



FISCAL YEAR 2019-2020 BUDGET

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

- Margaret Mead

THE CITY OF
NOLANVILLE



CITY OF NOLANVILLE, TEXAS
ANNUAL BUDGET
FISCAL YEAR OCTOBER 1, 2019 – SEPTEMBER 30, 2020

APPROVED

September 19, 2019

THE MAYOR AND CITY COUNCIL

Recorded Vote

Andy Williams	No Vote Required	
Butch Reis	<u>X</u> (aye)	(nay) to ___ (abstention)
Joan Hinshaw	<u>X</u> (aye)	(nay) to ___ (abstention)
George French III	<u>X</u> (aye)	(nay) to ___ (abstention)
David Williams	<u>X</u> (aye)	(nay) to ___ (abstention)
James Bilberry	<u>X</u> (aye)	(nay) to ___ (abstention)

City Manager
Kara Escajeda

Calculated Rates

<u>FY 18-19 Property Tax Rate</u>	
Maintenance & Operations:	\$0.4065
Debt Service:	\$0.1200
Current Total Property Tax:	\$0.5265

<u>Maintenance and Operations</u>	
Effective Rate:	\$0.3738
Rollback Rate:	\$0.4037

<u>Adopted FY 19-20 Property Tax Rates</u>	
Maintenance & Operations Tax Rate:	\$0.4036
Debt Rate (Interest & Sinking Fund):	\$0.1120
Total Adopted Property Tax Rate:	\$0.5156

This budget will raise more total property taxes than last year's budget by \$102,976.57, 6.506920%, and of that amount \$51,990.23 is tax revenue to be raised from new property added to the tax roll this year.

Notice of Tax Revenue Increase

The CITY OF NOLANVILLE conducted public hearings on August 15, 2019 and September 5, 2019 on a proposal to increase the total tax revenues of the CITY OF NOLANVILLE from properties on the tax roll in the preceding year by 6.506920 percent.

The total tax revenue raised last year at last year's tax rate of 0.526500 for each \$100 of taxable value was \$1,220,794.76.

The total tax revenue proposed to be raised this year at the proposed tax rate of 0.515600 for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is \$1,271,781.10.

The total tax revenue proposed to be raised this year at the proposed tax rate of 0.515600 for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$1,323,771.33.

The Governing Body of City of Nolanville is scheduled to vote on the tax rate that will result in that tax increase at a public meeting to be held on September 19, 2019 at City Hall, 101 N 5th , Nolanville, TX 76559 at 6:00 PM



Vision Statement

The Vision of Nolanville is to preserve our small-town atmosphere while preparing for growth and future generations; to enhance the beautification of the city, embrace the diversity of its people and improve the quality of life for our citizens. We aspire to be

“A Great Place to Live.”

Mission Statement

It is our Mission to promote the health, safety and welfare of our citizens; add value to our community by planning for the future, and encourage community involvement. Being responsive to those we serve, while always striving to improve the quality of life for our citizens, and enhance our dedication towards making the City of Nolanville “A Great Place to Live.”

