the annual budget, a budget amendment shall be requested to reflect the revenues and expenditures associated with the grant.**

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**BC. Responsibility** – Departments will oversee the day to day operations of grant programs, will monitor performance and compliance, and will also keep the Finance Department informed of significant grant-related plans and activities. Finance Department staff members will serve as liaisons with grantor financial management personnel, will prepare invoices, and will keep the books of account for all grants.

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### XIII. Annual Review and Reporting

**A. Annual Review** - These Policies will be reviewed administratively by the City Manager at least annually, prior to preparation of the operating budget.

**B. Reporting** - The Chief Financial Officer will report annually to the City Manager on compliance with these policies.

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Lynda K. Humble, City Manager





# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 2E

**TITLE:**

Discuss the Fairview Cemetery Memorial Tree Program.

**STAFF REPRESENTATIVE:**

Tracy Waldron, Chief Financial Officer

**BACKGROUND/HISTORY:**

City of Bastrop Code of Ordinances, Chapter 15 – Cemeteries, Article 15.01 - Fairview Cemetery restricts the planting of trees by plot owners and their heirs to ensure that any trees that are planted are both native to the area and proper for the cemetery and local environment.

Due to this restriction, a replacement plan became critical to maintaining the future beauty of Fairview Cemetery as the original trees were lost to age, disease, and weather-related causes.

As many families wish to donate something long-lasting and meaningful in their loved ones' memory, the Fairview Cemetery Memorial Tree Program was designed to meet the desire to provide something long-lasting and the need to ensure the selection and placement of proper trees for Fairview Cemetery.

The Fairview Cemetery Advisory Board met on March 27, 2019 and June 26, 2019, to review and discuss the Fairview Cemetery Memorial Tree Program. After discussion, the Board was in favor of the program and recommended it be brought to City Council for approval as represented in the brochure.

**POLICY EXPLANATION:**

City of Bastrop Code of Ordinances, Chapter 15 – Cemeteries, Article 15.01 - Fairview Cemetery restricts the planting of trees by plot owners and their heirs. All trees planted are to be planted by the City of Bastrop.

**FUNDING SOURCE:**

N/A

**RECOMMENDATION:**

Discuss the Fairview Cemetery Memorial Tree Program.

**ATTACHMENTS:**

- Memorial Tree Program Brochure

## About the Cemetery



Fairview Cemetery is located at 1408 Highway 95 N in Bastrop, Texas. With beautiful, unique, and historic gravesites dating back to the 1800's, Fairview is listed on the State of Texas Historic Cemetery Listing.

## Memorial Tree Program

After reviewing the Fairview Cemetery Ordinance in 2017, it was decided to continue restricting the planting of trees by plot owners and their heirs to ensure that any trees that are planted are both native to the area and proper for the cemetery and local environment.

Due to this restriction, a replacement plan became critical to maintaining the future beauty of Fairview Cemetery as the original trees were lost to age, disease and weather related causes.

As many families wished to donate something long-lasting and meaningful in their loved ones' memory, the Fairview Cemetery Memorial Tree Program was designed to meet the desire to give something long-lasting and the need to ensure the selection and placement of proper trees for Fairview Cemetery.

## Fairview Cemetery

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

Desired Tree (see approved list, opposite side):  
\_\_\_\_\_

The donation to the Memorial Tree Program is \$650. This includes one 30 gallon tree, a 4" X 8" memorial plaque and 2 years maintenance.

Mail this form along with your donation  
(payable to City of Bastrop) to:  
Fairview Cemetery Memorial Tree Program  
c/o City of Bastrop—Finance Dept.  
PO Box 427  
Bastrop, TX 78602

### Tree Plaque Format

All plaques for trees will be inscribed using the following format:

In memory/Loving memory/Honor of  
Bob Smith  
April 3, 1945—October 15, 2015

Inscription:

Name: \_\_\_\_\_

Dates: \_\_\_\_\_  
\_\_\_\_\_

*Thank you for supporting the  
Fairview Cemetery Memorial Tree Program.*



## Memorial Tree Program



[www.cityofbastrop.org](http://www.cityofbastrop.org)



*Chinquapin Oak*



*Texas Mountain Laurel*



*Lacey Oak*



*Monterrey Oak*



*Mexican Plum*

To ensure a higher survival rate, your tree will be planted between October and April. Specific locations have been identified for the planting of trees and you may choose from one of the designated locations. The newly planted tree will be cared for by city staff for 2 years. If the tree dies within that time, it will be replaced by another tree at no additional cost.

Approved trees for the Fairview Cemetery Memorial Tree Program are listed and pictured here.

- Chinquapin Oak
- Texas Mountain Laurel
- Lacey Oak
- Monterrey Oak
- Mexican Plum
- Cedar Elm
- Texas or Mexican Redbud
- Crepe Myrtle
- Pecan

Your donation of \$650 will cover the cost of one 30 gallon tree, a 4"X8" plaque, as well as care and maintenance while the tree becomes established.



*Cedar Elm*



*Texas or Mexican Redbud*



*Crepe Myrtle*



*Pecan*



# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 2F

**TITLE:**

Receive briefing on Easement Acquisition on Main Street Rehabilitation Project.

**STAFF REPRESENTATIVE:**

Rebecca Gleason, Main Street Manager

**BACKGROUND/HISTORY:**

In June 2018, a presentation was made to the Council concerning the “Main Street Road Project”. It provided a history of the Main Street Rehabilitation Project going back to the 2014 City Bond. This presentation will provide an update to that Project concerning the status of signed/unsigned easements.

The Main Street Manager was brought onto this project at the end of April 2019. The easement standings were as follows at that time:

TOTAL EASEMENTS	<b>54</b>
TOTAL OWNERS	<b>40</b>
SIGNED EASEMENTS	<b>30</b>
SIGNED OWNERS	<b>22</b>
UNSIGNED EASEMENTS	<b>24</b>
UNSIGNED OWNERS	<b>18</b>
PERCENTAGE SIGNED	<b>55.56%</b>
PERCENTAGE MISSING	<b>44.44%</b>

On July 9, 2019, the Main Street Manager went before Council to update them on the above standings and lay out a plan to attempt to collect the remaining easements. The City has worked with both the City Attorney and our Engineer on the project to draft individual easements for each of the necessary properties. It was determined that we would not need to collect any easements along Pine Street which were included in the original scope therefore bringing the total necessary easements from 54 to 52. After several weeks of collecting signatures, the current standings are outlined below:

TOTAL EASEMENTS	<b>52</b>
SIGNED EASEMENTS	<b>41</b>
UNSIGNED EASEMENTS	<b>11</b>
PERCENTAGE SIGNED	<b>78.84%</b>
PERCENTAGE EXPRESSED WILL SIGN	<b>90.38%</b>

Percentage Still in Discussion	9.62%
Percentage Will Not Sign	0%

\*Note that numbers are as of Staff Report date of 9/12/19

**ATTACHMENT:**

- PowerPoint Presentation



# Briefing and Discussion on Main Street Rehabilitation Project Easement Acquisitions



# Easement Acquisition Update

<b>TOTAL EASEMENTS</b>	<b>52</b>
<b>SIGNED EASEMENTS</b>	<b>41</b>
<b>UNSIGNED EASEMENTS</b>	<b>11</b>
<b>START PERCENTAGE SIGNED</b>	<b>55.56%</b>
<b>START PERCENTAGE MISSING</b>	<b>44.44%</b>
<b>CURRENT PERCENTAGE SIGNED</b>	<b>78.84%</b>
<b>CURRENT PERCENTAGE MISSING</b>	<b>21.16%</b>

# Easement Acquisition Update

<b>TOTAL EASEMENTS</b>		<b>52</b>
<b>SIGNED EASEMENTS</b>	41	78.84%
<b>UNSIGNED EASEMENTS</b>	11	21.15%
<b>Percentage Expressed Will Sign</b>	90.38%	47 or 6 additional
<b>Percentage Still in Discussion</b>	9.62%	5
<b>Percentage Will Not Sign</b>	0%	0



# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 2G

**TITLE:**

Annual review of the Purchasing Policy by City Council.

**STAFF REPRESENTATIVE:**

Tracy Waldron, Chief Financial Officer

**BACKGROUND/HISTORY:**

The City of Bastrop Purchasing Policy was last adopted by Council in October 23, 2018.

**POLICY EXPLANATION:**

City Council requests that the Purchasing Policy be reviewed and adopted annually by Council as a part of the Budget Adoption Process to ensure the policy is current with State Law and appropriately addresses operational needs.

**FUNDING SOURCE:**

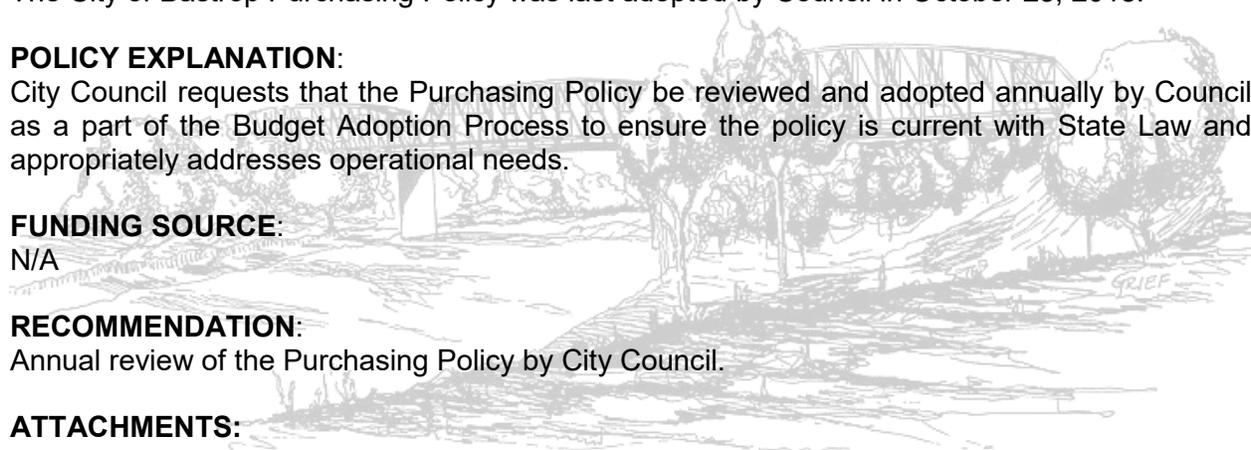
N/A

**RECOMMENDATION:**

Annual review of the Purchasing Policy by City Council.

**ATTACHMENTS:**

- Purchasing Policy





**The mission of the City of Bastrop is to continuously strive to provide innovative and proactive service that enhance our authentic way of life to achieve the vision.**



# **Purchasing Policy**

Draft Dated: September 10, 2019

# **City of Bastrop Purchasing Policy**

## **Table of Contents**

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- II. CODE OF ETHICS**
- III. COMPETITIVE PURCHASING REQUIREMENTS**
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  - B. Instructions for Bidding
  - C. Purchasing Control
  - D. Fleet Purchases
  - E. Dollar Limitations
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- VI. DEFINITION OF TERMS**

## I. PURPOSE

It is the policy of the City of Bastrop that all purchasing shall be conducted strictly on the basis of economic and business merit. This policy is intended to promote the best interest of the citizens of the City of Bastrop, Texas.

The City of Bastrop intends to maintain a cost-effective purchasing system conforming to good management practices. The establishment and maintenance of a good purchasing system is possible only through cooperative effort. It must be backed by proper attitudes and cooperation of not only every department head and official, but also every supervisor and employee of the City of Bastrop.

The purchasing process is not instantaneous. Time is required to complete the steps required by State law. In order to accomplish timely purchasing of products and services at the least cost to the City of Bastrop, all departments must cooperate fully. Prior planning and the timely submission of requisitions are essential to expedite the purchasing process and to assure that the process is orderly and lawful.

This Policy reaffirms the City of Bastrop's commitment to strengthen purchasing and property controls to reasonably assure that assets are received and retained in the custody of the City of Bastrop.

## II. CODE OF ETHICS

It is important to remember that when employees are participating in the purchasing process, they represent the City of Bastrop. By participating in the purchasing process, employees of the City of Bastrop agree to:

- A. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- B. Demonstrate loyalty to the City of Bastrop by diligently following the lawful instructions of the employer, using reasonable care, and only authority granted.
- C. Refrain from any private business or professional activity that would create a conflict between personal interests and the interest of the City of Bastrop.
- D. Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence purchasing decisions.
- E. Handle confidential or proprietary information belonging to employer or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
- F. Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- G. Expose corruption and fraud wherever discovered.
- H. Texas Law prohibits *component purchasing, separate purchasing and sequential purchasing* of any kind. An employee commits an offense by intentionally or knowingly making or authorizing component, separate or sequential purchasing to avoid the competitive bidding requirements.

