



# CITY COUNCIL REGULAR MEETING CITY OF BAY CITY

Tuesday, August 11, 2020 at 6:00 PM  
COUNCIL CHAMBERS | 1901 5th Street

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## COUNCIL MEMBERS

**Mayor:** Robert K Nelson

**Mayor Pro Tem:** Jason W. Childers

**Council Members:** William Cornman, Brent P. Marceaux, Becca Sitz, Julie Estlinbaum

*Bay City is committed to developing and enhancing the long-term prosperity, sustainability, and health of the community.*

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## AGENDA

### CALL TO ORDER

### INVOCATION & PLEDGE

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

### CERTIFICATION OF QUORUM

### MISSION STATEMENT

The City of Bay City is a community that fosters future economic growth, strives to deliver superior municipal services, invests in quality of life initiatives and is the gateway to the great outdoors. We encourage access to our unique historical and eco-cultural resources while maintaining our small-town Texas charm.

### APPROVAL OF AGENDA

### PUBLIC COMMENTS

State Law prohibits any deliberation of or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff places the item on an agenda for a subsequent meeting.

### CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL

### REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL

1. **INTRODUCTION OF JONATHAN KIRKSEY, THE NEW ASSISTANT DIRECTOR OF PUBLIC WORKS - STREETS AND MUNICIPAL OPERATIONS.**

Barry Calhoun, Public Works Director

2. **PRESENTATION OF RECOGNITION OF THE BAY CITY MUNICIPAL COURT AWARD FOR HONORABLE MENTION BY THE TEXAS MUNICIPAL COURTS**

**EDUCATION CENTER FOR THEIR EFFORTS IN MUNICIPAL TRAFFIC SAFETY INITIATIVES.**

Katy Plunkett, Court Administrator

**3. DISCUSSION WITH TXDOT REGARDING DOWNTOWN TURN LANES.**

Shawna Burkhart, City Manager & Ryan Simper, TxDOT PE

**4. DISCUSS, CONSIDER, AND/OR AWARD PROJECT CE2020-001R/THGR: NEW ROW E AT BAY CITY REGIONAL AIRPORT AND AUTHORIZE THE MAYOR TO EXECUTE A CONTRACT BETWEEN THE CITY OF BAY CITY AND THE LOWEST BIDDER.**

James Mason, Airport Manager

**5. DISCUSS, CONSIDER AND/OR APPROVE ITEMS TO BE CONSIDERED SURPLUS PROPERTY AND APPROVE THE AUCTION, TRADE, AND/OR DISPOSAL THE PROPERTY.**

James Mason, Airport Manager

**6. DISCUSS, CONSIDER AND/OR APPROVE AUTHORIZATION OF THE SUBMISSION OF A 2020 MAIN STREET PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE AND DESIGNATING AUTHORIZED SIGNATORIES FOR THE GRANT.**

Alyssa Dibbern, Engineering Tech

**7. DISCUSS, CONSIDER AND APPROVE RESOLUTION TO DETERMINE AN AREA OF THE BAY CITY THAT CONTAINS CONDITIONS WHICH ARE DETRIMENTAL TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY AND CONSTITUTES A BLIGHTED AREA.**

Alyssa Dibbern, Engineering Tech

**8. DISCUSS, CONSIDER, AND/OR APPROVE THE ADOPTION OF THE CITIZEN PARTICIPATION PLAN AS SET FORTH BY THE TEXAS GENERAL LAND OFFICE (GLO) FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT MITIGATION (CDBG-MIT) PROGRAM.**

Alyssa Dibbern, Engineering Tech

**9. DISCUSS, CONSIDER AND/OR APPROVE A RESOLUTION SUPPORTING THE MATAGORDA COUNTY ECONOMIC DEVELOPMENT CORPORATION STRATEGIC PLAN.**

Mayor Robert K. Nelson

- 10. CONSIDER PLACING A PROPOSAL TO ADOPT A TAX RATE FOR THE 2021 FISCAL YEAR AS AN ACTION ITEM ON THE AGENDA OF A FUTURE COUNCIL MEETING, SPECIFYING THEREIN THE DESIRED TAX RATE AND PUBLISHING NOTICE THEREOF.**

Scotty Jones, Finance Director

- 11. CONSIDER SETTING TWO (2) PUBLIC HEARINGS ON THE PROPOSED 2021 FISCAL YEAR BUDGET AND CAPITAL IMPROVEMENT PLAN FOR TUESDAY, AUGUST 25, 2020 AND TUESDAY, SEPTEMBER 1, 2020.**

Scotty Jones, Finance Director

- 12. CONSIDER SETTING TWO (2) PUBLIC HEARINGS ON THE PROPOSED 2021 FISCAL YEAR TAX RATE FOR TUESDAY, AUGUST 25, 2020 AND TUESDAY, SEPTEMBER 1, 2020 (IF REQUIRED).**

Scotty Jones, Finance Director

- 13. DISCUSS, CONSIDER, AND/OR APPROVE THE BUDGETARY AND FINANCIAL MANAGEMENT POLICY.**

Scotty Jones, Finance Director

## **ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS**

## **ADJOURNMENT**

### **AGENDA NOTICES:**

**Action by Council Authorized:** The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

**Attendance By Other Elected or Appointed Officials:** It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such

in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

**Executive Sessions Authorized:** This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

### **CERTIFICATION OF POSTING**

This is to certify that the above notice of a Regular Called Council Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on **Friday, August 7, 2020 before 6:00 p.m.** Any questions concerning the above items, please contact Mayor Robert K. Nelson at (979) 245-2137.

TMCEC awards Bay City Municipal Court with Honorable Mention for second consecutive year

For the second year in a row, Bay City Municipal Court was awarded Honorable Mention by the Texas Municipal Courts Education Center, for their efforts in Municipal Traffic Safety Initiatives during Municipal Courts Week.

Bay City Municipal Court has participated in Traffic Safety Initiatives in years past. With the help of Bay City Police Departments Sgt. Suzanne Sullivan, we were able reach 8 area schools this year.

Court Administrator, Katy Plunkett and Sgt. Suzanne Sullivan visited Holy Cross Catholic School, Blessing Elementary, Markham Elementary, Matagorda ISD, Cherry Elementary and Linnie Roberts.