**CITY OF NOLANVILLE, TEXAS
BUDGET
FISCAL YEAR 2019-2020**

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APPENDIX

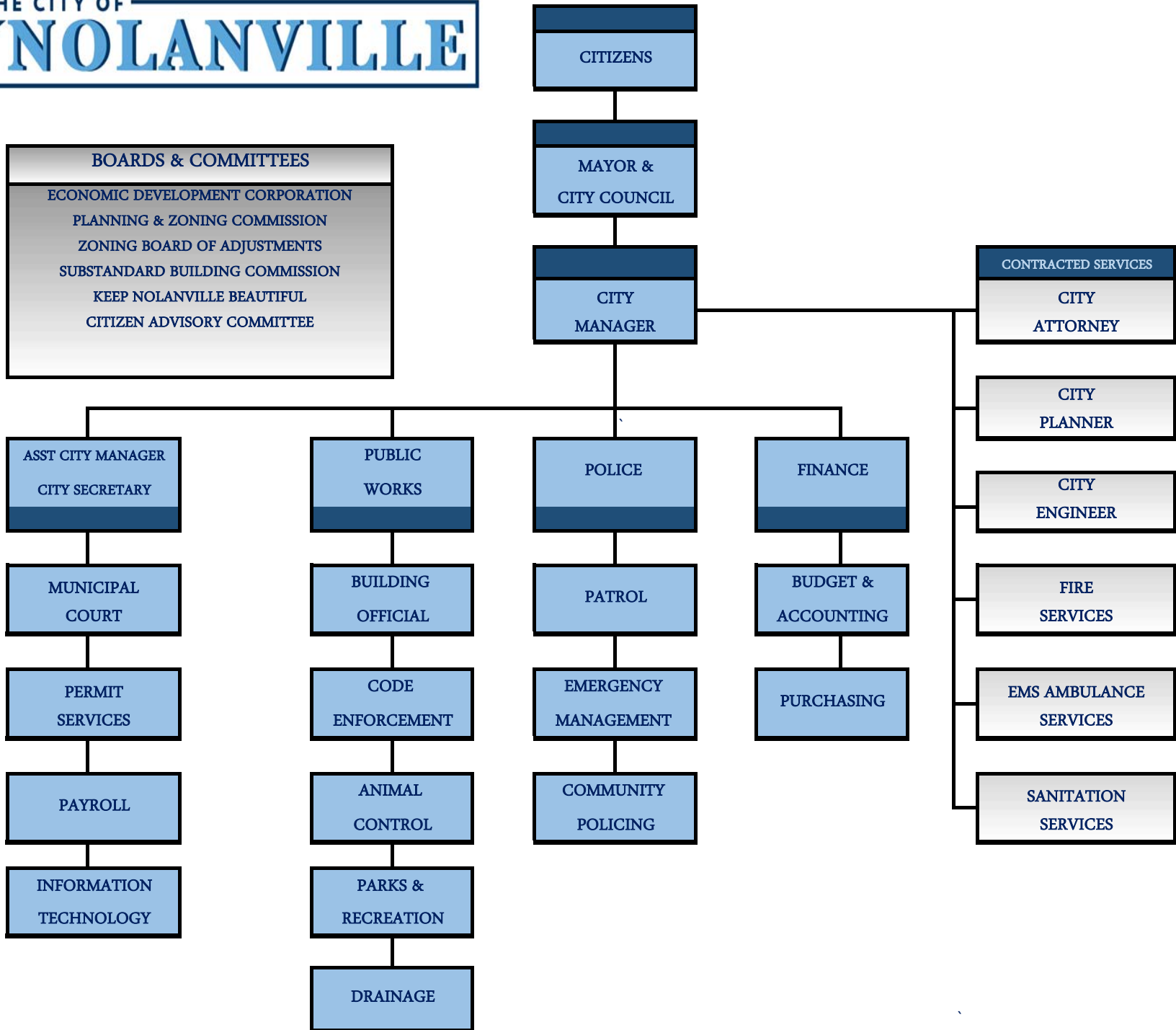
Budget Ordinance No. F 19-09 #1 A

Tax Rate Ordinance No. F 19-09 #2 B

Economic Development Corporation..... C

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BUDGET MESSAGE

The budget represents the combined efforts of the City Council, Management, and Department Heads to allocate the City's financial resources to the functions and responsibilities of municipal government and to meet the goals established by the citizens of Nolanville in our Comprehensive Plan. Since the Plan was formally adopted in 2016, Nolanville has made great strides towards completing these goals.