- I. Adherence to the City's Ethics Ordinance is mandatory. If there is a conflict between the two Ethics policies, the stricter of the two would apply.

### **III. COMPETITIVE PURCHASING REQUIREMENTS**

The City of Bastrop policy requires three quotes for purchases over \$3,000. The only exceptions to this rule are for items purchased under a cooperative contract, sealed bid award, sole source purchases or purchases for an emergency situation.

Under no circumstances shall multiple requisitions be used in combination to avoid otherwise applicable bidding requirements or City Council approval.

#### **A. Who is authorized to make purchases?**

Purchases will only be processed if authorized by a Department Head or approved representative in an employee's direct chain of command.

#### **B. Instructions for Soliciting Bids**

When soliciting bids, City of Bastrop buyers must follow the steps below:

1. Give the same exact specifications to each vendor.
2. Give each bidder same deadline for turning in bids.

City of Bastrop buyers must inform vendors that bids submitted are all inclusive. Any charges for freight and handling, fuel fees or other costs must be included in the bid. In order to obtain contract status, the Department Head is responsible for first adhering to the procurement requirements stated below. City Manager approval or his designee is required.

#### **C. Purchasing Control**

Authorization levels established within INCODE for appropriations previously approved by the City Council are as follows:

Directors' or their designee not to exceed \$9,999.99  
Chief Financial Officer or designee up to \$14,999.99  
City Manager or designee approving purchases exceeding \$15,000.00

All purchases requiring a purchasing summary must have an approved purchase order before placing the order.

#### **D. Fleet Purchases**

The Finance Department will create a Fleet Appropriations List at the beginning of every fiscal year based on the adopted budget. A unit number will be assigned to each vehicle and equipment included on this list. This list will be distributed to each department with vehicles and equipment on the list.

Each department will complete and submit their purchasing summaries to the Finance Department, which should include the unit number assigned, as close to October 1<sup>st</sup> as possible. The purchasing summaries will be checked against the Fleet Appropriations List and reviewed for accuracy and completeness. Once reviewed by the Finance Department, the summaries will go to the City Manager for approval.

Upon approval by the City Manager, a purchase order will be created and authorized by the Finance Department for each approved purchasing summary. At the time of issuance of the purchase order, budgeted funds will be encumbered to prevent the funds from being reallocated.

Approved purchase orders will be sent to each department with authorized vehicles and equipment on the Fleet Appropriations List. Once the department has received the approved purchase order, fleet orders can be placed with the selected vendor.

### **E. Dollar Limitations**

The following dollar limitations should be used as a guideline. These limitations may not apply in all cases. Dollar limitations pertain to total purchase or invoice total not per single item cost. It is the Department Directors responsibility to insure Purchasing policies are being adhered to.

**\$0.01-\$3,000:** Purchases of non-contract goods or services totaling \$3,000 or less require no quotation but are recommended.

If invoices for a single service contractor combine to total greater than \$3,000 in a fiscal year, the city will require the standards of \$3,001 to \$49,999 for purchasing to apply. As clearly identified in the II. Code of Ethics H. Texas Law prohibits *component purchasing, separate purchasing and sequential purchasing* of any kind. An employee commits an offense by intentionally or knowingly making or authorizing component, separate or sequential purchasing to avoid the competitive bidding requirements.

Note that an employee does not commit an offense by making or authorizing component, separate, or sequential purchasing to address unexpected circumstances (such as unanticipated repairs) rather than to avoid competitive bidding requirements. Accordingly, if invoices for a single service contractor combine to total greater than \$3,000 in a fiscal year due to unexpected circumstances (and not to avoid competitive bidding requirements), the standards that apply to purchase totaling \$3,001 to \$49,999 will not apply.

If you have questions about which standards apply, contact the Finance Department.

**\$3,001-\$49,999:** Except where otherwise exempted by applicable State law, purchases totaling \$3,001 to \$49,999 require three (3) written quotes attached to a Purchasing Summary Form and a purchase order provided to the Finance Department.

No purchase orders of non-contract goods or services will be issued in excess of \$15,000 without City Manager or his designee prior approval.

If the lowest quote is not selected an explanation should be provided on the Purchasing Summary Form and approval by the City Manager will be required, no matter the dollar amount. Only the City Manager or his designee may determine "Best Value". The City Manager may elect to accept less than three quotes from a Director if due diligence has been documented by the Director in trying to adhere to the purchasing policy. A memo will be required from the Director providing a reason for their inability to obtain three written quotes and the scope of services being provided if applicable. It must be approved and signed by the City Manager and attached to each Purchasing Summary Form and purchase order provided to the Finance Department.

According to State Law, two (2) Historically Underutilized Businesses (HUBs) are to be contacted on a rotating basis. HUB vendors are obtained from the Texas Comptroller of Public Accounts website. If the list fails to identify a historically underutilized business in the county in which the municipality is situated, the municipality is exempt.

If purchasing through a cooperative purchasing alternative, i.e. BuyBoard, DIR, TXMAS provide only one (1) written quote; proof or identification that the quote is from a cooperative source, complete a Purchasing Summary Form and a purchase order. Any vendor specific contracts should be on file with the Finance Department prior to final approval being given if applicable. It is the Department Director's responsibility to insure the cooperative information is on file with the Finance Department.

**\$50,000+:** Except as otherwise exempted by applicable State law, requisitions for item(s) whose aggregate total cost is more than \$50,000 must be processed as competitive solicitations (e.g. sealed bids, request for proposals, and request for offers). Texas Local Government Code, Subchapter B, Section 252.021 defines the requirements for competitive bids.

The Code requires that sealed bids and request for proposals (RFP) are advertised in a local newspaper for two consecutive weeks prior to the bid opening. All bids must be received sealed and turned in to the City Secretary's Office by the date and time listed in the bid. Any bids received after the stated time will be returned unopened. The bid opening process is open to the public and all vendors that respond to the specific are invited to attend. Questions concerning pricing will not be addressed at the opening. Contracts for services require Errors & Omissions coverage.

If purchasing through a cooperative purchasing alternative, i.e. BuyBoard, DIR, TXMAS provide only one (1) written quote; proof or identification that the quote is from a cooperative source, complete a Purchasing Summary Form and a purchase order. All cooperative vendor specific contracts should be on file with the Finance Department prior to final approval being given if applicable. It is the Department Director's responsibility to ~~insure~~ensure the cooperative information is on file with the Finance Department. City Manager written approval is required.

Rental Agreement: Vendors who provide rental items to the city are required to carry insurance. The type and amounts of insurance required vary based on the item rented. The Chief Financial Officer must review all rental contracts before the contract is awarded.

## **F. Personal or Professional Services**

Under the Professional Services Procurement Act, a contract for the purchase of a personal or professional service is exempt from competitive bidding requirements. The City also provides exemption for the purchasing of planning services.

The City may not select providers of professional services based on competitive bids. In these situations, the City must make the selection and award based on demonstrated competence and qualifications for performing the services for a fair and reasonable price.

Professional services may include:

- Accounting.
- Architecture.
- Landscape architecture.
- Land surveying.
- Medicine.
- Optometry.
- Engineering.
- Real estate appraisal.
- Nursing.

According to the Texas Attorney General's Office professional services may include "members of disciplines requiring special knowledge or attainment and a high order of learning, skill and intelligence,"

## **G. Other Exemptions**

State law authorizes other categories of exempt purchases. Purchases from other governments, some auctions and going-out-of-business sales, and other purchases are exempt under provisions of the Local Government Code and Vernon's Statutes.

The following is a list of other areas that are exempt from competitive bidding requirements:

1. Land or right-of-way.
2. Items that can be obtained from only one source, including:
  - a. items for which competition is precluded because of the existence of patents, copyrights, secret processes or monopolies;
  - b. films, manuscripts or books;
  - c. electric power, gas, water, and other utility services; and
  - d. captive replacement parts or components for equipment;
3. Food
4. Personal property sold:
  - a. at an auction by a state licensed auctioneer;
  - b. at a going-out-of-business sale; or
  - c. by a political subdivision of the state, a state agency, or an entity of the federal government.
5. Any work performed and paid for by the day is exempt from the competitive bidding process.

6. Work performed under a contract for community and economic development made by a county designed to reasonably increase participation by historically underutilized businesses in public contract awards by establishing a contract percentage goal for HUB businesses.

## **H. Sole Source Purchases**

Sole Source purchases must be approved by the City Manager before purchasing. These conditions occur when the purchase involves compatibility of equipment, accessories or replacement parts or when the goods or services is a one-of-a kind or protected by a patent, copyright, secret process. The product is only available from a regulated or natural monopoly. The product is a component or repair part that may only be purchased from the original supplier. The following items are necessary to provide sufficient justification for sole source purchase:

1. A memorandum to the City Manager with a statement must be attached to the Purchasing Summary Form that says a sufficient number of vendors have been contacted to determine that only one practical source of supply exists or states the reasons only one source exists. This memorandum should include the City Manager's signature signifying his approval.
2. A bid from the sole source provider on company letterhead.
3. A letter from the vendor stating they are the sole supplier of the good.

A Purchasing Summary Form and purchase order is still required with the above information attached.

## **I. Change Orders**

According to purchasing law, the City of Bastrop may make changes to plans, specifications or quantities after award of the contract, if necessary. However, no increase may exceed 25% of the original contract amount and any decrease of 25% or more must have the consent of the contractor.

Increases that cause a change in dollar limitations or purchasing law may supersede the 25% rule:

Example: If a contract is awarded for \$45,000, the allowable increase under the 25% rule would be \$11,250. However, this would cause the new price to exceed \$50,000, which by State law requires sealed bids and advertising. Increase would be limited.

Any change in a purchasing contract that exceeds 25% of the original amount will void the original contract.

## **J. Making the Purchase**

City of Bastrop buyers' are responsible for making sure that the purchased good or service is received as specified. Under no circumstance should a buyer accept more goods or services than ordered. Employees are only authorized to purchase items that have been approved by their Department Head. A purchase over the original amount requires additional approval.

### **K. 30 Day Accounts Payable Cycle**

Texas law requires municipalities to pay invoices within 30 days or be subject to the payment of interest.

It is the responsibility of each department to make sure the signed invoices, purchase orders and any other required paperwork is submitted to the Finance Department as soon as the product is received, or service rendered.

It is the responsibility of Accounts Payable to pay all vendor invoices within 30 days of invoice date~~the date services or products are received~~. If the invoice date is different from the service/product receipt date, the department will need to note on the invoice the date of receipt of the product or service. Any Variance between the purchase order and the vendor invoice must be reconciled and documented on the purchase order. Vendor payments can only be made for the original or modified purchase order amount.

### **L. Emergency Procedures**

Valid emergencies are those that occur as a result of the breakdown of equipment which must be kept in operation to maintain the public's safety or health, or whose breakdown would result in the disruption of City operations. It is required to get City Manager or his designee approval on any emergency purchases.

The Legislature exempted certain items from sealed bidding in the **Texas Local Government Code Section 252.022(a)**, including, but not limited to:

- 1. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;*
- 2. A procurement necessary to preserve or protect the public health or safety of the municipality's residents;*
- 3. Procurement necessary because of unforeseen damage to public machinery, equipment or other property.*

The following steps must be taken when making emergency purchases:

1. Employee must receive approval from the City Manager or his designee.
2. Employee will make every effort to solicit bids unless circumstances prevent employee from doing so.
3. A written statement concerning the emergency must be provided following the incident to provide necessary documentation in Accounts Payable and must include the City Managers signature or his designees.

## **IV. ASSET CONTROL**

## **A. Inventory Control**

The purpose of inventory control is to create and maintain a record/inventory of all fixed assets of the City of Bastrop. Fixed assets include all items over \$5,000 with a life expectancy of two (2) or more years. "Minor Capital Outlay" items must also be inventoried. These items will include assets purchased for \$1,000 to \$4,999.

When a fixed asset is received by the city, it is tagged with a City of Bastrop property tag if feasible and added to the Departments master list.

Each Department shall keep an inventory list of all fixed assets permanently assigned to employee.

A wall to wall inventory of all fixed assets shall be performed every year or as deemed necessary. It is recommended that Departments perform an annual fixed assets inventory of equipment permanently assigned to employees.

## **B. Use of Property**

City of Bastrop employees should be aware that the use of City property for personal gain is strictly prohibited. City vehicles should only be used for official City business. City Personnel Policies list theft and unauthorized use of City property as grounds for immediate dismissal.

In addition, employees are not to use personal property for the performance of their job or at their work site. Personal items such as radios, coffee pots, picture frame, books, etc. is permissible; however, the City of Bastrop is not responsible for damage to or theft of these items.