Students ranging from Pre-K to Fourth Grade were read, "Don't Monkey Around with Safety in a Car". Plunkett also did a car seat demonstration and with the assistance of Sgt. Sullivan, quizzed the students on the proper age and height requirements for graduating from each type of car seat. Student volunteers from each class assisted Plunkett by sitting in the correct car seat to help demonstrate proper height/weight requirements and give the other student viewers a better understanding of which seat they should be using and why. Sgt. Sullivan measured the height of student volunteers and directed them to the proper seat for the demonstration.

Court Clerk, Lety Vega also assisted with Spanish speaking classes at Cherry Elementary as well as providing the reading and demonstrations to area day schools who visited Municipal Court on a field trip for Municipal Courts week.

Students were given free materials from TMCEC/TXDOT ranging from coloring books to story books that drive home an important traffic safety message.

It is the goal of Bay City Municipal Court staff to continue to bring important information regarding traffic safety issues to the youth of our community. We hope that we can continue to make an impact on the community that we are honored to serve.

Thank you to Sgt. Suzanne Sullivan for all her efforts in making this year's Municipal Courts week campaign bigger and better than before! Thank you to Lety Vega and court staff for ensuring that all the events were a success by assisting with stocking materials, helping with field trips and continuing to operate the court each day with minimal supervision.





**CITY OF BAY CITY**  
 1901 FIFTH STREET  
 BAY CITY, TEXAS 77414  
 (979) 245-2137  
 FAX: (979) 323-1626

## AGENDA ITEM SUBMISSION FORM

Any item(s) to be considered for action by the City Council, must be included on this form, and be submitted along with any supporting documentation. Completed Agenda Item Submission forms must be submitted to the City Secretary's Office no later than 4:00 p.m. on the Monday of the week prior to the Regular Council meeting.

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**Requestor Name:** Mason, James **Date Submitted:** 07/28/2020  
*Last, First* *MM/DD/YYYY*

**Requestor Type :** City Staff **Meeting Date:** 08/11/2020  
*Citizen/City Staff/Council Member* *MM/DD/YYYY*

**Position Title** Airport Manager  
*For City Staff Only*

**Agenda Location:** Discussion Item  
*(e.g.: Consent Agenda/ Discussion Item/ Public Hearing/ Executive Session/ Presentation)*

### Agenda Content:

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**DISCUSS, CONSIDER AND/OR APPROVE ITEMS TO BE CONSIDERED SURPLUS AND APPROVING THE AUCTIONING OF THESE ITEMS AND/OR TRADING IN OF ITEMS TO OFFSET COST OF ANOTHER PROJECT.**

### Executive Summary of Item:

The Airport has two vehicles that are no longer usable due to age.

The first is a 2000 Ford Taurus with over a 100,000 miles. This vehicle was transferred to the Airport by the Police Department to be used as a courtesy vehicle for visiting pilots. The cost to maintain this vehicle is no longer financially sound.

The second vehicle is a 1996 Ford F80,350 with over 200,000 miles. This was the JetA fuel truck. This vehicle was replaced this year and is no longer needed. I would like to look into trading this vehicle in to offset the cost of make repairs to our self-serve JetA fuel station and if a trade in is not possible, then auction off this item.

The Airport Manager is requesting permission to place these items into an auction or trade-in these items to offset further costs.

The Finance Department has six (6) four drawer filing cabinets, the City Secretary office has one (1) four drawer lateral file cabinet, and the Airport has one (1) we have deemed unusable and the cost to repair to continue would be too high. The total number of four drawer filing cabinets is seven (8).

The Recycling Center has one (1) recycling trailer that has been deemed unusable and not worth high repair costs.





## RESOLUTION # \_\_\_\_\_

**A RESOLUTION OF THE CITY OF BAY CITY, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE MAIN STREET FUND; AND AUTHORIZING THE MAYOR AND THE CITY MANAGER TO ACT AS THE CITY'S AUTHORIZED REPRESENTATIVES IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.**

**WHEREAS**, the City Council of Bay City desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

**WHEREAS**, certain conditions exist which represent a threat to the public health and safety; and

**WHEREAS**, it is necessary and in the best interests of Bay City to apply for funding under the Texas Community Development Block Grant Program.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, STATE OF TEXAS:**

- Section 1. That a Texas Community Development Block Grant Program application for the Main Street Fund is hereby authorized to be filed on behalf of the City with the Texas Department of Agriculture.
- Section 2. That the City's application be placed in competition for funding under the Main Street Fund.
- Section 3. That the application be for \$500,000 of grant funds to provide for the replacement of deteriorated sidewalks, curb & gutter, lighting, handicap accessibility infrastructure, and drainage improvements along State Highway 35 (7<sup>th</sup> Street) between Avenue G and Avenue I in Bay City.
- Section 4. That the City Council directs and designates the Mayor and the City Manager as the City's Authorized Representatives to act in all matters in connection with this application and the City's participation in the Texas Community Development Block Grant Program.
- Section 5. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.

Section 6. That it further be stated that Bay City Community Development Corporation is committing \$75,000 in cash toward the replacement of deteriorated sidewalks, curb & gutter, lighting, handicap accessibility infrastructure, and drainage improvements along State Highway 35 (7th Street) between Avenue G and Avenue I of this Main Street project.

PASSED AND APPROVED on first and final reading this \_\_\_\_\_ day of August 2020.

**CITY OF BAY CITY, TEXAS**

\_\_\_\_\_  
**Robert K. Nelson, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Jeanna Thompson, City Secretary**

**APPROVED as to FORM:**

\_\_\_\_\_  
**Anne Marie Odefey, City Attorney**  
**ROBERTS, ODEFEY, WITTE & WALL, LLP**  
**City of Bay City**

**RESOLUTION # \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF BAY CITY, TEXAS, DETERMINING THAT AN AREA OF THE CITY CONTAINS CONDITIONS WHICH ARE DETRIMENTAL TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY AND CONSTITUTES A BLIGHTED AREA.**

**WHEREAS**, the City Council of Bay City, Texas has reviewed and evaluated conditions in the designated Main Street area of the municipality; and

**WHEREAS**, the City Council has found conditions which are detrimental to the public health, safety, and welfare of the community within the designated Main Street area, as follows:

Existing sidewalks and ramps do not meet ADA standards for longitudinal grade and cross slopes, and are deteriorated with cracks, offset joints and missing, broken pieces of concrete. There is insufficient lighting for pedestrians. There are poorly drained areas that leave ponded water after rains. This occurs along the north side of 7th Street (SH 35) between Avenue H and Avenue I; along Avenue H and Avenue I from 7th Street north to the midway point between 7th and 8th Street; and along the south side of 7th Street (SH 35) between Avenue H and the alley (between Avenue G and H); and

**WHEREAS**, the City Council of the City of Bay City has authorized an application for funding under the Main Street program, as follows:

For the replacement of deteriorated and ADA non-compliant sidewalks and ramps, curb & gutter, for lighting improvements, and for drainage improvements along the north side of 7th Street (SH 35) between Avenue H and Avenue I; along Avenue H and Avenue I from 7th Street north to the midway point between 7th and 8th Street; and along the south side of 7th Street (SH 35) between Avenue H and the alley (between Avenue G and H); and

**WHEREAS**, these project activities will aid in the elimination of blight in the community by having improved ADA compliant sidewalks and ramps, new curb & gutter, improved lighting, and drainage improvements along the north side of 7th Street (SH 35) between Avenue H and Avenue I; along Avenue H and Avenue I from 7th Street north to the midway point between 7th and 8th Street; and along the south side of 7th Street (SH 35) between Avenue H and the alley (between Avenue G and H), all of which will improve the area for retail and residential development.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, STATE OF TEXAS THAT THE AREA IDENTIFIED BY THE FOLLOWING BOUNDARIES AND OUTLINED ON THE MAP ATTACHED HERETO AS EXHIBIT 1 HAS BEEN DETERMINED TO BE A BLIGHTED AREA:**

- Boundaries:
- North: 8<sup>th</sup> Street
- South: 4<sup>th</sup> Street
- East: Avenue J
- West: Aveune D

PASSED AND APPROVED on first and final reading this \_\_\_\_\_ day of August 2020.

**CITY OF BAY CITY, TEXAS**

\_\_\_\_\_  
**Robert K. Nelson, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Jeanna Thompson, City Secretary**

**APPROVED as to FORM:**

\_\_\_\_\_  
**Anne Marie Odefey, City Attorney**  
**ROBERTS, ODEFEY, WITTE & WALL, LLP**  
**City of Bay City**

**THE CITY OF BAY CITY  
CITIZEN PARTICIPATION PLAN  
TEXAS GENERAL LAND OFFICE (GLO) COMMUNITY DEVELOPMENT BLOCK  
GRANT MITIGATION (CDBG-MIT) PROGRAM**

### COMPLAINT PROCEDURES

These complaint procedures comply with the requirements of the Texas General Land Office Community Development Block Grant Mitigation (CDBG-MIT) Program and Local Government Requirements found in 24 CFR §570.486 (Code of Federal Regulations). Citizens can obtain a copy of these procedures at the City of Bay City, 1901 Fifth Street, Bay City, TX 77414, 979-245-2137 during regular business hours.

Below are the formal complaint and grievance procedures regarding the services provided under the CDBG-MIT project(s).

1. A person who has a complaint or grievance about any services or activities with respect to the CDBG-MIT project(s), whether it is a proposed, ongoing, or completed CDBG-MIT project(s), may during regular business hours submit such complaint or grievance, in writing to the City Manager, at 1901 Fifth Street, Bay City, TX 77414 or may contact 979-245-2137.
2. A copy of the complaint or grievance shall be transmitted by the City Manager to the entity that is the subject of the complaint or grievance and to the City Attorney within five (5) working days after the date of the complaint or grievance was received.
3. The City Manager shall complete an investigation of the complaint or grievance, if practicable, and provide a timely written answer to person who made the complaint or grievance within ten (10) days.
4. If the investigation cannot be completed within ten (10) working days per 3 above, the person who made the grievance or complaint shall be notified, in writing, within fifteen (15) days where practicable after receipt of the original complaint or grievance and shall detail when the investigation should be completed.
5. If necessary, the grievance and a written copy of the subsequent investigation shall be forwarded to the CDBG-MIT program for their further review and comment.
6. If appropriate, provide copies of grievance procedures and responses to grievances in both English and Spanish, or other appropriate language.

### TECHNICAL ASSISTANCE

When requested, the City shall provide technical assistance to groups that are representative of persons of low- and moderate-income in developing proposals for the use of CDBG-MIT funds. The City, based upon the specific needs of the community's residents at the time of the request, shall determine the level and type of assistance.

## PUBLIC OUTREACH EFFORTS

The City shall provide for reasonable public notice, appraisal, examination and comment on the activities proposed for the use of CDBG-MIT funds. These efforts shall include:

1. Provide for and encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which CDBG-MIT funds are proposed to be used;
2. Ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to an entity's proposed and actual use of CDBG-MIT funds;
3. Furnish citizens information, including but not limited to:
  - a) the amount of CDBG-MIT funds expected to be made available
  - b) the range of activities that may be undertaken with the CDBG-MIT funds
  - c) the estimated amount of the CDBG-MIT funds proposed to be used for activities that will meet the national objective of benefit to low and moderate income persons
  - d) if applicable, the proposed CDBG-MIT activities likely to result in displacement and the entity's anti- displacement and relocation plan
4. Provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in an application to the state and, for grants already made, activities which are proposed to be added, deleted or substantially changed from the entity's application to the state. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the state; and
5. These outreach efforts may be accomplished through one or more of the following methods:
  - a) Publication of notice in a local newspaper—a published newspaper article may be used so long as it provides sufficient information regarding program activities and relevant dates;
  - b) Notices prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups;
  - c) Posting of notice on the local entity website (if available);
  - d) Public Hearing; or
  - e) Individual notice to eligible cities and other entities as applicable using one or more of the following methods:
    - Certified mail
    - Electronic mail or fax
    - First-class (regular) mail
    - Personal delivery (e.g., at a Council of Governments [COG] meeting)

## PUBLIC HEARING PROVISIONS

For each public hearing scheduled and conducted by a CDBG-MIT applicant or recipient, the following public hearing provisions shall be observed:

1. Furnish citizens information, including but not limited to:
  - (a) The amount of CDBG-MIT funds available per application;
  - (b) The range of activities that may be undertaken with the CDBG-MIT funds;
  - (c) The estimated amount of the CDBG-MIT funds proposed to be used for activities that will meet the national objective of benefit to low- and moderate-income persons; and
  - (d) The proposed CDBG-MIT activities likely to result in displacement and the unit of general local government's antidisplacement and relocation plans required under 24 CFR 570.488.
2. Public notice of any hearings must be published at least seventy-two (72) hours prior to

the scheduled hearing. The public notice must be published in a local newspaper. Each public notice MUST include the DATE, TIME, LOCATION and TOPICS to be considered at the public hearing. A published newspaper article may also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.