While we update the Plan objectives annually, the Planning and Zoning Commission is tasked with initiating a formal review and update every five years and initiate a Plan review in 2020. This is fortunate timing for us as Nolanville is the first City selected for a Texas A&M Smart City Innovation Project called, ENDEAVR. As a result, TAMU's Urban Landscape Department developed over 32 projects last spring with Smart City principles that will be incorporated into the City's next comprehensive plan update. The next stage of the ENDEAVR project will be working with industry partners and students to identify and develop smart technologies for small and rural cities. Texas A&M - Texas Target Cities has agreed to work with the City once again to incorporate these plans into the next update.

This year's budget focuses on some of the remaining comprehensive plan objectives which include Public Safety, Housing Standards, Infrastructure, Economic Development and Quality of Life.

Public Safety

Public Safety continues as a priority for this year. The Police Department's budget has incrementally grown to accommodate technology requirements, additional staff and equipment. The City has always struggled with keeping the police officer pay competitive with surrounding agencies such as the schools, county agencies, and neighboring cities. Many agencies are offering attractive recruiting and retention incentives, including hiring bonuses. Our budget provides an 18% increase for officers' salaries to prevent turn over and attract talent to our force.

Technology is no longer a luxury, but a requirement. There is a drastic demand for information technology to include storing video for information requests and trials, to electronic citation writers that interface with various records management systems, and software programs that assist in the ever-increasing requirement to provide data and statistical analysis. Body worn and vehicle mounted recording systems are costly, but they are required by law and provide protection for the public and our officers.

This, in turn, increases cost towards capital outlay for the department whenever staffing or fleet

increases. Storage of the data and replacement of the department's existing network server were offset by purchases made with unforecasted revenue from last fiscal year. It will continue to be important to plan for technology and camera systems life cycle replacement.

Housing Standards

Healthy neighborhoods protect property values, reduce crime and enhance quality of life. Ordinances were updated to improve property maintenance codes to include substandard buildings. Last year's focus was on obtaining voluntary compliance by working with Public Works on action plans. The Staff and Substandard Building Commission were trained on hearing procedures in order to begin work on non-compliance cases. We are postured to initiate action towards the removal of structures that pose a health and safety risk to our community.

Infrastructure

Road Maintenance: Last fiscal year the City completed 20-point roadway repairs and reconstructed a section of Pleasant Hill. Bluebonnet Spillway was completed using Sales Tax Street Maintenance Fund. Public Works completed 50% of the needed crack sealing and will restart efforts in October.

FY 19-20 priority for road maintenance is to initiate the seven-year prevention plan. The public works operations fund is increased substantially to accommodate the plan. The 7-year road maintenance plan is intended to add a layer of protective asphalt, called micro surfacing, to extend the life of the roadway and prevent costly reconstruction. This year's goal is to put this plan in action and complete three miles of micro surfacing.

Capital Improvement Plan: The City received a \$1.3 million grant from Texas Department of Transportation Livability Grant. Engineering for the "Park Connectivity Project" (Avenue H/Mesquite) is funded during the next budget year to ensure we will be project ready. This project will increase pedestrian and bike safety, ribbon curbing/asphalt overlay and improved aesthetics for this important collector. This grant requires a \$300,000 match from the City in 2021. Next budget year, there will need to be a decision to fund the match through the existing reserve and street maintenance fund or possibly prepare a tax note with additional capital needs such as the continuation of the Plaza side streets.

The City continues to apply for additional funding through TxDOT to improve roadway infrastructure in order to minimize the need for long term debt. Examples of previous projects include Main Street Connectivity and Old Nolanville Road. See “Capital Improvement Plan” for additional details.

Drainage: The Regional Flood Plain Study was completed in the summer of 2018. Our next focus is to seek grant opportunities and determine which projects provide the greatest benefit to the community. Many of the suggested improvement have to be initiated upstream from our City Limits. We will also continue to be a regional partner in the watershed of Nolan Creek through a joint application to Texas Commission on Environmental Quality for a grant to install a watershed coordinator.

Economic Development

EDC focus was on enhancement of marketing to include updated website as listed in the strategic plan. A coordinator was hired during the last fiscal year to emphasize recruitment and retention strategies. The coordinator is also dedicating time towards activities to increase foot traffic and interest in the City.