## **C. Disposal of Surplus Materials and Equipment/ Donations**

City surplus materials and equipment (a/k/a 'surplus items') includes any City owned personal property such as furniture, fixtures, equipment, computers, vehicles, tools, clothing, or other such items, which have lost useful value to the City, have become non-functional or are obsolete. Such surplus items may be disposed of by one of the following methods:

- Sold competitively, by accepting sealed bids or by public auction;
- Traded in for acquisition of new equipment;
- Donated by the City to a recognized charitable organization;
- Provided to other governmental entities (donation or exchange).
- Sold as 'scrap' (for cash), if the items have no value except for salvage and the City Manager or his designee has authorized the sale for scrap; or
- Disposed of through solid waste collection services, if the item has no salvage or other value and the City Manager or his designee has authorized such disposal.

Trade-In or Donation: Before *trading-in* and/or *donating* surplus items, the Department Head must prepare a memorandum to the City Manager and remit a copy to the Finance Department stating: 1) the identity of the surplus items to be disposed of, traded-in or donated, 2) the reasons for the surplus items being declared surplus, 3) the original purchase price (if ascertainable) of the surplus items, and 4) the value of proposed “trade-in” or “donation”, in the estimation of the Department Head. If the Department Head receives approval by City Manager to proceed, the Department Head must coordinate their *trading-in* and/or *donating* surplus items with the Finance Department to insure a Disposed Fixed Asset Form is completed and any other ancillary paperwork.

[Note: All property is owned in the name of the City of Bastrop and is not vested in any specific department.]

Sales: If the surplus items are to be sold, then the Department Head must prepare a memorandum to the City Manager and remit a copy to the Finance Department. The memo should include: 1) the identity of the items to be sold to include year, make, model, and any other identification characteristics, 2) a brief description providing why it is necessary to dispose of the item. The Department Head having received approval to sell a surplus item may then utilize one of the following options: 1) post notice in the local newspaper and/or through an approved on-line auction provider 2) advertise in the local newspaper, 3) request sealed bids, or 4) sell through a public auction, which may take place at a specified location or, by means of an on-line sale.

Preferred Disposition: Whenever reasonably feasible, it is the City’s preference that the Department Head dispose of the surplus equipment by means of a public auction or sale held in cooperation with other City departments and surrounding government entities.

Procedures: The City Manager shall have the authority to approve the disposal, sale, trade-in or donation of surplus items when the value of same is less than \$50,000, in total. If the total value exceeds \$50,001, then the City Manager shall obtain Council approval of the proposed disposal, sale, trade-in or donation of surplus items.

Once approved by either the City Manager or Council, as appropriate, in order to document the disposal, sale, trade-in or donation of surplus items a Disposed Fixed Asset Form must be prepared and submitted to the Finance Department in addition to providing the license plates for any vehicles or equipment disposed of. The Finance Department manages the change of ownership and the receipt of funds.

City decals must be removed from all surplus City vehicles, machinery, and equipment before disposal, donation, trade-in or sale.

City employees may participate, on their own time, in public auctions for the purchase of surplus City items.

#### **D. Lost Property**

After conducting an annual inventory and property is discovered to be lost, an explanation for the lost must be provided immediately to the Department Head using the

Fixed Asset Form. Property losses that come to the attention of the employee before the annual inventory should be reported within 24 hours using the Fixed Asset Form.

All thefts are to be reported to a supervisor or Department Head as soon as possible. The City of Bastrop, Police Department must be notified immediately. Stolen fixed asset must be removed from the Master Inventory List and a copy of the police report attached to the Fixed Asset Form.

### **E. Security Measures**

All equipment will be kept in a secure area when not in use. Access to this area will be limited to the employees assigned to the secure area. In case of theft, the security of the area should be evaluated to determine if changes or re-keying of locks should be necessary.

## **V. RESPONSIBILITIES OF PARTIES**

### **A. Department Heads**

1. Monitor and approve overall purchases to ensure that funds are spent judiciously and that budgeted resources are within their control and available for all procurement.
2. Reject requests for purchases that do not have proper authorization or include required documentation.
3. Approve all purchases up to \$9,999 excluding budgeted capital.
4. Adhere to the Purchasing Policies and the Code of Ethics.
5. Place cooperative agreements and RFP's on file with Finance and monitor purchases to ensure that supply agreements are used.
6. Ensure that sole source requests meet the guidelines and include required documentation.
7. Inventory all fixed assets every year.
8. Verify goods and services are received as ordered before approving payment.
9. Annually inventory equipment assigned to employee.
10. Keep records of losses occurring in their areas to detect patterns of theft in one area or individual employee.

### **B. Supervisors**

1. Maintain security of equipment on-site
2. Keep a log of equipment issued to employees on a long-term basis.
3. Keep a log of equipment issued to employees on a short-term basis.
4. Forward all receipts and invoices to Department Head as soon as possible.
5. Check that equipment and supplies are returned upon termination of an employee.

### **C. City of Bastrop Accounts Payable**

1. Pay bills in an accurate and timely manner.

2. Reject requests for purchases that do not have proper authorization or include required documentation.
3. Monitor purchases to ensure that supply agreements are used.
4. Ensure that purchasing policy requirement guidelines are met and required documentation included.

D. City of Bastrop Accounting

1. Maintain the master fixed asset property list.
2. Assign inventory tags for fixed assets.
3. Provide Fixed Assets Forms.
4. Produce Master Inventory List as needed.
5. Process fixed asset transfers and retirements.
6. Review, approve and enter all purchase orders for budgeted fleet purchases.

## VI. DEFINITION OF TERMS

**Component Purchases** – Purchases of component parts of an item that in normal purchasing practices would be accomplished by one purchase. (Purchasing parts and assembling a finished product.)

**Pecuniary Benefit** – Any form of economic gain (money, gifts, etc.).

**Fixed Assets** - A piece of equipment with a value of \$5,000 or more and a life expectancy of two (2) year or more.

**Separate Purchases** – Purchases made separately of items that in normal purchasing practices would be accomplished by one consolidated purchase. (Multiple purchase orders of similar items to avoid bidding procedures.)

**Sequential Purchases** – Purchases, made over a period, of items in normal purchasing practices would be combined and bid as one purchase. (Similar to above but multiple purchases of the same items to avoid bids.)

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**Lynda K. Humble, City Manager**

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**Tracy Waldron, CFO**

**History of Financial Policies:**

Previously Approved 09/23/2014

Previously Approved 10/23/2018





# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 2H

**TITLE:**

Receive presentation on the City of Bastrop Emergency Shelter Open House being conducted on Saturday, September 21, 2019.

**STAFF REPRESENTATIVE:**

James K. Altgelt, Assistant City Manager for Public Safety & Community Support

**BACKGROUND/HISTORY:**

The City of Bastrop received grant funding through Bastrop County from the U.S. Department of Housing and Urban Development administered by the Texas General Land Office for the purpose of constructing an emergency shelter.

In 2018, the City completed construction on its 5,935 square foot facility, which is located at 1209 Linden Street. At a cost of \$1,460,000, the emergency shelter can accommodate 50 people during what many will consider as the worst time in their lives. On a day to day basis, the emergency shelter is utilized by the members of the Bastrop Senior Center for their gatherings, activities, and fellowship. Members of the Bastrop Senior Center have received shelter training and are ready to augment City Staff as volunteers with various aspects of shelter operations.

September is recognized as National Preparedness Month. National Preparedness Month serves as a reminder that we all must take action to prepare, now and throughout the year, for the types of emergencies that could affect us where we live, work, and visit.

In support of National Preparedness Month, the City of Bastrop is partnering with the Bastrop County Long Term Recovery Team and hosting an open house at the emergency shelter. The open house will take place on Saturday, September 21, 2019, from 10:00 AM until 2:00 PM.

During the open house, visitors will receive presentations from the following organizations:

- **City of Bastrop Office of Emergency Management**
  - How your local government is prepared to assist you before, during, and after a disaster
  - Shelter Operations
- **Bastrop County Long Term Recovery**
  - How to prepare a "Go Bag"
  - Completing a Family Preparedness / Disaster Plan
- **City of Bastrop Office of Emergency Management & Bastrop County Long Term Recovery Team**
  - Assisting with onsite scanning of vital documents
  - Assisting with onsite completion of a Family Preparedness / Disaster Plan
- **Bastrop Fire Department**
  - Teaching children fire safety and prevention

- **Bastrop County Emergency Food Pantry**
  - Hosting non-perishable ingredient cook-off
- **Red Cross**
  - Pillowcase Project – providing information to you on what they should include in their “Go Bag”
- **Community Organizations Active in Disaster**
  - Providing information how businesses and our citizens can aid during an emergency

**ATTACHMENT:**

- PowerPoint Presentation



# Shelter Open House

Saturday – September 21, 2019

1209 Linden Street

10:00 AM – 2:00 PM



# Shelter Open House

## ***City of Bastrop Office of Emergency Management***

How your local government is prepared to assist you before,  
during, and after a disaster

Shelter Operations

## ***Bastrop County Long Term Recovery***

How to prepare a “Go Bag”

Completing a Family Preparedness / Disaster Plan



# Shelter Open House

***City of Bastrop Office of Emergency Management & Bastrop County Long Term Recovery Team***

Assisting with onsite scanning of vital documents

Assisting with onsite completion of a Family Preparedness /  
Disaster Plan

***Bastrop Fire Department***

Teaching children fire safety and prevention



# Shelter Open House

## ***Bastrop County Emergency Food Pantry***

Hosting non-perishable ingredient cook-off

## ***Red Cross***

Pillowcase Project – providing information to you on what they should include in their “Go Bag”



# Shelter Open House

***Community Organizations Active in Disaster***

Providing information how businesses and our citizens can aid during an emergency



# Questions





# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 3A

**TITLE:**

Consider action to approve first reading of Ordinance No. 2019-44 of the City Council of the City of Bastrop, Texas amending the Bastrop City Code of Ordinances, Chapter 1, titled "General Provisions", Article 1.02, titled "Administration," Section 1.02.002, Article 1.04, titled "Boards, Committees and Commissions," Sections 1.04.001 and 1.04.002, Article 1.05, titled "Housing Authority," Section 1.05.002, Article 1.10, titled "Parks," Section 1.10.001, Article 1.12, titled "Libraries," Division 2, titled "Library Board," Section 1.12.062, Article 1.15, titled "Code of Ethics," Division 3, titled "Implementation," Section 1.15.013, Article 1.16, titled "Art in Public Places," Section 1.16.002 and 1.16.003; Chapter 3, titled "Building Regulations," Article 3.02, titled "Construction Standards Board of Adjustments and Appeals," Sections 3.02.001, 3.02.002, and 3.02.003; Chapter 14, titled "Zoning," Article 14.03, titled "Historic Landmark Preservation," Section 14.03.001; Chapter 15, titled "Cemeteries," Article 15.01, titled, "Fairview Cemetery," Section. 15.01.002; unifying appointments, terms, number of members, residency requirements, and the filling of vacancies for city boards and commissions attached as Exhibit A; providing for findings of fact; enactment; dissolution; repealer; severability; providing an effective date, proper notice and meeting; and move to include on the September 24, 2019 agenda for a second reading.

**STAFF REPRESENTATIVE:**

Tracy Waldron, Chief Financial Officer

**BACKGROUND/HISTORY:**

On September 26, 2017, the City Council discussed proposed changes to the Boards & Commissions Ordinance. Staff has taken the recommendations discussed at this meeting and incorporated them into a draft ordinance.

After a review of the ordinances in collaboration with Bojorquez Law Firm, the decision was made to create an ordinance that amends all the sections of the Code of Ordinance with the updates recommended by City Council.

**POLICY EXPLANATION:**

In order to update this Ordinance staff is seeking direction and input on the following items:

1. Residency Requirements – the recommendation was made to allow residency in the city limits or its extraterritorial jurisdiction on each board or commission unless otherwise controlled and mandated by state or federal law or exception stated in the code.
2. Number of Members on Each Board or Commission - the recommendation was made to have 7 members on each board or commission and shall be assigned a "place" unless otherwise controlled and mandated by state or federal law or exception stated in the code.

3. Terms - Two consecutive terms of three (3) years with a full term abstained for that same board. They would be eligible for appointment on a different board. Term limits would encourage new ideas and allow for broader citizen participation on each board over time.
4. There were two (2) boards that Mayor Schroeder did not appoint members, which included the Vision Task Force and North Area Form Based Codes. Council agreed to dissolve these two committees through the appropriate action.
5. Board and Commission appointments are being aligned with the City's fiscal year. This ordinance is being updated to reflect the current schedule of providing notices of vacancies in July and appointments being approved in September for ratification effective October 1<sup>st</sup> of each year.
6. Attendance of Board & Commission Members should be updated monthly to the City Secretary. If attendance by a specific member becomes an issue, it will be addressed according to policy during the year with timely communication between the Staff Liaison, City Secretary, and Mayor.
7. Any additional suggested change by Council Members for inclusion in the Board & Commission Ordinance and/or Resolution.