- 3. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and an applicant must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to each hearing.
- 4. When a considerable number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter will be present to accommodate the needs of the non-English speaking residents.
- 5. City may conduct a public hearing via webinar if they also follow the provisions above. If the webinar is used to conduct a public hearing, a physical location with associated reasonable accommodations must be made available for citizens to participate so as to ensure that those individuals without necessary technology are able to participate.
- 6. If applicable, the locality must retain documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the actual use of funds for a period of three years after the project is closed out. Such records must be made available to the public in accordance with Chapter 552, Government Code.

\_\_\_\_\_  
Robert K. Nelson, Mayor  
City of Bay City

\_\_\_\_\_  
Date

**LA CIUDAD DE BAY CITY**  
**PLAN DE PARTICIPACIÓN DEL CIUDADANO**  
**TEXAS GENERAL LAND OFFICE (GLO) PROGRAMA DE MITIGACION (CDBG-**  
**MIT) BLOQUE DE DESARROLLO COMUNITARIO**

### PROCEDIMIENTOS DE QUEJAS

Estos procedimientos de queja cumplen con los requisitos del Programa de Recuperación de Desastres (CDBG-MIT) y los Requisitos de Gobiernos Locales del Código de Regulaciones Federales (CFR §570.486). Los ciudadanos pueden obtener una copia de estos procedimientos en la ciudad de Bay City, 1901 Fifth Street, Bay City, TX 77414, 979-245-2137 (Teléfono) durante las horas de negocio.

A continuación se presentan los procedimientos formales de quejas y quejas en relación con los servicios prestados en el marco del proyecto (s) CDBG-MIT.

1. Una persona que tenga una queja o queja acerca de cualquier servicio o actividad con respecto al (los) proyecto (s) CDBG-MIT, si se trata de un proyecto (s) CDBG-MIT propuesto, en curso o terminado, presentar dicha queja o queja, por escrito al 1901 Fifth Street, Bay City, TX 77414 o puede llamar a 979-245-2137 (teléfono).
2. Una copia de la queja o queja será transmitida por el Administrador de la ciudad a la entidad que es el sujeto de la queja o queja y al Abogado de la ciudad dentro de los cinco (5) días hábiles después de la fecha de la queja o queja fue recibida .
3. El Administrador de la ciudad completará una investigación de la queja, si es factible, y proporcionará una respuesta escrita a tiempo a la persona que hizo la queja o queja dentro de diez (10) días.
4. Si la investigación no puede completarse dentro de los diez (10) días hábiles por no. 3 anterior, la persona que hizo la queja o queja será notificada por escrito dentro de los quince (15) días cuando sea posible después de recibir la queja o queja original y detallará cuándo debe concluirse la investigación.
5. Si es necesario, la queja y una copia escrita de la investigación posterior serán enviadas al programa CDBG-MIT para su revisión y comentario.
6. Si es apropiado, proporcione copias de los procedimientos de quejas y respuestas a las quejas en inglés y español, u otro idioma apropiado.

### ASISTENCIA TÉCNICA

Cuando se le solicite, la ciudad proporcionará asistencia técnica a grupos que sean representativos de personas de ingreso bajo o moderado en el desarrollo de propuestas para el uso de fondos de CDBG-MIT. La ciudad, basado en las necesidades específicas de los residentes de la comunidad en el momento de la solicitud, determinará el nivel y tipo de asistencia.



La ciudad proporcionará un aviso público razonable, evaluación, examen y comentario sobre las actividades propuestas para el uso de fondos de CDBG-MIT. Estos esfuerzos incluirán:

1. Proveer y fomentar la participación ciudadana, en particular por personas de ingresos bajos y moderados que residen en áreas de tugurios o áreas deterioradas y áreas en las cuales se proponen utilizar fondos de CDBG-MIT;
2. Asegurar que los ciudadanos tendrán acceso razonable y oportuno a las reuniones locales, información y registros relacionados con el uso propuesto y real de fondos de CDBG-MIT por parte de la entidad;
3. Proporcionar información a los ciudadanos, incluyendo pero no limitado a:
  - a) la cantidad de fondos CDBG-MIT que se espera estén disponibles
  - b) la gama de actividades que se pueden emprender con los fondos CDBG-MIT
  - c) el monto estimado de los fondos CDBG-MIT que se propone utilizar para actividades que cumplan el objetivo nacional de beneficio para personas de ingresos bajos y moderados
  - d) si procede, las actividades propuestas de CDBG-MIT que puedan resultar en desplazamiento y el plan de desplazamiento y deslocalización de la entidad
4. Proporcionar a los ciudadanos un aviso anticipado razonable y la oportunidad de comentar sobre las actividades propuestas en una solicitud al estado y, para las subvenciones ya realizadas, actividades que se proponen agregar, eliminar o cambiar sustancialmente de la aplicación de la entidad al estado . Cambios sustanciales significa cambios hechos en términos de propósito, alcance, ubicación o beneficiarios según lo definido por los criterios establecidos por el estado; y
5. Estos esfuerzos de divulgación pueden lograrse a través de uno o más de los siguientes métodos:
  - a) Publicación de un aviso en un periódico local: se puede utilizar un artículo de periódico publicado siempre que proporcione información suficiente sobre las actividades del programa y las fechas pertinentes;
  - b) Avisos destacados en edificios públicos y distribuidos a las Autoridades Locales de Vivienda ya otros grupos comunitarios interesados;
  - c) Publicación de aviso en el sitio web de la entidad local (si está disponible);
  - d) Audiencia pública; o
  - e) Notificación individual a ciudades elegibles y otras entidades según sea aplicable usando uno o más de los siguientes métodos:
    - Correo certificado
    - Correo electrónico o fax
    - Correo de primera clase (normal)
    - Entrega personal (por ejemplo, en una reunión del Consejo de Gobiernos [COG])