Enhancing Quality of Life

Recreation: The City completed Phase I of the Park Improvements. The Large Park Grant from Texas Parks & Wildlife was awarded and will allow the installation of major elements, see the “Capital Improvement Plan” for additional details. The City is actively pursuing recreational outlets through partnerships with agencies such as the Boys & Girls Club and athletic clubs.

Budget Purpose

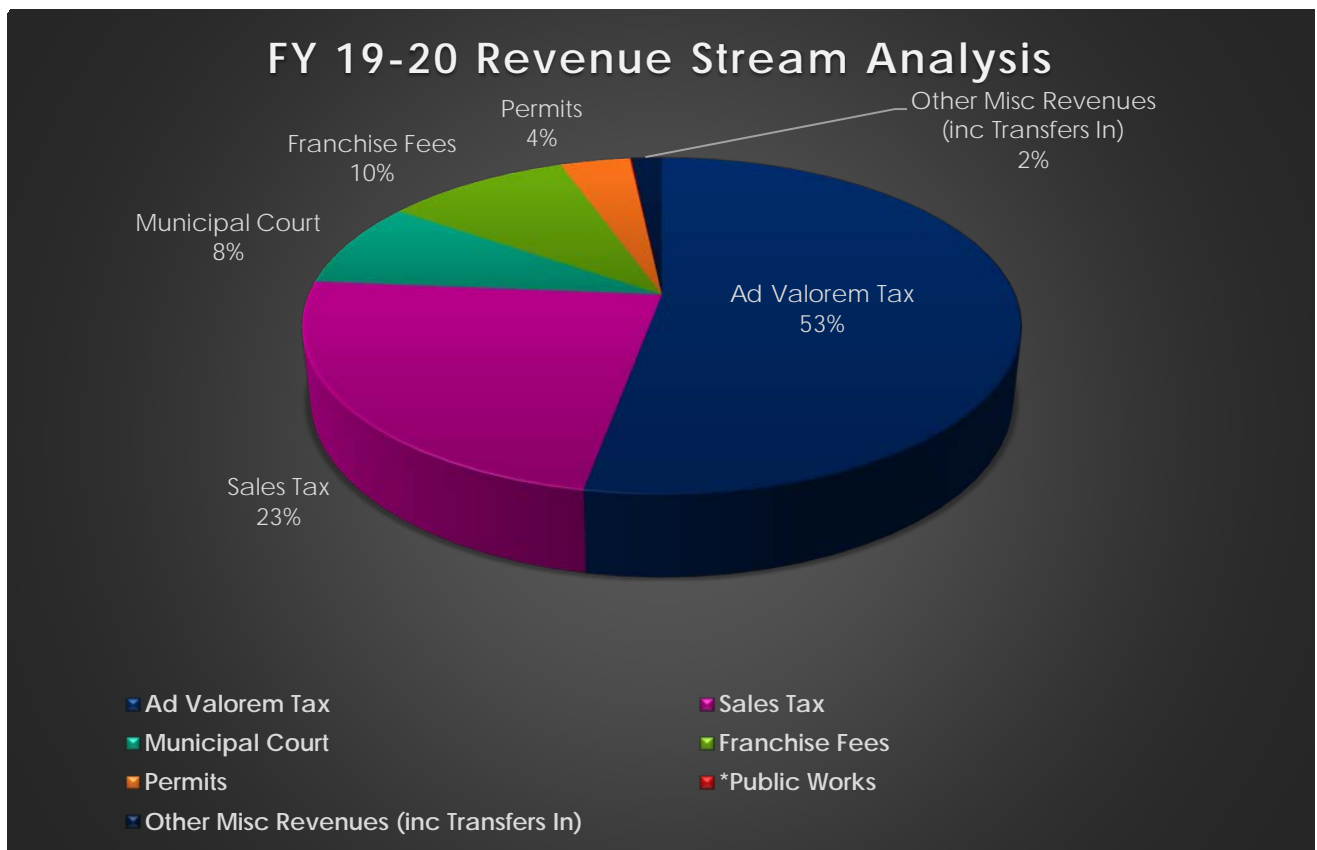
A budget is the translation of the future plans of the organization into financial terms. Adopting the budget and the tax rate are two of the most important processes for the City to go through each year. Processes for each action are designed to give citizens notice and impact of each action. The process also includes an opportunity for people to speak to City Council about the budget and the tax rate.