**FUNDING SOURCE:**

N/A

**RECOMMENDATION:**

Consider action to approve first reading of Ordinance No. 2019-44 of the City Council of the City of Bastrop, Texas amending the Bastrop City Code of Ordinances, Chapter 1, titled "General Provisions", Article 1.02, titled "Administration," Section 1.02.002, Article 1.04, titled "Boards, Committees and Commissions," Sections 1.04.001 and 1.04.002, Article 1.05, titled "Housing Authority," Section 1.05.002, Article 1.10, titled "Parks," Section 1.10.001, Article 1.12, titled "Libraries," Division 2, titled "Library Board," Section 1.12.062, Article 1.15, titled "Code of Ethics," Division 3, titled "Implementation," Section 1.15.013, Article 1.16, titled "Art in Public Places," Section 1.16.002 and 1.16.003; Chapter 3, titled "Building Regulations," Article 3.02, titled "Construction Standards Board of Adjustments and Appeals," Sections 3.02.001, 3.02.002, and 3.02.003; Chapter 14, titled "Zoning," Article 14.03, titled "Historic Landmark Preservation," Section 14.03.001; Chapter 15, titled "Cemeteries," Article 15.01, titled, "Fairview Cemetery," Section. 15.01.002; unifying appointments, terms, number of members, residency requirements, and the filling of vacancies for city boards and commissions attached as Exhibit A; providing for findings of fact; enactment; dissolution; repealer; severability; providing an effective date, proper notice and meeting; and move to include on the September 24, 2019 agenda for a second reading.

**ATTACHMENTS:**

- Ordinance 2019-44

**ORDINANCE NO. 2019-44**

**AN ORDINANCE OF THE CITY OF BASTROP, TEXAS, AMENDING THE BASTROP CITY CODE OF ORDINANCES, CHAPTER 1, TITLED "GENERAL PROVISIONS," ARTICLE 1.02, TITLED "ADMINISTRATION," SECTION 1.02.002, ARTICLE 1.04, TITLED "BOARDS, COMMITTEES AND COMMISSIONS," SECTIONS 1.04.001 AND 1.04.002, ARTICLE 1.05, TITLED "HOUSING AUTHORITY," SECTION 1.05.002, ARTICLE 1.10, TITLED "PARKS," SECTION 1.10.001, ARTICLE 1.12, TITLED "LIBRARIES," DIVISION 2, TITLED "LIBRARY BOARD," SECTION 1.12.062, ARTICLE 1.15, TITLED "CODE OF ETHICS," DIVISION 3, TITLED "IMPLEMENTATION," SECTION 1.15.013, ARTICLE 1.16, TITLED "ART IN PUBLIC PLACES," SECTION 1.16.002 AND 1.16.003; CHAPTER 3, TITLED "BUILDING REGULATIONS," ARTICLE 3.02, TITLED "CONSTRUCTION STANDARDS BOARD OF ADJUSTMENTS AND APPEALS," SECTIONS 3.02.001, 3.02.002, AND 3.02.003; CHAPTER 14, TITLED "ZONING," ARTICLE 14.03, TITLED "HISTORIC LANDMARK PRESERVATION," SECTION 14.03.001; CHAPTER 15, TITLED "CEMETERIES," ARTICLE 15.01, TITLED, "FAIRVIEW CEMETERY," SECTION. 15.01.002; UNIFYING APPOINTMENTS, TERMS, NUMBER OF MEMBERS, RESIDENCY REQUIREMENTS, AND THE FILLING OF VACANCIES FOR CITY BOARDS AND COMMISSIONS; PROVIDING FOR FINDINGS OF FACT, ENACTMENT, DISSOLUTION, REPEALER, SEVERABILITY, EFFECTIVE DATE, AND PROPER NOTICE AND MEETING.**

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

**WHEREAS**, the City is authorized by Texas Local Government Code § 51.001 to adopt or amend any ordinance is for the good government, peace, or order of the municipality or for the trade and commerce of the municipality; and

**WHEREAS**, Article III, Section 3.01 of the Bastrop City Charter gives the City Council the authority to provide for boards and commissions, and to appoint the members of all such boards and commissions; and

**WHEREAS**, the City currently has several boards and commissions, with requirements for each board and commission codified in various sections of the Bastrop City Code

**WHEREAS**, the City Council has determined that unifying and simplifying the requirements for its boards and commissions is in the best interest of the City and its citizens; and

**WHEREAS**, the City Council has determined that formally dissolving the Vision Task Force and the Form Based Code Task Force, which once played active roles in shaping the City of Bastrop but are no longer active, is in the best interest of the City and its citizens.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, AS FOLLOWS:**

**SECTION 1. FINDINGS OF FACT**

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.

**SECTION 2. ENACTMENT**

Chapter 1, Article 1.02, Section 1.02.002, Article 1.04, Sections 1.04.001 and 1.04.002, Article 1.05, Section 1.05.002, Article 1.10, Section 1.10.001, Article 1.12, Division 2, Section 1.12.062, Article 1.15, Division 3, Section 1.15.013, Article 1.16, Section 1.16.002 and 1.16.003; Chapter 3, Article 3.02, Sections 3.02.001, 3.02.002, and 3.02.003; Chapter 14, Article 14.03, Section 14.03.001; Chapter 15, Article 15.01, Section 15.01.002 of the Code of Ordinances of the City of Bastrop are amended to read as described and attached hereto as Exhibit "A."

**SECTION 3. DISSOLUTION**

The Vision Task Force, which was recognized as a formal advisory body of the City of Bastrop in Resolution 2015-R-29, adopted on December 8, 2015, and the Form Based Code Task Force, which was established by the Bastrop City Council on May 26, 2013, are hereby dissolved.

**SECTION 4. REPEALER**

In the case of any conflict between the other provisions of this Ordinance and any existing Ordinance of the City, the provisions of this Ordinance will control.

**SECTION 5. SEVERABILITY**

If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, that invalidity or the unenforceability will not affect any other provisions or applications of this Ordinance that can be given effect without the invalid provision.

**SECTION 6. ENFORCEMENT**

The City shall have the power to administer and enforce the provisions of this

ordinance as may be required by governing law. Any person violating any provision of this ordinance is subject to suit for injunctive relief as well as prosecution for criminal violations, and such violation is hereby declared to be a nuisance. Nothing in this ordinance shall be construed as a waiver of the City's right to bring a civil action to enforce the provisions of this ordinance and to seek remedies as allowed by law and/or equity.

**SECTION 7. EFFECTIVE DATE**

This Ordinance shall be effective immediately upon passage and publication.

**SECTION 8. PROPER NOTICE AND MEETING**

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

**READ & APPROVED** on First Reading on the 10<sup>th</sup> day of September 2019.

**READ & ADOPTED** on the Second Reading on the 24<sup>th</sup> day of September 2019.

**APPROVED:**

by: \_\_\_\_\_  
Connie B. Schroeder, Mayor

**ATTEST:**

\_\_\_\_\_  
Ann Franklin, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Alan Bojorquez, City Attorney

**City of Bastrop, TX**  
**CODE OF ORDINANCES**  
**Chapter 1 – General Provisions**  
**ARTICLE 1.02- ADMINISTRATION**

**Sec. 1.02.002 – Form of government.**

Formatted: Justified

(a) Title 28, chapters 1-10, Revised Civil Statutes of the State of Texas 1925, and amendments thereto, relating to cities and towns, are hereby adopted by the city, and the government of the city and its affairs shall hereafter be guided thereby. The City Council having determined that there exist six hundred (600) inhabitants or more within the city, and having adopted this section by a two-thirds (2/3) vote of the Council, the City Secretary is hereby directed to file notice of said adoption with the county clerk as the law provides.

(b) *Uniform advisory bodies' attendance requirements.* In order to ensure the effectiveness and proper operation of the city's appointed, advisory bodies, the City Council requires all members of city advisory bodies, to maintain a suitable attendance record for such civic service. Because regular attendance is vital to effective service, the City Council requires attendance as follows:

(1) Members of all advisory bodies are required to attend a minimum of two-thirds (66%), of the duly called regular meetings of the member's advisory body during any twelve (12) consecutive month (i.e., cumulative 'rolling') period. A member who fails to achieve this required attendance level or who misses three (3) consecutive, regularly scheduled meetings shall provide the City Manager, within two (2) weeks following the absence, a letter identifying which of the reasons noted below reflects the basis for the absence in subsections (A)—(C) or, alternatively, a written request that the Council excuse the absence pursuant to subsection (D) below:

- (A) Medical circumstances involving the member, or the member's immediate family;
- (B) Urgent family matters that are not medical in nature;
- (C) Required attendance at events/meetings of the member's primary employment; or

(D) Any other “absence” excused by the City Council, upon the Council’s receipt of a written explanation and request made by the absentee member that the Council make an exception and excuse same.

Absences caused by circumstances noted in subsections (A) through (C), or otherwise excused by the Council pursuant to subsection (D), above, shall not count toward the 66% attendance requirement set forth in subsection (1) above, unless the Council determines otherwise, on a case-by-case basis.

(2) Each advisory body chair, with the assistance of the city staff member or department director assigned as the city’s liaison to the advisory body, is responsible for taking necessary action(s) to harmonize the advisory body’s existing bylaws, policies, rules and/or procedures, with the terms of this section and ensuring that each advisory body member is aware of this uniform attendance requirement.

(3) For purposes of calculating attendance percentages, as required herein, the term “duly called regular meetings” includes only the standard and routine meetings of the advisory bodies, and specifically does not include specially called workshops or other specially convened meetings of the advisory bodies.

(4) The city staff member or department director assigned as the city’s liaison to the advisory body is responsible for accurately recording member attendance at all advisory bodies’ meetings. Chairs are not responsible for recording attendance, nor shall they be responsible for and/or asked or authorized to determine whether an absence by a board member is “excused” or falls within the city’s attendance requirements.

(5) The city staff member or department director assigned as the city’s liaison to each body shall provide the attendance records monthly for their respective advisory body ~~on or before March 31<sup>st</sup> of each calendar year,~~ to the City Secretary. The City Secretary will notify the Mayor once a member is out of compliance with the attendance requirements set forth in (b)(1).

(6) Upon receipt, the City Secretary shall be responsible for providing the attendance records of all boards to the City Manager, who will in turn provide such attendance information to the City Council.

(7) It is the responsibility of the city staff member or department director assigned as the city’s liaison to the advisory body to timely notify the City Manager, in writing, who will in turn inform the City Council, at any time the advisory body’s attendance records demonstrate that any board member has failed to meet the required attendance level, set forth herein. Upon receipt of such information, the City Council will evaluate the attendance record of such members and, at its sole option the City Council may replace members who fail to meet the attendance standard set

forth herein. Nothing herein is meant to, nor may be interpreted to, alter or impinge upon the City Council's authority to remove, replace, or otherwise alter the service of any appointed members of any advisory body, at any time and for any reason not in conflict with law.

(c) *Uniform quorum determination.*

(1) The City Council does hereby establish a uniform rule for determining whether a quorum of any advisory body is present and/or had been convened.

(2) In this subsection, the following terms shall be defined as follows: Vacancy and vacancies. A vacancy exists on an advisory body when a person has not been appointed to a place or an appointed member has ceased service, and no alternate member is serving in the vacant place, and the City Council has not taken action to fill the position.

(3) Appointed members are required to comply with the city's ethics article, with regards to appearances before boards and city bodies.

(4) Except as otherwise required by state law, or in circumstances otherwise set forth herein below, a simple majority of the total membership, excluding vacancies, of each advisory body shall constitute a quorum for purposes of convening a meeting, and/or conducting the business of the advisory body.

(5) In the event that one or more vacancies exist on an advisory body, then any such vacant place(s) shall not be included in a count of the total membership of the advisory body. In such circumstances, the simple majority of the remaining advisory body places shall constitute a quorum of the advisory body, for purposes of convening and for conducting the business of the advisory body.

(d) *Uniform training.*

(1) The City Council does hereby establish uniform training requirement for advisory board members, which training shall be provided by the city at no cost to the members of the advisory bodies. The following types of information shall be provided to appointees to the city's advisory bodies at the training sessions:

(A) Attendance requirements for service on a city advisory body.

(B) Duties, responsibilities and roles of members on the respective city advisory bodies.