#### DISPOSICIONES PARA LA AUDIENCIA PÚBLICA

Para cada audiencia pública programada y conducida por un solicitante o receptor de CDBG-MIT, se observarán las siguientes disposiciones de audiencia pública:

1. Proporcionar a los ciudadanos información, que incluye pero no se limita a:
  - a) La cantidad de fondos de CDBG-MIT disponibles por solicitud;
  - b) El rango de actividades que se pueden realizar con los fondos de la CDBG-MIT;

- c) El monto estimado de los fondos de CDBG-MIT propuestos para ser utilizados en actividades que cumplirán el objetivo nacional de beneficiar a las personas de ingresos bajos y moderados; y
  - d) Las actividades propuestas de CDBG-MIT que probablemente resulten en desplazamiento y la unidad de los planes generales de antidesubicación y reubicación del gobierno local requeridos bajo 24 CFR 570.488
2. El aviso público de cualquier audiencia debe ser publicado por lo menos setenta y dos (72) horas antes de la audiencia programada. El aviso público debe ser publicado en un periódico local. Cada aviso público DEBE incluir la FECHA, TIEMPO, LOCALIZACIÓN y TEMAS a ser considerados en la audiencia pública. Un artículo de periódico publicado también puede usarse para cumplir este requisito, siempre y cuando cumpla con todos los requisitos de contenido y tiempo. Los avisos también deben ser destacados en los edificios públicos y distribuidos a las Autoridades Locales de Vivienda ya otros grupos comunitarios interesados.
  3. Cada audiencia pública se celebrará en un momento y lugar conveniente para los beneficiarios potenciales o reales e incluirá alojamiento para personas con discapacidades. Las personas con discapacidades deben ser capaces de asistir a las audiencias y el solicitante debe hacer arreglos para las personas que requieren ayudas auxiliares o servicios si se ponen en contacto por lo menos dos días antes de cada audiencia.
  4. Cuando un número significativo de residentes que no hablan inglés puede ser razonablemente esperado para participar en una audiencia pública, un intérprete estará presente para acomodar las necesidades de los residentes que no hablan inglés.
  5. La ciudad puede conducir una audiencia pública vía webinar si también siguen las disposiciones anteriores. Si el seminario web se utiliza para llevar a cabo una audiencia pública, debe ponerse a disposición de los ciudadanos un lugar físico con adaptaciones razonables asociadas para garantizar que los individuos sin la tecnología necesaria puedan participar.
  6. Si es aplicable, la localidad debe conservar la documentación de los avisos de audiencia, las listas de asistencia, las actas de las audiencias y cualquier otro registro referente al uso real de los fondos por un período de tres años después del cierre del proyecto. Dichos registros deben ponerse a disposición del público de conformidad con el Capítulo 552, Código del Gobierno.

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Robert K. Nelson, Alcalde  
La ciudad de Bay City

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Date

**RESOLUTION NO. R-2020-\_\_\_**

**RESOLUTION SUPPORTING THE MATAGORDA COUNTY  
ECONOMIC DEVELOPMENT CORPORATION STRATEGIC PLAN**

**WHEREAS**, the City Council of Bay City, Texas, places a high value on sustained prosperity and measured growth and understands that they are essential to a healthy and robust economy, and

**WHEREAS**, City Council of Bay City, Texas, strongly supports opportunities to position Matagorda County for economic growth, resilient businesses, a firm and modern infrastructure and a well-trained and well-educated workforce.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Bay City, Texas, supports the creation of a strategic plan that will provide a road map for how all county entities, especially the funding entities of the Matagorda County Economic Development Corporation, will move the county forward toward achieving its economic development goals.

**BE IT FURTHER RESOLVED** that the City Council of Bay City, Texas, pledges its support through participation in strategic planning meetings, surveys and interviews; as well as through cooperation with and participation in implementation of the final recommendation of the Matagorda County Economic Development Corporation Strategic Plan.

PASSED AND APPROVED AT BAY CITY TEXAS THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2020

\_\_\_\_\_  
Robert K. Nelson, Mayor  
City of Bay City

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jeanna Thompson, City Secretary

\_\_\_\_\_  
Anne Marie Odefey, City Attorney

**~ CONSIDER PLACING A PROPOSAL TO ADOPT A TAX RATE FOR THE 2021 FISCAL YEAR AS AN ACTION ITEM ON THE AGENDA OF A FUTURE COUNCIL MEETING, SPECIFYING THEREIN THE DESIRED TAX RATE AND PUBLISHING NOTICE THEREOF.**



### **EXECUTIVE SUMMARY**

<b>Tax Rate Information</b>	<b>Adopted FY 2020</b>	<b>Proposed FY 2021</b>
Property Tax Rate	<b>.65500</b>	<b>.65500</b>
No-New Revenue Tax Rate	.65110	.63808
No-New Revenue M&O Tax Rate	.50663	.65799
Debt Rate	.15324	.17288
Voter-Approval Tax Rate	.71404	.67709
De Minimis Rate	N/A	.88765

Debt service requirements for the City of Bay City are currently \$.17288 of the current **proposed** property tax rate of **\$.65500**. The City has seven outstanding debt issues. At the end of Fiscal Year 2021, outstanding general obligation bond and certificates of obligation bonds will be \$23,515,000 however only \$11,482,233 is currently supported by property taxes.

**FY 2021 Debt Service Requirement** to be paid by property taxes \$1,538,147. See Debt rate (.17288) requirement above.

**Note: The new public hearing notice for the tax hearing requires a record vote on the proposed rate.**

**~ CONSIDER SETTING TWO (2) PUBLIC HEARINGS ON THE PROPOSED 2021 FISCAL YEAR BUDGET AND CAPITAL IMPROVEMENT PLAN FOR TUESDAY, AUGUST 25, 2020 AND TUESDAY, SEPTEMBER 1, 2020.**

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## **EXECUTIVE SUMMARY**

### **PUBLIC HEARING DATES:**

TUESDAY, AUGUST 25, 2020 AT 6 PM

TUESDAY, SEPTEMBER 1, 2020 AT 6 PM

### **BUDGET HEARINGS WILL BE ON THE FOLLOWING:**

FY 2021 Proposed Budget- City of Bay City (Charter section 10.05)

FY 2021 Proposed Budget- Bay City Community Development Corporation

Five-Year Capital Improvement Program FY 2021-2025 (Charter section 10.16)

**~ CONSIDER SETTING TWO (2) PUBLIC HEARINGS ON THE PROPOSED 2021 FISCAL YEAR TAX RATE FOR TUESDAY, AUGUST 25, 2020 AND TUESDAY, SEPTEMBER 1, 2020 (IF REQUIRED).**

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## **EXECUTIVE SUMMARY**

### **PUBLIC HEARING DATES:**

**TUESDAY, AUGUST 25, 2020 AT 6 PM**

**TUESDAY, SEPTEMBER 1, 2020 AT 6 PM**

Sec. 26.06. NOTICE, HEARING, AND VOTE ON TAX INCREASE. (a) A public hearing required by Section [26.05](#) may not be held before the fifth day after the date the notice of the public hearing is given.