General Fund Reserve

The General Fund is unassigned spendable fund balance. The General Fund Reserve today is currently maintained at a balance of \$500,000 which is greater than three months of expenditures for emergencies, unforeseen events, and major economic recessions. The anticipated Reserve Balance at the start of FY 19-20 is \$855,162.

General Fund Revenues Summary

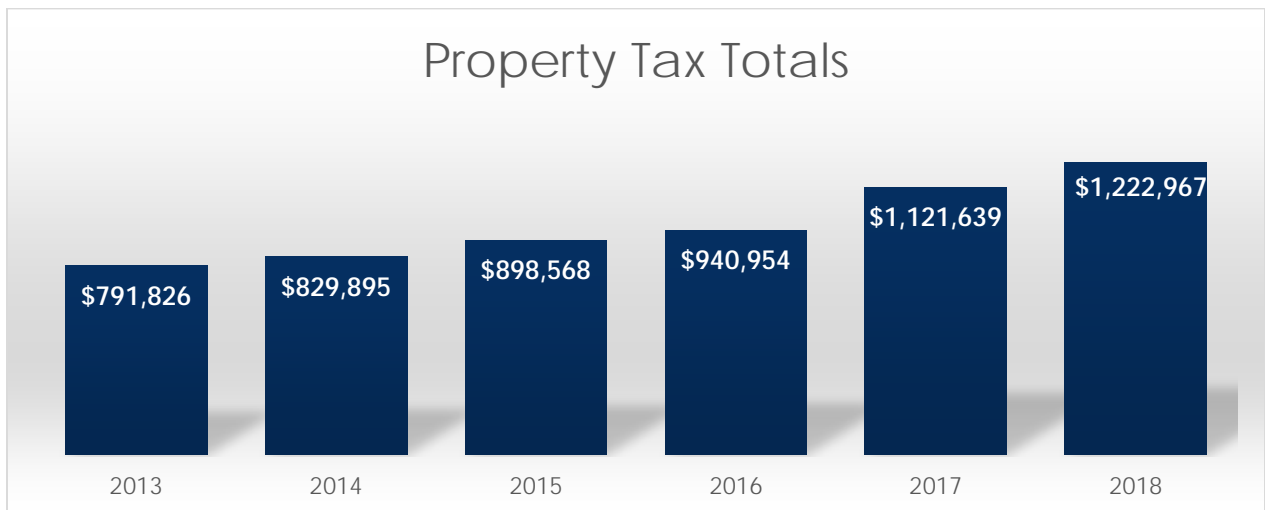
The City's General Fund receives revenue from several sources, with the top three being property tax, sales tax, and franchise fees. The graph below forecasts revenues for FY 19-20. *Public Works Revenue is .03%.



Property Tax

Ad valorem tax is the largest revenue source in the General Fund. The ad valorem tax rate in Nolanville is comprised of two components; Maintenance & Operations (M&O) and Interest and Sinking (I&S). The M&O provides the revenue for the City's General Fund operations while the I&S provides revenue to pay the City's Debt Service obligations.