(C) Open meeting and public information laws.

(D) State and local conflicts of interest and ethics law.

(E) City polices and regulations, as applicable.

(2) The city shall conduct the above-referenced training sessions twice a year, at dates that the City Manager determines to be best for the various members of the city's boards, commissions and advisory bodies. Members are required to attend as quickly as possible after appointment, but in no event shall new appointment fail to attend within one year of their initial appointment. In addition, all board members are required to complete online open government training (open meetings and public information) within thirty (30) days of appointment. The city staff member or department director assigned as the city's liaison to each body is responsible for notifying the City Manager if any member has failed to attend the required training within a year of the member's appointment and/or to complete the state's required online training within thirty (30) days of appointment. The City Manager will report, periodically to the Council concerning the status of board training and attendance by members at same. Members who have failed to attend the city training or to obtain the online open government training required by state law, within the time frames set forth herein, shall be suspended from service on their appointed boards and commissions until such time as they demonstrate to the City Secretary that all required training has been successfully completed.

## ARTICLE 1.04- BOARDS, COMMITTEES AND COMMISSIONS

### Sec. 1.04.001 - Attendance at meetings; appointments.

(a) All members of the city boards, commissions or committees ~~appointed by the City Council, or appointed by the mayor with the advice and consent of the City Council,~~ shall strive to attend all scheduled meetings of the board, commission, or committee to which they have been appointed. ~~Most regular appointments will be made in June of each year.~~

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(b) Attendance requirements and the Council's policy regarding absenteeism of members appointed to advisory boards are set forth in section 1.02.002(b), et seq.

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(c) Appointments to city boards shall be made pursuant to the following procedures:

(1) At the direction of the mayor, the City Secretary will post notices at city hall as vacancies in established places or new places become available for appointment to city advisory bodies.

(2) In ~~April~~ July of each year, the city will provide notice of openings on the city's advisory boards through local newspapers, the city website, other media sources and/or other appropriate means.

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(3) The City Secretary will promulgate application forms for advisory bodies and shall provide same to persons interested in appointments to the city's advisory bodies.

(4) The City Secretary will provide the applications received by the city to the City Council, for the Councilmembers review, evaluation and consideration.

(5) The mayor will select his/her desired appointees from those applications provided by the City Secretary and appoint those persons selected by him/her, ~~and such individuals will serve on the advisory bodies~~, subject to the concurrence of the Council, ~~at the first council meeting in September of each year with ratification effective October 1<sup>st</sup>~~ -Unless otherwise controlled by state or local law, any appointee may be removed for cause or no cause, at the will of the Council.

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~~(d) The City Manager shall provide an attendance report of all boards at the first Council meeting held in April June of each year. The attendance report will detail the number of absences of each current member and status on all advisory body vacancies.~~

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**Sec. 1.04.002 - Membership, terms and filling of vacancies**

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Unless otherwise controlled and mandated by state or federal law, the following overarching provisions shall apply to the city's boards, commissions, task forces, committees and advisory bodies ("board(s)," "body" or "advisory bodies"):

(1) Board members shall be appointed by the mayor and confirmed by the Council, for terms of three (3) years. ~~No board member shall serve more than three (2) consecutive terms on one board without abstaining from that board for at least one full term.~~

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(2) ~~All city boards, commissions, task forces, committees, and advisory bodies shall consist of seven (7) members and Each each seat on all city boards will~~

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shall be assigned a "place."

(3) Board members' terms of service shall be "staggered;" three (3) year terms, so that the entire membership of the board will not be subject to replacement at any single point in time. To the extent possible, staggering shall be done so that the board membership is divided into thirds. Initial staggering of the membership will be accomplished by having all appointees/members who are serving on a board as of the first annual meeting following approval and passage of this section (which meetings are generally held in July), "draw lots" to determine which "place" will have what number of years of service during the transition period (e.g., one-third (1/3) of the places will draw for one-year terms, one-third (1/3) of the places will draw for two-year terms, and the remaining one-third (1/3) of the places will draw for three-year terms.) After the first ~~July~~ October board meetings are held, staggering of membership, by place, will begin.

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(4) In the event of a vacancy, an individual appointed to fill the vacant place will serve only the remaining term of the individual who is being replaced by the appointee, so that the staggering of terms shall remain intact.

(5) Each advisory body chair, with the assistance of the city staff member or department director assigned as the city's liaison to the advisory body, is responsible for taking necessary action(s) to harmonize the advisory body's existing bylaws, policies, rules and/or procedures, with the terms of this section.

(6) Board members shall reside within the city limits or the city's extraterritorial jurisdiction.

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## ARTICLE 1.05- HOUSING AUTHORITY

### Sec. 1.05.002 - Membership, terms and filling of vacancies.

(a) The city's housing authority should be governed by five (5) commissioners and, further, that one of the commissioners should be a tenant of a public housing project, in compliance with the Local Government Code, section 392.0331.

(b) One of the commissioners of the city's housing authority shall be a resident ("resident member") of a public housing project over which the city's housing authority has jurisdiction. Including the one resident of the public housing project over which the city's housing authority has jurisdiction, four (4) of the commissioners shall be residents of the city and one of the commissioners may reside within the city's extraterritorial jurisdiction (ETJ) (so that the total number of commissioners is five (5)), so long as the extraterritorial jurisdiction residence is also located within five (5) miles of the city's corporate limits.

(c) Each seat on the commission will be assigned a "place." Commission

members' terms of service shall be "staggered," so that the entire membership of the commission will not be subject to replacement at any single point in time. To the extent possible, staggering shall be done so that the commission membership is divided into halves (½s). Initial staggering of the membership will be accomplished by having all appointees/members, who are serving as of the first annual meeting following approval and passage of this section (held in July), "draw lots" to determine which "place" will have what number of service in the transition period (e.g., ½ of the places will draw for one-year terms, ½ of the places will draw for two-year terms, with the exception of the "resident member" who serves a two-year term per Local Government Code, section 392.033.) After the first July meeting, staggering of membership, by place, will begin.

(d) ~~The rules for filling vacancies are set forth in this chapter of the code, Section 1.04.002. In the event of a vacancy on the housing authority's governing body, an individual appointed to fill the vacancy will serve only the remaining term of the individual who is being replaced by the appointee, so that the staggering of terms shall remain intact.~~

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(e) Attendance requirements for the commissioners are set forth in this code, section 1.02.002(b), et seq.

## ARTICLE 1.10- PARKS

### Sec. 1.10.001- Parks board.

(a) *Created; composition; compensation; appointment.*

(1) There is hereby created a parks board of the city ~~to be composed of eight (8) regular members and one (1) special member, for a total of nine (9) voting members. The rules for appointment of members, the number of members comprising the board, the length of member terms, board residency requirements, and the rules for filling board vacancies are set forth in this chapter of the City Code, Section 1.04.002. In addition, in~~ their discretion, the parks board may also identify and name one minor, who resides within the BISD jurisdiction, to serve on the board as an ex officio, nonvoting youth member of the board. The youth member shall be enrolled in grades 9 -12 and serve a term in length identified by the parks board at the time of the youth member's selection, ~~but not to exceed three (3) consecutive years. The regular and special voting members of the board shall be appointed by the mayor and confirmed by the City Council and shall serve without compensation by the city for terms of three (3) years.~~ The members shall be known to be interested in public parks and public recreation and the proper use of the leisure time of the people of the city.

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(2) ~~The special member position on~~ One member of the board shall be held by the superintendent of the city's state park, or his/her designee, who may reside either within the city limits or in any other area within the BISD's jurisdiction.

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(3) ~~A minimum of six (6) of the regular members on the board will be~~

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~~persons who reside within the city limits, however two (2) of the regular members may be a person who resides outside of the city limits but within the BISD's jurisdiction.~~

~~(b) Terms of members. Each seat on the board will be assigned a "place." Board members' terms of service shall be "staggered," so that the entire membership of the board will not be subject to replacement at any single point in time. To the extent possible, staggering shall be done so that the board membership is divided into thirds. Initial staggering of the membership will be accomplished by having all appointees/members who are serving as of the first annual meeting following approval and passage of this section (held in July), "draw lots" to determine which "place" will have what number of service in the transition period (e.g., one third (1/3) of the places will draw for one year terms, one third (1/3) of the places will draw for two year terms, and the remaining one third (1/3) of the places will draw for three year terms.) After the first July meeting, staggering of membership, by place, will begin.~~

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~~(c) Vacancies. In the event of a vacancy, an individual appointed to fill the vacancy will serve only the remaining term of the individual who is being replaced by the appointee, so that the staggering of terms shall remain intact.~~

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~~(d) Attendance. Attendance requirements for the board members are set forth in this Code, section 1.02.002(b), et seq.~~

## ARTICLE 1.12- LIBRARIES

### DIVISION 2. – LIBRARY BOARD

#### Sec. 1.12.062- Membership.

~~(a) The rules for appointment of members, the number of members comprising the board, the length of member terms, board residency requirements, and the rules for filling board vacancies are set forth in this chapter of the City Code, Section 1.04.002. The board shall consist of nine (9) members, appointed by the mayor and confirmed by the City Council. Eight (8) members shall be residents of the city, and one member may be a resident of the county who resides within the city's extraterritorial jurisdiction. All members shall serve without compensation for a term of three (3) years.~~

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~~(b) Each seat on the board will be assigned a "place." Board members' terms of service shall be "staggered," so that the entire membership of the board will not be subject to replacement at any single point in time. To the extent possible, staggering shall be done so that the board membership is divided into thirds. Initial staggering of the membership will be accomplished by having all appointees/members who are serving as of the first annual meeting following approval and passage of this section (held in July), "draw lots" to determine which "place" will have what number of service in the transition period (e.g., one third (1/3) of the places will draw for one year terms, one third (1/3) of the places will draw for two year terms, and the remaining one third (1/3) of the places~~

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~~will draw for three-year terms.) After the first July meeting, staggering of membership, by place, will begin.~~

~~(c) In the event of a vacancy, an individual appointed to fill the vacancy will serve only the remaining term of the individual who is being replaced by the appointee, so that the staggering of terms shall remain intact.~~

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~~(d) Attendance requirements for the board members are set forth in this code, section 1.02.002(b), et seq.~~

~~(e) Library board members will recruit new and replacement members and make recommendations to recommend to the City Council.~~

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## ARTICLE 1.15- CODE OF ETHICS

### DIVISION 3. – IMPLEMENTATION

#### Sec. 1.15.013 – Board of Ethics.

(a) *Creation.* There is hereby created a Board of Ethics for the City of Bastrop. ~~The rules for appointment of members, the number of members comprising the board, the length of member terms, board residency requirements, and the rules for filling board vacancies are set forth in this chapter of the City Code, Section 1.04.002.~~

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~~(b) *Appointment.* The Board of Ethics shall be appointed by majority vote of the City Council.~~

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~~(c) *Number.* The Board of Ethics shall consist of five (5) regular members, and one (1) alternate member.~~

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~~(d) *Terms.* Board of Ethics members (regular and alternates) shall be appointed for two (2) year, staggered terms. Members may be reappointed for successive terms. Appointment to fill a vacancy shall be for the remainder of the unexpired term. Members of the inaugural Board of Ethics shall draw straws to determine which two (2) members shall receive an initial term of one (1) year in order to stagger terms. In total, members may only serve three (3) consecutive terms. A member may be reappointed no sooner than one (1) year after expiration of a previous term.~~

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~~(e) *Eligibility.* Membership on the Board of Ethics is limited to residents of the city and its extraterritorial jurisdiction.~~

~~(f) *Ineligibility.* The following shall disqualify a person from serving on the Board of Ethics:~~

- (1) Current service as a city official;

(2) Separation from city service as a city official within two (2) years of the appointment;

(3) Familial relations within the third (3rd) degree of affinity (marriage) or consanguinity (blood or adoption); and/or

(4) Conviction of a felony, or crime of moral turpitude.

(gc) *Alternates.* An alternate member of the Board of Ethics shall attend meetings only upon request by the City Secretary's Office. The role of an alternate is to participate in meetings of the Board of Ethics as a replacement for a regular member who is absent or abstaining.

(hd) *Scope of authority.* The ~~jurisdiction of the~~ Board of ~~Ethics' jurisdiction~~ ~~Ethics~~ shall be limited to implementation and enforcement of this article.

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(ie) *Amendments.* The Board of Ethics may recommend amendments to this article. A recommendation from the Board of Ethics is not required for the City Council to exercise its discretion in amending this article.

(jf) *Officers.* At the first meeting of each fiscal year, ~~if a meeting is called~~, the Board of Ethics shall select from among its members a Chairperson and Vice-Chairperson.