**~ DISCUSS, CONSIDER, AND/OR APPROVE THE BUDGETARY AND FINANCIAL  
MANAGEMENT POLICY**

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## **EXECUTIVE SUMMARY**

### **BUDGETARY & FINANCIAL MANAGEMENT POLICY**

#### **BACKGROUND:**

The GFOA recommends that Financial Policies be reviewed by the governing body at least annually.

The Policy itself requires an annual review. This is usually reviewed in conjunction with the City's annual budget process.

#### **FINANCIAL IMPLICATIONS:**

Financial Policies protect City dollars by providing sound proactive guidelines to follow for fiscal accountability.

#### **IMPACT ON COMMUNITY SUSTAINABILITY:**

Provides policy guidelines to protect City dollars.

#### **RECOMMENDATION:**

Staff recommends City Council annually approve the Budgetary and Financial Management Policy document.

#### **ATTACHMENTS:**

Budgetary & Financial Management Policy



## Budgetary & Financial Management Policies

The goal of formally adopting financial management and budgetary policies is to provide sound guidelines in planning the City's financial future. The adoption and adherence to these policies will help ensure long-term financial stability and a healthy financial position for the City of Bay City.

### General Budgetary Policies

#### **Budget Preparation**

The City Budget shall be prepared in accordance with all applicable Charter requirements and State laws. The goal each year shall be to present the Proposed Budget to Council no later than six weeks prior to the end of the fiscal year and for the final approval of the Budget to be ready for Council action no later than two weeks before the end of the fiscal year. The Budget shall be comprehensive in nature and address all major funds of the City.

#### **Government Finance Officer Association Distinguished Budget Program**

The goal this year and each year following will be for the City's Budget to conform to the requirements of the Distinguished Budget Program of the G.F.O.A. and be submitted thereto for peer review.

#### **Balanced Budget**

It shall be a requirement each year for the budget of each fund to be balanced. This means that total resources available, including prior year ending resources plus projected revenues, shall be equal to or greater than the projected expenditures for the coming year. In a case where a deficit fund balance does occur, the goal shall be to limit deficits to only those amounts representing one-time capital expenditures and/or to adjust revenues and/or expenses so that the deficit is eliminated in no more than two budget years.

#### **Public Hearings, Availability of Budget to Public**

Upon completion of the Proposed Budget to Council, the City holds public hearings in August and September. A copy of the Proposed Budget is made available in the City Secretary's Office, the Bay City Library, and on the City's website. These hearings provide the Citizens of Bay City a chance to ask questions as well as an opportunity for Council to hear any recommendations before final approval of the budget.

#### **Cost Center Accounting and Budgeting**

It shall be the policy of the City to allocate cost, and budget accordingly, to the various funds to the extent practical. This includes such items as utility costs, fuel costs, vehicle lease charges, overhead manpower and insurance fees.



**Bond Ratings**

It shall be the City's long-term goal to improve its bond ratings for general obligation bonds and revenue bonds. The City's policy shall be to manage its budget and financial affairs in such a way so as to promote enhancement of its bond ratings. This financial management includes the following:

- *Develop and maintain a multi- year operating budget*
- *Develop and maintain a multi-year capital improvements plan*
- *Implement financial procedures to quickly identify financial problems & limit budget shortfalls*
- *Review projected revenue methodologies annually*
- *Review method of determining appropriate cash reserve levels annually*

**Administrative Overhead Fee to Enterprise Funds**

It shall be the budgetary policy of each enterprise fund to pay to the General Fund an amount as set by the Budget each year. This charge shall be set as a percent of fund revenues and shall be construed as a payment for general administrative overhead, including management, accounting, legal, and personnel services. From an accounting perspective, such fee shall be treated as a fund operating transfer.

**Budget Projections for Revenues and Expenditures**

Most individual budget projections are a collaborative effort between the Division Heads, the Director of Finance, and the [City Manager](#). The Director of Finance will note the methodology for estimating each major revenue or expense item budgeted; taking into consideration the insight of the respective Division Head. Revenue and expense estimates are always to be conservative so as to reduce any potential for budget shortfalls.

**Maintenance of Plant and Equipment**

The operating budget will provide for the adequate maintenance and replacement of the capital plant, building, infrastructure, and equipment. Deferral of such costs on a long-term continued basis will not be an acceptable policy to use in balancing the budget.

## Financial Management Policies

### Fund Balance Policy

#### Purpose

The purpose of this policy is to establish a key element of the financial stability of the City of Bay City by setting guidelines for fund balance in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54. Unassigned fund balance is an important measure of economic stability and it is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and other similar circumstances. This policy will ensure the City maintains adequate fund balances in the operating fund with the capacity to:

1. Provide sufficient cash flow for daily financial needs,
2. Secure and maintain investment grade bond ratings,
3. Offset significant economic downturns or revenue shortfalls, and
4. Provide funds for unforeseen expenditures related to emergencies.

#### Definitions

*Fund Equity* – A fund’s equity is generally the difference between its assets and its liabilities.

*Fund Balance* – The fund equity of a governmental fund for which an accounting distinction is made between the portions that are spendable and nonspendable.

**Fund Balance reporting in governmental funds:** Fund balance will be reported in governmental funds under the following categories using the *definitions* provided by GASB Statement No. 54:

- 1) **Nonspendable fund balance** – includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain in-tact such as the principal of an endowment.
- 2) **Restricted fund balance** – includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include impact fees, grants, and debt covenants.
- 3) **Committed fund balance** – includes the portion of net resources upon which the Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a *formal action* of the council. Commitments may be changed or lifted only by the Council taking the same *formal action* that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements. An example would be committing hotel/motel tax funds for future consideration of a reconstruction project. (i.e. Visitor’ Center)
- 4) **Assigned fund balance** – includes the portion of net resources for which an *intended* use has been established by the City Council or the City Official authorized to do so by the City Council.

Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund. An example would be encumbrances (i.e. Purchase Orders) for purchase of goods and/or supplies and/or construction services.

*Authority to Assign* - The City Council delegates the responsibility to assign funds to the **City Manager** or their designee to be used for specific purposes. City Council shall have the authority to assign any amount of funds to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. The assignments may occur subsequent to fiscal year-end.

- 5) **Unassigned fund balance** – includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

**Minimum Unassigned Fund Balance**

*General Fund* - Being a City on the Gulf Coast, it shall be the goal of the City to maintain a fund balance in the General Fund equal to 120 days of the operating expenditures and a policy to maintain a **unassigned** fund balance of no less than 90 days of operating expenditures and outgoing transfers as to provide operating liquidity and contingency funding for non-specific unscheduled expenditures such as natural disasters or major unexpected expenditures. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

*Hotel/Motel Tax Fund* – Since the City’s Convention Center qualifies for use of Hotel/Tax, it shall be the goal of the City to maintain a fund balance in the Hotel/Motel Fund to support the annual cost for repairs and maintenance of the Civic Center. The proper level of this unassigned fund balance will be based on the most recent three-year average cost of building maintenance plus the most recent insurance payment for the Civic Center or \$50,000 whichever is greater.

**Committed Fund Balances**

**Fixed or Capital Asset Replacement**- The City Council commits an additional portion of the General Fund Reserve for fixed asset replacement related to machinery and equipment. On an annual basis, the City strives to commit dollars equal to one year’s depreciation expense of machinery and equipment for assets on record as of the previous fiscal year end. The balance at year end in this account will be the committed fund balance.

***Replenishment of Minimum Fund Balance Reserves***

If unassigned fund balance unintentionally falls below 90 days or if it is anticipated that at the completion of any fiscal year the projected unassigned fund balance will be less than the minimum requirement, the **City Manager** shall prepare and submit a plan to restore the minimum required level as soon as economic conditions allow. The plan shall detail the steps necessary for the replenishment of fund balance as well as an estimated timeline for achieving such.

These steps may include, but are not limited to, identifying new, nonrecurring, or alternative sources of revenue; increasing existing revenues, charges and/or fees; use of year end surpluses; and/or enacting cost saving measures such as holding capital purchases, reducing departmental operating budgets, freezing vacant positions, and/or reducing the workforce. The replenishment of fund balance to the minimum level shall be accomplished within a three to four-year period. If restoration of the reserve cannot be accomplished within such a period without severe hardship to the City of Bay City, then the Council shall establish an extended timeline for attaining the minimum balance.

***Order of Expenditure of Funds***

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Council, and unassigned fund balance), the Council will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

***Appropriation of Unassigned Fund Balance***

Appropriation from the minimum unassigned fund balance shall require the approval of the City Council and shall be utilized only for one-time expenditures, such as capital purchases, and not for ongoing operating expenditures unless a viable revenue plan designed to sustain the expenditure is simultaneously adopted.

The Council may appropriate unassigned fund balances for emergency purposes, as deemed necessary, even if such use decreases the fund balance below the established minimum.

***Monitoring and Reporting***

The Director of Finance shall be responsible for monitoring and reporting the City’s reserve balances. The **City Manager** is directed to make recommendations to the Council on the use of reserve funds both as an element of the annual operating budget submission and from time to time throughout the fiscal year as needs may arise.

Compliance with the provisions of the policy shall be reviewed as a part of the annual operating budget adoption process and subsequent review will be included in the annual audit and financial statement preparation procedures.

### **Fund Balance Policy for Component Units**

Each Component Unit (i.e. Bay City Community Development, Bay City Gas Company) shall create a fund balance/reserve policy that shall be approved by the City Council.

### **Revenue Management Policy**

The City strives for the following optimum characteristics in its revenue system:

- ***Simplicity and Certainty.*** The City shall strive to keep the revenue classification system simple to promote understanding of the revenue sources. The City shall describe its revenue sources and enact consistent collection policies to provide assurances that the revenue is collected according to budgets and plans.
- ***Equity.*** The City shall make every effort to maintain equity in its revenue system structure. The City shall minimize all forms of subsidization between entities, funds, services, utilities, and customers.
- ***Realistic and Conservative Estimates.*** Revenues are to be estimated realistically. Revenues of volatile nature shall be budgeted conservatively.
- ***Centralized Reporting.*** Receipts will be submitted daily to the Finance Department for deposit and investment. Daily transaction reports and supporting documentation will be prepared.
- ***Review of Fees and Charges.*** The City shall review all fees and charges annually in order to match fees and charges with the cost of providing that service.
- ***Aggressive Collection Policy.*** The City shall follow an aggressive policy of collecting revenues. Utility services will be discontinued (i.e. turned off) for non-payment in accordance with established policies and ordinances. The Matagorda County Tax Office is responsible for delinquent tax collection, through the central collection agency, shall be encouraged to collect delinquent property taxes using an established tax suit policy and sale of real and personal property to satisfy non-payment of property taxes. A warrant officer in the Police Division will aggressively pursue outstanding warrants, and the Court will use a collection agency to pursue delinquent fines.

### **Use of Fund Balance and Non-Recurring Revenues**

The City will use non-recurring revenues and excess fund balance for capital expenditures or for non-recurring expenditures. These non-recurring revenues will not be used to fund recurring type maintenance and operating costs. *For example, the City receives annual contributions from the City's two component units- the Bay City Gas Company and the Bay City Community Development Corporation. These appropriations are treated as non-recurring in the sense that they are committed for capital expenditures (i.e. park amenities and/or street projects).*

**Property Tax Revenue**

All real and business personal property located within the City shall be valued at 100% of the fair market value based on the appraisal supplied by the Matagorda County Appraisal District. Reappraisal and reassessment is provided by the Appraisal District. A **ninety-eight percent (98%)** collection rate shall serve each year as a goal for tax collections and the budgeted revenue projection shall be based in average collection rate calculated by the Matagorda County Appraisal District. Property tax rates shall be maintained at a rate adequate to fund an acceptable service level. Based upon taxable values, rates will be adjusted to fund this service level. Collection services shall be contracted out with a collection agency, currently the Matagorda County Tax Office.