(k) ~~Rules of procedure. The Board of Ethics shall adopt rules of procedure governing how to conduct meetings and hearings. Such procedural rules are subject to confirmation or modification by the City Council.~~

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(h) *Removal.* The City Council may by a vote of two-thirds ( $\frac{2}{3}$ ) remove a member of the Board of Ethics for cause. Justifications warranting removal for cause shall include neglect of duty, incompetence, gross ignorance, inability or unfitness for duty, or disregard of the Code of Ordinances.

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## ARTICLE 1.16 - ART IN PUBLIC PLACES

### Sec. 1.16.002 – Membership, appointment, vacancies and attendance.

(a) ~~The BAIPP board shall consist of a minimum of five (5), but no more than nine (9) members, appointed by the mayor and subject to confirmation by the Council. The BAIPP may have a minimum of one "nonvoting" ex officio representative from the City Council, who shall be appointed by the mayor, and who shall not count as a member of the BAIPP, for any purpose. The ex officio representative shall operate as a Council liaison with the BAIPP board. A simple majority of the board's then existing voting membership shall constitute a quorum. For purposes of the first appointed board serving~~

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~~after this article's adoption, the existing terms of office for the then-serving 'task force members' shall carry forward to their board service. The rules for appointment of members, the number of members comprising the board, the length of member terms, board residency requirements, and the rules for filling board vacancies are set forth in this chapter of the City Code, Section 1.04.002.~~

~~(b) The BAIPP board members shall be appointed for terms of three (3) years. Each seat on the board will be assigned a "place." Board members' terms of service shall be "staggered," so that the entire membership of the board will not be subject to replacement at any single point in time. To the extent possible, staggering shall be done so that the board membership is divided into thirds. Initial staggering of the membership will be accomplished by having all appointees/members who are serving as of the first annual meeting following approval and passage of this section (held in July), "draw lots" to determine which "place" will have what number of service in the transition period (e.g., one-third ( 1/3 ) of the places will draw for one-year terms, one-third ( 1/3 ) of the places will draw for two-year terms, and the remaining one-third ( 1/3 ) of the places will draw for three-year terms.) After the first July meeting, staggering of membership, by place, will begin.~~

~~(c) In the event of a vacancy, an individual appointed to fill the vacancy will serve only the remaining term of the individual who is being replaced by the appointee, so that the staggering of terms shall remain intact.~~

~~(db) The members of the board shall reside within the city's extraterritorial jurisdiction and/or the city, or may, in In the sole discretion of the Mayor and confirmed by City Council, a member of the board may reside outside of the corporate limit and the extraterritorial limits so long as the appointed individual provides exceptional expertise with regard to the board's responsibilities. Board members are responsible for recruiting new and replacement members and for making recommendations to the City Council.~~

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~~(ec) Community participants. The BAIPP shall have the responsibility for identifying and recommending to the mayor and the Council individuals who shall be appointed by the mayor, with Council confirmation, to assist the board as "nonvoting" community participants of the BAIPP, as the Council deems necessary and as requested by the board. Such nonvoting community participants of the BAIPP may include city youth and BISD students, as recommended. These community participants shall be appointed for a one-year term, with the right of reappointment for a single one-year additional term, at the discretion of the board's recommendation and the Council's approval.~~

~~(fdc) Attendance requirements for the board members are set forth in the code, section 1.02.002(b), et seq.~~

### **Sec. 1.16.003 – Purpose, powers and duties.**

(a) The BAIPP shall act as an advisory board to the City Council in matters related to the city's art in public places program, with the goal of increasing awareness

and appreciation of art, as well as increase civic pride, through the display of art in the city.

(b) ~~The BAIPP's procedures, duties and powers are set forth in the board's amended bylaws, which derive from the original task force bylaws, as approved by the City Council in June 2012, as amended and updated. Definitions.~~

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(c) Art selection guidelines. The BAIPP shall assist the City Council with acquiring Works of Art by:

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(1) Identifying and recommending suitable Works of Art to be displayed.

(2) Facilitating the preservation of Works of Art to be displayed.

(3) Assisting with the process and methodology for competitively selecting Works of Art for acquisition and/or display.

(d) Procedure for initiating calls for projects of the BAIPP.

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(1) At least ninety (90) days prior to publication of any call to artists, for a BAIPP project, the BAIPP Board shall submit the proposed Call to the office of the City Manager for evaluation.

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(2) Additionally, the City Manager may create an in-house team of staff advisors to assist in evaluating the specifics required for each BAIPP projects, such as site identification and preparation, material requirements specific to the project, if any, security issues, and insurance issues.

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(3) The City Manager will also determine whether it is necessary to involve the City Council in any approval for the proposed project, at that time (i.e., prior to the call publication).

(4) The City Manager will notify the BAIPP of any additional information required and also will notify the BAIPP Chairperson and staff Liaison when the City Manager's office has finished its evaluation of the proposed project and it is ready for publication of the call to artists.

(e) Funding

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(1) The BAIPP shall be responsible for developing a "proposed" yearly operating budget for the acquisition and display of new Works of Art in the City of Bastrop, as well as, any ongoing maintenance and/or replacement (repair) responsibilities for those Works of Art currently under the City's possession or control. This budget shall be

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submitted to the City Manager on or before June 1st of each calendar year.

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**ARTICLE 1.17 - MAIN STREET ADVISORY BOARD**

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Sec. 1.17.001 - Membership, terms and filling of vacancies.

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~~(a) Number of members comprising the Board, member terms, residency requirements and vacancies are set forth in the Code, Section 1.04.002. The main street program board shall be composed of nine (9) regular voting members, whom shall be appointed by the mayor and confirmed by the City Council to serve for three-year terms. The Council may appoint additional ex-officio members and/or positions, who shall be identified to serve on the board.~~

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~~(b) Each seat on the board will be assigned a "place." Board members' terms of service shall be "staggered," so that the entire membership of the board will not be subject to replacement at any single point in time. To the extent possible, staggering shall be done so that the board membership is divided into thirds. Initial staggering of the membership will be accomplished by having all appointees/members who are serving as of the first annual meeting following approval and passage of this section (held in July), "draw lots" to determine which "place" will have what number of service in the transition period (e.g., one third ( 1/3 ) of the places will draw for one-year terms, one third ( 1/3 ) of the places will draw for two-year terms, and the remaining one third ( 1/3 ) of the places will draw for three-year terms.) After the first July meeting, staggering of membership, by place, will begin.~~

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~~(c) In the event of a vacancy, an individual appointed to fill the vacancy will serve only the remaining term of the individual who is being replaced by the appointee, so that the staggering of terms shall remain intact.~~

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~~(d) The bylaws of the board shall address procedural issues, such as but not limited to quorum counts and required attendance by members, which bylaws shall conform with the Council's attendance requirements for the board members as set forth in this code, section 1.02.002(b), et seq. The bylaws shall fully outline member responsibilities and provide guidance for the participation of the ex-officio members, as well as regular members.~~

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**Chapter 3 – Building Regulations**

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**ARTICLE 3.02- CONSTRUCTION STANDARDS BOARD OF ADJUSTMENTS AND APPEALS**

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**Sec. 3.02.001 – Established; appointment of members.**

There is hereby established a board, to be called the construction standards board of adjustments and appeals, ~~which shall consist of five (5) members and two (2) alternates. The rules for appointment of members, the number of members comprising the board, the length of member terms, board residency requirements, and the rules for filling board vacancies are set forth in Chapter 1 of the City Code, Section 1.04.002. The board shall be appointed by the mayor and confirmed by the City Council.~~

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**Sec. 3.02.002 – Composition.**

The construction standards board of adjustments and appeals shall ~~consist of five (5) members, each serving two year terms. Such board members should be composed of individuals with knowledge and experience in the technical codes, such as design professionals, and contractors, and/or builders, and must reside within the city limits or the city's extraterritorial jurisdiction. At least three (3) five (5) members of the board shall represent the following construction trades: plumbing, electrical, mechanical, and/or general contractor. In addition to the regular members, there should be two (2) alternate members, one member at-large from the building industry and one member at-large from the public. A board member shall not act in a case in which he has a personal or financial interest.~~

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**Sec. 3.02.003 – ~~Term of members; vacancies; absence~~ Absence from meetings.**

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~~(a) Each seat on the Board will be assigned a "place." Board members' terms of service shall be "staggered," so that the entire membership of the board will not be subject to replacement at any single point in time. To the extent possible, staggering shall be done so that the board membership is divided into halves. Initial staggering of the membership will be accomplished by having all appointees/members who are serving as of the first annual meeting following approval and passage of this section (held in July), "draw lots" to determine which "place" will have what number of service in the transition period (e.g., one half (1/2) of the places will draw for one year terms, one half (1/2) of the places will draw for two year terms.) After the first July meeting, staggering of membership, by place, will begin.~~

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~~(b) In the event of a vacancy, an individual appointed to fill the vacancy will serve only the remaining term of the individual who is being replaced by the appointee, so that the staggering of terms shall remain intact.~~

~~(c) The members of the advisory board shall reside within the city's extraterritorial jurisdiction and/or the city.~~

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~~(d) The two (2) alternates, if appointed, shall serve one year terms.~~

~~(e-b)~~ Attendance requirements for the board members are set forth in this code, section 1.02.002(b), et seq.

**Chapter 14 – Zoning**

**ARTICLE 14.03- HISTORIC LANDMARK PRESERVATION**

**Sec. 14.03.001 – General.**

(a) *Purpose and intent.* The City Council hereby declares that as a matter of public policy the protection, enhancement, and perpetuation of sites, landmarks or districts of historical and cultural importance and significance is necessary to promote the economic, cultural, educational, and general welfare of the public. It is recognized that the city represents the unique confluence of time and place that shaped the identity of generations of citizens, collectively and individually, and produced significant historic, architectural, and cultural resources that constitute their heritage. This article is intended to:

- (1) Protect and enhance the landmarks, which represent distinctive elements of the city’s historic, architectural, and cultural heritage;
- (2) Foster civic pride in the accomplishments of the past;
- (3) Protect and enhance the city’s attractiveness to visitors, thereby supporting and stimulating the economy;
- (4) Insure the harmonious, orderly, and efficient growth and development of the city;
- (5) Promote economic prosperity and welfare of the community by encouraging the most appropriate use of such property within the city;
- (6) Encourage stabilization, restoration, and improvements of such properties and their values.

(b) *Definitions.* The following definitions shall apply to this article.

*Alteration.* Any change, demolition or modification to a structure or site designated as a historic landmark or located in a local historic district including, but not limited to, the following:

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(1) Exterior changes to or modification of any buildings or structures, architectural details or visual characteristics.

(2) Construction of new structures.

(3) Disturbance, placement or removal of exterior objects that affect the exterior qualities of the property.

*Architectural element.* The unique details and component parts that combined, form the architectural style of a structure, building or object.

*Certificate of Appropriateness.* A document evidencing the approval of the Historic Landmark Commission, signed and dated by the Chairperson of the Historic Landmark Commission, for alteration, installation, relocation, excavation, restoration, modification, rehabilitation, change, demolition, construction, removal, or improvement of a historic landmark or of a building or property located within a local historic district.

*Construction.* The act of adding an addition to an existing building, structure or object or the erection of a new principal or accessory building, structure or object on any lot, parcel or site.

*Contributing structure.* A building, structure, property or object within a local historic district which has not been designated a historic landmark under this article, but which adds to the historical integrity or architectural qualities that make the local historic district significant.

*Demolition.* An act or process which:

(1) destroys a lot, parcel or site or building, structure or object in its entirety,

(2) destroys a part of a lot, parcel or site or building, structure or object and permanently impairs its structural, historic or architectural integrity,

(3) removes the building, structure or object or any part thereof from the original lot, parcel or site without the requisite Certificate of Appropriateness and/or moving permit, or

(4) removes architectural elements and features from the exterior of a building, structure or object.

*Design guidelines.* Architectural and style guidelines adopted by the city that encourage and promote the existing historical features of the city and detail those alterations, installations, relocations, excavations, restorations, modifications, rehabilitations, changes, demolition, construction, removal, or improvement of a historic landmark or of a structure or site located within a local historic district that are deemed compatible and appropriate for the area. If local design guidelines have not been adopted, The Secretary of the Interior's Standards for the Treatment of Historic Properties shall be used as the design guidelines.

*Historic district.* A geographically defined neighborhood or area that has a significant historical, architectural, or cultural significance to the overall character and identity of the city.

*Historic landmark.* A site, and/or all structure(s), located thereon, that have been designated by the city through criteria established within this article.

*Inventory.* A list of properties that have been identified and evaluated as meeting specified criteria of significance as a contributing or non-contributing historic structure or site.

*Non-contributing structure.* A structure within a designated local historic district that is not considered to be of historical significance or which does not possess significant physical features, historical associations, or historical architectural qualities.

*Ordinary maintenance.* This generally refers to activities relating to a property that would be considered ordinary or common for maintaining the property, such as a) repair using the same material and design as the original and does not require structural modifications; b) repainting; c) reroofing, using the same type; or d) repair of sidewalks and driveways.

*Overlay zones.* A set of zoning requirements that is described in the ordinance text, is mapped, and is imposed in addition to those of the underlying district. Development within the overlay zone must conform to the requirements of both zones or the more restrictive of the two (2).

*Preservation.* The stabilization of an historic building, its materials and features in their present condition to prevent future deterioration. Preservation focuses on the maintenance and repair of existing historic materials and retention of a property's form as it has evolved over time.

*Reconstruction.* The act or process of reassembling, reproducing or replacing by new construction, the form, detail and appearance of property and its setting as it

appeared at a particular period of time by means of removal of later work or by the replacement of missing earlier work or by reuse of original materials.

*Rehabilitation.* The act or process of returning a property to a state of utility through repair or alteration that makes possible an efficient contemporary use while preserving those portions or features of the property that are significant to its historical, architectural, and cultural values.

*Removal.* Permanently moving a structure or feature from its current location.

*Relocation.* Any change of the location of a structure in its present location to another location within the city limits.

*Restoration.* The act or process of accurately recovering the form and details of a building, structure or object or lot, parcel or site and its setting as it appeared at a particular period of time by means of the removal of later work or by the replacements of missing earlier work.

*Sign.* Any object, device, display, or structure, or part thereof, situated outdoors or indoors, which is used to advertise, identify, display, direct, or attract attention to an object, person, institution, organization, business, product, service, event, or location by any means, including words, letters, figures, designs, symbols, fixtures, colors, illumination, or projected images. The foregoing enumeration of signs shall not be considered exclusive. The term "sign" shall include all other devices or structures as may reasonably be included under it, whether attached or unattached. The definition excludes all governmental flags and signs of governmental entities.

*Significant historic landmark.* A designation established under Ordinance 2007-30 for a site or structures.

*Site.* The location of a significant event, a prehistoric or historic occupation or activity, building or structure, whether standing, ruined, or vanished, where the location itself possesses historical, cultural, architectural or archeological value regardless of the value of any existing structure.

*Structure.* Something built or constructed, such as a building, bridge, monument, or statue.

(c) *Historic landmark commission created.* There is hereby created a commission to be known as the city historic landmark commission.

(1) ~~The commission shall consist of seven (7) members, residents of the city, to be appointed by the mayor with approval by the City Council as follows; The~~

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rules for appointment of members, the number of members comprising the board, the length of member terms, board residency requirements, and the rules for filling board vacancies are set forth in Chapter 1 of the City Code, Section 1.04.002. every Members of the board must reside in the City Limits of Bastrop. Every effort will be made to find professionals who meet the criteria below:

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- (A) One (1) shall be an architect, planner, or representative of a design profession;
- (B) One (1) shall be a representative elected by the county historical society;
- (C) One (1) shall be a licensed real estate professional;
- (D) One (1) shall be an owner of an historic commercial structure or property;
- (E) One (1) shall be an owner of an historic residential structure or property;
- (F) One (1) shall be a member from the city's Planning and Zoning Commission;
- (G) One (1) shall be a general resident of the city.

However, if specified professionals above cannot be appointed, City Council will consider other types of professionals.

(2) All commission members, regardless of background, shall have a known and demonstrated interest, competence, or knowledge in historic preservation within the city.

(3) *Term of appointment.* ~~Commission members shall serve for a term of three (3) years, with the exception of the~~ The member who is serving on the commission as the Planning and Zoning Commission representative, ~~and that member~~ shall serve for a term that is concurrent with that member's Planning and Zoning Commission term. The length of term for the other Commission members is set forth in Chapter 1 of the City Code, Section 1.04.002.

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~~(4) Each seat on the commission will be assigned a "place." Commission members' terms of service shall be "staggered," so that the entire~~

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~~membership of the commission will not be subject to replacement at any single point in time.~~

~~(5) In the event of a vacancy on the commission, an individual appointed to fill the vacancy will serve only the remaining term of the individual who is being replaced by the appointee, so that the staggering of terms shall remain intact.~~

~~(64)~~ Attendance requirements for the commission members are set forth in section 1.02.002(b).

~~(75)~~ The commission shall be empowered to:

~~(A) Prepare rules and procedures as necessary to carry out the business of the commission, which shall be ratified by the City Council.~~

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~~(B)~~ Approve or disapprove Certificates of Appropriateness, demolition or removal of historic structures, and economic hardship applications.

~~(C)~~ Conduct surveys and maintain an inventory of significant historic, architectural, and cultural landmarks.

~~(D)~~ Make recommendations to the City Council on the designation of historic landmarks, historic districts, contributing and non-contributing structures.

~~(E)~~ Make recommendations for properties to the National Register of Historic Places.

~~(F)~~ Increase public awareness of the value of historic, cultural, and architectural preservation by developing and participating in public education programs.

~~(G)~~ To assist the City Council in the adoption of design guidelines for the exteriors of historic landmarks, properties located inside of historic districts, and contributing and non-contributing structures, to address architectural and general design elements of structures, including acceptable materials for construction; appropriate architectural character, scale, and detail; acceptable appurtenances or additions to new or existing structures; and acceptable textures and ornamentation.

~~(H)~~ Prepare and submit annually to the City Council a report summarizing the work completed during the previous year.

(H) To perform any other functions requested by City Council.

(86) The commission shall meet at least monthly, if business is at hand. Special meetings may be called at any time by the Chair, or on the written request of any two (2) commission members.

(d) *Appointment of historic preservation officer.* The city's Planning Director or other city staff designated by the City Manager shall serve as Historic Preservation Officer. This officer shall have as a principal duty the administration of this article and the coordination of the city's various efforts and programs that further historic preservation.

## Chapter 15 – Cemeteries

### ARTICLE 15.01- FAIRVIEW CEMETERY

#### Sec. 15.01.002 – City as permanent trustee for perpetual care and creation of cemetery advisory board.

(a) The city as owner and operator of Fairview Cemetery is hereby authorized to act as a permanent trustee for the perpetual care and upkeep of plots and graves in the cemetery and shall accept such trust as provided in this article.

(b) *Cemetery advisory board.*

(1) ~~The advisory board members shall be appointed by the mayor and confirmed by the council, for terms of three (3) years. Each seat on will be assigned a "place." Advisory board members' terms of service shall be "staggered," so that the entire membership of the advisory board will not be subject to replacement at any single point in time. To the extent possible, staggering shall be done so that the advisory board membership is divided into thirds. Initial staggering of the membership will be accomplished by having all appointees/members who are serving as of the first annual meeting following approval and passage of this section (held in July), "draw lots" to determine which "place" will have what number of service in the transition period (e.g., one third (1/3) of the places will draw for one-year terms, one third (1/3) of the places will draw for two-year terms, and the remaining one third (1/3) of the places will draw for three-year terms.) After the first July meeting, staggering of membership, by place, will begin. The rules for appointment of members, the number of members comprising the board, the length of member terms, board residency requirements, and the rules for filling board vacancies are set forth in Chapter 1 of the City Code, Section 1.04.002.~~

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~~(2) In the event of a vacancy, an individual appointed to fill the vacancy will serve only the remaining term of the individual who is being replaced by the appointee, so that the staggering of terms shall remain intact.~~

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~~(3) The members of the advisory board shall reside within the city's extraterritorial jurisdiction and/or the city.~~

(4) The role of the advisory board shall be to recommend rules to the City Council, as are necessary, concerning the use, care, control, management, restriction, and protection of the Fairview Cemetery. Any matter relating to the Fairview Cemetery shall be referred to the Bastrop Cemetery Advisory Board for their consideration and recommendation before the action is taken by the City Council, however, the advisory board's role shall be advisory only.



# STAFF REPORT

**MEETING DATE:** September 17, 2019

**AGENDA ITEM:** 3B

**TITLE:**

Consider action to approve Resolution No. R-2019-81 of the City Council of the City of Bastrop, Texas approving and adopting the Investment Policy and Investment Strategies attached as Exhibit A; approving the list of Qualified Brokers attached as Exhibit B; making various provisions related to the subject; and establishing an effective date.

**STAFF REPRESENTATIVE:**

Tracy Waldron, Chief Financial Officer

**BACKGROUND/HISTORY:**

This policy is required to be reviewed and approved annually by the governing body. The Public Funds Investment Act, Chapter 2256 has had no changes since the last time this policy was reviewed. The policy still serves the needs of the City and needs no recommended changes.

**POLICY EXPLANATION:**

Provided in the Public Funds Investment Act section 2256.005(e) the governing body will review the Investment Policy annually and provide a written instrument stating that it has reviewed the Policy. The Act requires that a list of qualified brokers be approved annually. No changes are recommended to this list.

**FUNDING SOURCE:**

N/A

**RECOMMENDATION:**

Consider action to approve Resolution No. R-2019-81 of the City Council of the City of Bastrop, Texas approving and adopting the Investment Policy and Investment Strategies attached as Exhibit A; approving the list of Qualified Brokers attached as Exhibit B; making various provisions related to the subject; and establishing an effective date.

**ATTACHMENTS:**

- Resolution No. R-2019-81
- Investment Policy and Investment Strategies – Exhibit A
- List of Qualified Brokers – Exhibit B

**RESOLUTION NO. R-2019-81**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, APPROVING AND ADOPTING THE INVESTMENT POLICY AND INVESTMENT STRATEGIES ATTACHED AS EXHIBIT A; APPROVING THE LIST OF QUALIFIED BROKERS ATTACHED AS EXHIBIT B; MAKING VARIOUS PROVISIONS RELATED TO THE SUBJECT; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the Public Funds Investment Act, Texas Government Code Ann., Chapter 2256 (the "Act"), provides that the governing body of an investment entity shall adopt a written investment policy and investment strategies regarding the investment of its funds; and

**WHEREAS**, the Act provides that the governing body of an investing entity shall review its investment policy and investment strategies not less than annually; and

**WHEREAS**, the City Council has reviewed the investment policy and investment strategies; and

**WHEREAS**, the Act provides that the governing body of an investing entity shall review, revise and adopt its list of qualified brokers at least annually.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS THAT:**

**Section 1:** The City Council of the City of Bastrop, Texas, approves and adopts the Investment Policy and Investment strategies attached hereto as Exhibit A and list of Qualified Brokers Exhibit B made a part hereof by this reference.

**Section 2:** Any prior resolution of the City Council in conflict with the provisions contained in this resolution are hereby repealed and revoked.

**Section 3:** Should any part of this resolution be held to be invalid for any reason, the reminder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

**Section 4:** This resolution shall take effect immediately from and after its passage, and duly resolved.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Bastrop, Texas this 10<sup>th</sup> day of September 2019.

**APPROVED:**

\_\_\_\_\_  
Connie B. Schroeder, Mayor

**ATTEST:**

\_\_\_\_\_  
Ann Franklin, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Alan Bojorquez, City Attorney

Exhibit A



# City of Bastrop, Texas

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## Investment Policy

Draft dated  
September 17, 2019

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## **I. INTRODUCTION**

The purpose of this document is to set forth specific investment policy and strategy guidelines for the City of Bastrop in order to achieve the goals of safety, liquidity, yield, and public trust for all investment activity. The City Council of the City of Bastrop shall review its investment strategies and policy annually. This policy serves to satisfy the statutory requirement (specifically the Public Funds Investment Act, Texas Government Code, Chapter 2256 (the "Act") to define, adopt and review a formal investment strategy and policy. The policy provides conformance to all statutes, rules, and regulations governing the investment of public funds.

## **II. INVESTMENT STRATEGY**

The City of Bastrop may maintain separate portfolios, or one commingled portfolio which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios. The investment objective for each portfolio will maintain the following priorities in order of importance: preservation and safety of principle, liquidity, diversification, understanding of the suitability of the investment to the financial requirements of the City, marketability of the investment and lastly yield.

Operating funds and commingled pools containing operating funds objective will assure that anticipated cash flows are matched with adequate investment liquidity. An additional objective is to create a diversified portfolio structure, which will experience minimal volatility during economic cycles. This may be accomplished by purchasing high quality, short- to medium-term securities, which will complement each other in a laddered or barbell maturity structure. The maximum dollar weighted average maturity of 1 year or less will be calculated using the stated final maturity date of each security.

Debt service funds shall have as their objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. No extended investment may be made unless the prior debt service dates are fully funded.