**Interest Income**

Interest earned from investment of available monies, whether pooled or not, shall be distributed to the funds in accordance with the equity balance of the fund from which monies were invested.

**User Based Fees and Service Charges**

For services associated with a user fee or charge, the direct and indirect costs of that service shall be offset wholly or partially by a fee where possible. There shall be an annual review of fees and charges to ensure that the fees provide adequate coverage of costs of services.

**Water and Wastewater Rates and other fees for Services**

Water and wastewater shall be set to generate revenues required to cover operating expenditures, meet the legal requirements of applicable bond covenants, and provide for an adequate level of working capital. It is the goal of the City that the Water and Wastewater Fund, and other enterprise funds, not be subsidized by property tax revenue.

**Intergovernmental Revenues/Grants/Special Revenues**

Grant revenues and other special revenues shall be spent for the purpose(s) intended. The City shall review grant match requirements and include in the budget all grant revenues and expenditures.

**Collection of Charges**

The City will follow a policy of collecting, on a timely basis, all fees, charges, taxes and other revenues properly due to the City. The City will follow an aggressive policy of collecting all delinquencies due to the City.

**Revenue Monitoring**

Revenues actually received are to be regularly compared to budgeted revenues (at least monthly) with a formal report to City Council at least quarterly. If revenue estimates are down, the Director of Finance shall recommend to Council a corrective action to minimize the impact on the budget at the next available Council Meeting.

## Expenditure Control Policy

### Appropriations

The responsibility for budgetary control lies with the Department Head. Department Heads may not approve expenditures that exceed monies available at the departmental budget level excluding personnel and capital expenditures. Capital expenditures are approved by the City Council on a per project basis normally during the annual budget process. ~~Personnel allocations may not be changed without the approval of City Manager.~~

### Amendments to the Budget

In accordance with the City Charter, under Article 10.14 ([Budget Amendments after Adoption](#)) provides, that if, during the fiscal year, the City Treasurer certifies that there are available for appropriation revenues in excess of those estimated in budget, the Council, by ordinance, may make supplemental appropriations for the fiscal year up to the amount of the excess. ~~with approval of the City Council, the City Manager may transfer any unencumbered appropriated balance within any office, department, or agency at any time. At the request of the City Manager, and within the last three months of the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from an office, department or agency, to another.~~

### Central Control

Unspent funds in salary and capital allocation object codes may not be spent for any purpose other than their specifically intended purpose without prior authorization of [City Manager](#).

### City Manager's Authority to Amend the Budget

The City Manager is authorized to transfer budgeted amounts within and among departments; however any revisions that alter the total expenditures/expenses must be approved by the City Council.

### Purchasing

All purchases shall be made in accordance with the Purchasing Policies approved by the City Council.

### Prompt Payment

All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt, in accordance with the provisions of state law. Proper procedures shall be established that enables the City to take advantage of all purchase discounts, except in the instance where payments can be reasonably and legally delayed in order to maximize the City's investable cash.

## Long-Term Debt Policy

### Revenue Bond Debt Service Account

It shall be the policy of the City to always be in strict compliance with the requirements of the ordinance that created the Revenue Bond Debt Service Fund. Monthly transfers are to be made to this account each year in accordance with the bond debt service payment schedule. The balance in the account must be adequate to cover semi-annual payments as they become due.

### General Obligation Bond Debt Service Account

It shall be the policy of the City to always be in strict compliance with the requirements of the ordinance that created the General Obligation Bond Interest and Sinking Fund Account. Taxes, as applicable shall be distributed to this account monthly as received. Utility Revenues transferred to the Interest and Sinking

Fund Account shall occur, as needed prior to the semi-annual payment dates. The balance in the account must be adequate to cover semi-annual payments as they become due.

### **Capital Improvement Plan (CIP)**

The City will develop a multi-year plan to present to Council each year for approval. The City will provide a list of proposed capital improvements, funding recommendations, and prospective timing of projects. CIP projects shall be for equipment over \$20,000, infrastructure over \$50,000 and facilities over \$25,000. Any maintenance and operational cost shall be disclosed that could impact future operating budgets.

### **Debt Policy Guidelines**

- The City will limit long-term debt to only those capital projects that cannot be financed from current revenues.
- The City will not use long-term debt to finance recurring maintenance and operating costs.
- The City will not issue long-term debt for a period longer than the estimated useful life of the capital project.
- Decisions will be made based on long term goals rather than a short- term fix.
- Debt Service Funds will be managed and invested according to all federal, state, and local laws
- Coverage Ratios of Revenue Bonds will always be in compliance with the minimum coverage ratio required by the revenue bond ordinances. It shall be the goal of the City to achieve a budgeted coverage ratio of 1.60.

### **Other Fund Use Information**

#### **Governmental Funds**

Most government functions are financed through governmental funds. The acquisition, use, and balances of the City's expendable resources and related current liabilities are accounted for through governmental funds. Long-term liabilities and fixed assets are not accounted for through governmental funds.

#### **Proprietary Funds**

These funds listed below are used to account for the ongoing activities of the City that are similar to those found in the private sector. These funds are financed through user charges to recover costs of services provided. Proprietary funds use accrual accounting, which means revenues are recognized when they are earned by the City and expenses are recognized when they are incurred. Enterprise funds are considered proprietary funds and are used to account for operations for the City's Public Utility Fund and Airport Fund.

**Working Capital Position-** the goal shall be to maintain a working capital position equal to 120 days of the operating budget and a policy to maintain a working capital position no less than 90 days of the operating budget.



**Public Utility Fund**

It shall be the general policy of the City to commit a portion of the reserve for fixed asset replacement as it strives to budget for revenue to cover depreciation.

**Airport Fund**

It will be the general policy of the City that the fees collected will be spent on maintenance of the facilities grounds, and other structures. The goal shall be to reduce the reliance of the general fund tax dollars for this purpose.

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***Implementation and Review***

Upon adoption of this policy the City Council authorizes the City Manager to establish any standards and procedures which may be necessary for its implementation. The Director of Finance shall review this policy at least annually and make recommendations for changes to the Mayor and City Council.