Debt service reserve funds primary objective is the ability to generate a revenue stream to the appropriate debt service fund from securities with a low degree of volatility. Securities should be high quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate-term maturities. Volatility shall be further controlled through the purchase of securities, within the desired maturity and quality range.

Special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The state final maturity dates of securities held should not exceed the estimated project completion date.

## **III. SCOPE**

This investment policy applies to all financial assets of the City of Bastrop. These funds are accounted for in the City's Annual Financial Report and include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise/ Proprietary Funds and any new fund unless specifically exempted by the City Council.

#### **IV. OBJECTIVES**

The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they are from securities defaults or erosion of market value. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and local law.

The City shall maintain a comprehensive cash management program, which includes collection of accounts receivable, vendor payment in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and maximum yield on short-term investment of pooled idle cash.

The City's investment portfolio shall be structured such that the City is able to meet all obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow requirements, by investing in securities with active secondary markets.

The City's cash management portfolio shall be designed with the objective of regularly matching or exceeding the yield on comparable U.S. Treasury Bill. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment policies.

#### **V. DELEGATION OF RESPONSIBILITY**

##### **A. Investment Officer**

Under the direction of the City Manager, the Chief Financial Officer is designated as investment officer of the City and is responsible for investment decisions and activities. The investment officer shall attend at least one training session relating to the officer's responsibility under the Act within 12 months after assuming duties. Thereafter, eight hours of training must be completed every two fiscal years. The training cycle is concurrent with the city's fiscal year.

The Investment Officer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. City staff shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the City and they shall further disclose positions that could be related to the performance of the City's portfolio. City staff shall subordinate their personal financial transactions to those of the City, particularly with regard to timing of purchases and sales.

An investment officer of the City who has a personal business relationship with an organization seeking to sell an investment to the City shall file statement disclosing that personal business interest. An

investment officer who is related within 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. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity.

#### B. City Council

The City Council holds ultimate fiduciary responsibility for the portfolio. It will receive and review quarterly reporting, approve broker/dealers, and review and adopt the Investment Policy and Strategy at least annually.

### VI. PRUDENCE

The standard of prudence to be applied by the investment officer shall be the “prudent investor” rule, which states:

“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 with respect to an investment decision, the determination shall be made taking into consideration:

1. The investment of all funds, or funds under the City’s control, over which the officer has responsibility rather than a consideration as to the prudence of single investment.
2. Whether the investment decision was consistent with the written investment policy of the City.

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security’s credit risk or market price changes, provided that these deviations are reported immediately, and that appropriate action is taken to control adverse developments.

### VII. REPORTING

The Chief Financial Officer shall submit a written and signed quarterly investment report of investment transactions for the preceding reporting period to the City Manager and City Council. The report will include a description in detail of the investment position of the City. To include:

1. a summary of investments, and their beginning market value, additions and changes to the market value during the period, ending market value;
2. fully accrued interest for the reporting period;
3. a description of each investment;

4. The market value of the portfolio must be determined at least monthly. Market prices will be obtained from an independent source.
5. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
6. state the maturity date of each separately invested asset that has a maturity date;
7. state the compliance of the investment portfolio to the investment policy and strategy and the Act.

If the City invests in other than money market mutual funds, investment pools or bank time and demand accounts in any bank the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

## **VIII. INVESTMENT PORTFOLIO**

### **A. Active Portfolio Management**

The City shall pursue a conservative pro-active versus passive portfolio management philosophy. That is, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade. The investment officer will routinely monitor the contents of the portfolio, the available markets, and the relative value of competing instruments, and will adjust the portfolio accordingly. The City is not required to liquidate investments that were authorized investments at the time of the purchase.

### **B. Investments**

Assets of the City of Bastrop may be invested only in the following instruments; as further defined in the Act. At least 3 competitive offers or bids must be obtained for all individual security purchases and sales. (Transactions with money market mutual funds, local government investment pools and when-issued securities shall also be evaluated with comparable investments.

#### **1. Authorized**

- a. Obligations of the United States Government, its agencies and instrumentalities with a maximum stated maturity of three years, excluding mortgage backed securities.
- b. General debt obligations of any US state or political subdivision rated AA or better with a stated maturity not to exceed two years.
- c. Other obligations, the principal of and interest on which are unconditionally guaranteed by the State of Texas or United States of America or their respective agencies or insured by, or backed by the full faith and credit with a maximum maturity of three years.
- d. FDIC insured or collateralized depository certificates of deposit from banks collateralized in accordance with this policy and with a maximum maturity of two years.

- e. FDIC insured brokered certificate of deposit securities issued by any US state delivered versus payment to the City's safekeeping agent not to exceed two years to maturity. Before purchase, the investment officer must verify the FDIC status of the bank on [www.fdic.gov](http://www.fdic.gov) to assure the bank is FDIC insured.
- f. AAA-rated, Local government investment pools in Texas which strive to maintain a \$1 net asset value (NAV) as defined by the Act and authorized by resolution of the City Council.
- g. Commercial paper rated A1/P1 or equivalent by two rating agencies with a maximum maturity of ninety days.
- h. FDIC insured or collateralized Interest bearing and money market accounts in any bank in Texas.
- i. AAA-rated, SEC registered money market funds striving to maintain a \$1 NAV.

## 2. Not Authorized

The City's authorized investments options are more restrictive than those allowed by state law. State law specifically prohibits investment in the following investment securities:

- a. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
- c. Collateralized mortgage obligations that have a state final maturity date of greater than 10 years.
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## C. Holding Period

The City of Bastrop intends to match the maturities with liability and liquidity needs of the City. In no case, will the average dollar-weighted maturity of investments of the City's operating funds exceed one year. The maximum final stated maturity of any investment shall not exceed three years.

## D. Risk and Diversification

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

Risk of issuer default is controlled by limiting investments to those high credit quality instruments allowed by the Act, further restricted by policy.

Market risk can be limited by avoiding over-concentration assets in a specific maturity sector and limitation of average maturity of operating funds investment to two years.

## **IX. SELECTION OF BANKS AND DEALERS**

### **A. Depository**

At least every five years a Depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). In selecting a depository, the services, costs, earning potential and credit worthiness of institutions shall be considered. The Chief Financial Officer shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history.

### **B. Security Broker/Dealers**

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- audited financial statements
- proof of Financial Industry Regulatory Authority (FINRA) certification
- proof of Texas registration
- policy certification of review of the City's investment policy signed by an authorized representative of the organization to include acknowledgment that the firm has implemented reasonable procedures and controls in an effort not to sell investments to the City unauthorized by policy.

### **C. List of Qualified Brokers**

The City Council will annually adopt, by resolution a list of authorized brokers to engage in investment transactions with the City. Each broker/dealer will provide the required policy certification before any transaction can be executed.

## **X. COLLATERAL, SAFEKEEPING AND CUSTODY**

### **A. Time and Demand Deposit Pledged Collateral**

All bank time and demand deposits shall be secured by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits less an amount insured by the FDIC. Evidence of the pledged collateral shall be provided by the Custodian. Repurchase agreements shall be documented by a specific agreement noting the collateral pledge in each agreement. Monthly reports of collateral shall be provided directly from the custodian on a monthly basis.

Collateral pledged to secure deposits of the City shall be held by an independent financial institution outside the holding company of the depository in accordance with a written safekeeping agreement under the terms of FIRREA. The safekeeping agreement shall clearly define the procedural steps for gaining access to the collateral should the City determine that the City's funds are in jeopardy. The safekeeping institution shall be the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral.

#### B. Repurchase Agreements Owned Collateral

Collateral under a repurchase agreement is owned by the City. It will be held by an independent third-party safekeeping agent approved by the City under an executed Bond Market Association Master Repurchase Agreement. Collateral with a market value totaling 102% of the principal and accrued interest is required and the counterparty is responsible for the monitoring and maintaining of collateral and margins at all times.

#### C. Authorized Collateral Defined

The City of Bastrop shall accept only the following securities as collateral:

1. FDIC insurance coverage.
2. Obligations of the US Government, its agencies and instrumentalities including mortgage-backed securities and CMO which pass the bank test.
3. Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.
4. Securities from any US state and its subdivisions rated as A or better by two national recognized rating agencies.

#### D. Subject to Audit

All collateral shall be subject to inspection and audit by the Chief Financial Officer or the City's independent auditors.

### **XI. INTERNAL CONTROLS**

The Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance 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, the Chief Financial Officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- ✓ Control of collusion.
- ✓ Separation of transaction authority from accounting and record keeping.

- ✓ Custodial safekeeping.
- ✓ Clear delegation of authority to subordinate staff members.
- ✓ Written confirmation for telephone (voice) transactions for investments and wire transfers.

Annually the Investment Officer shall perform an internal compliance audit to assure compliance with requirements of this Policy and the Act. Annually, the City's external auditor shall review the quarterly reports.

A. Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. The Investment Officer will analyze and maintain a cash flow plan to monitor and forecast cash positions for Investment purposes.

B. Delivery vs. Payment Security Settlement

All securities shall be settled into City safekeeping using the delivery vs. payment method. That is, payments shall not be made until the correct security was received by the safekeeping agent. The security shall be held on behalf of the City. The Trustee's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City by the safekeeping agent.

C. Loss of Credit Rating

The investment officer shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio requiring ratings based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available.

D. Monitoring FDIC Coverage

The Investment Officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the investment officer shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

**XII. INVESTMENT POLICY ADOPTION**

The City of Bastrop investment policy shall be reviewed and adopted by resolution of the City Council on at least an annual basis. Any changes made to the policy shall be reflected in the adopting resolution.

Investment Policy

*Adopted: 9/17/2019*

### **XIII. GLOSSARY OF TREASURY TERMS**

Agencies: Federal agency securities.

Asked: The price at which securities are offered to be sold to the City.

Bid: The price at which the City would sell its securities.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies and used to define the securities bought and sold under a repurchase agreement signifying ownership by the City.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City of Bastrop. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and detailed statistical section.

Coupon: (a) The annual rate interest that a bonds' issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to bond evidencing interest due on a payment date.

Dealer: A dealer, as opposed to a broker, carries an inventory of securities and may act as a principal in all transactions, buying and selling for his own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment (DVP): Delivery versus payment means delivery of securities with a simultaneous exchange of money for the securities. It guarantees that the City always has control of its security or its fund.

Discount: The difference between the cost price of security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities: Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, for example: U.S. Treasury bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, for example: S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per depositor.

**Federal Funds Rate (the “Fed Rate”):** The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**Federal Home Loan Banks (FHLB):** The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks in relation to member commercial banks.

**Federal National Mortgage Association (FNMA or Fannie Mae):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation’s purchases include a variety of adjustable mortgages and secondary loans in addition to fixed-rate mortgages. FNMA’s securities are highly liquid and widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**Federal Open Market Committee (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The president of the New York Federal Reserve Bank is a permanent member while the other presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

**Federal Reserve System:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., twelve (12) regional banks, and about 5,700 commercial banks that are members of the system.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable quantities can be purchased at those quotes.

**Local Government Investment Pool (LGIP):** A local cooperative of a political subdivisions allowing for joint investment and reinvestment of assets.

**Market Value:** The price at which a security is trading and could presumably be purchased or sold.

**Master Repurchase Agreement:** A simultaneous buy-sell transaction used primarily for short term investing performed only under a Bond Market Association Master Repurchase Agreement. The master agreement defines the transaction, identifies the relationship between the parties, establishes practices regarding ownership and custody of the securities during the term of the investment, provides remedies in the case of default, and clarifies ownership.

**Maturity:** The date on which the principal or stated value of an investment becomes due and payable.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

**Open Market Operations:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A primary dealer is designated by the NY Fed with strong restrictions which submits daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and is subject to its formal oversight. The list of current primaries is found on the [www.nyfed.gov](http://www.nyfed.gov).

**Prudent Person Rule:** An investment standard. 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.

**Rate of Return:** The rate obtainable on a portfolio or security based on its purchase price or its current market price. A rate of return portfolio is based on and traded to parallel an index and indicates active trading of the portfolio.

**Repurchase Agreement (RP or REPO):** A buy-sell transaction in which a holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money increasing bank reserves.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SEC Rule 15C3-1:** See uniform net capital rule.

**Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities & Exchange Commission (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Treasury Bills (T Bills):** A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bond:** The longest U.S. Treasury securities being auctioned at the time – usually 30-year maturity.

**Treasury Notes:** Intermediate-term, coupon-bearing U.S. Treasury securities having initial maturities from two to ten years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: The rate of annual income returns on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price of the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par.

EXHIBIT B

Eligible Broker/Dealer List  
*September 10, 2019*

<b>BROKER</b>
Financial Northeastern Companies
Multi-Securities, Inc.