Net taxable value according to the 2019 certified tax roll, as of July 16, 2019, is \$256,743,858 which is approximately a 9% increase. New property and improvements added in 2019 totaled \$9,391,446, with nearly 50% exempt from the tax roll. Total exemptions equated to \$60,554,640. The total property tax rate is \$.5156. Of the two components, a \$.4036 tax rate totaling \$1,026,719 will be for M&O and a \$.1120 tax rate totaling \$284,917 for I&S. These two components combine to make the total property tax rate. The fiscal year 2019-2020 property tax revenue is estimated to be \$1,311,636. The chart below shows collection totals from previous tax years.

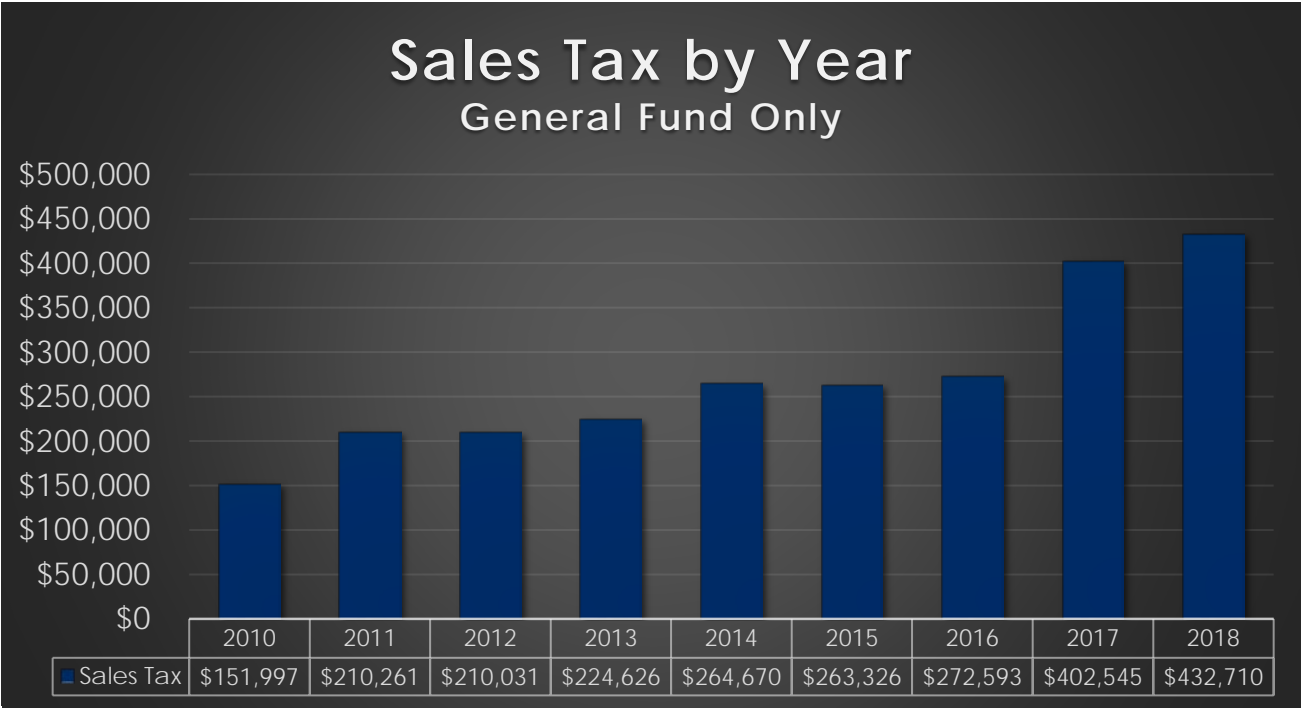


Sales Tax

Total sales tax collected is allocated in three ways; General Fund (1%), Street Maintenance (.25%) and Economic Development (.25%). A separate tax is imposed on mixed beverages.

Sales Tax will account for the second greatest revenue source in the General Fund. Sales tax is difficult to predict because there are many variables that impact the amount. Sales tax revenue increased dramatically in 2017 due to a large annexation that included commercial properties on the periphery of the City. We had another large unforecasted revenue in FY 2018-2019 due to changes in tax requirements for online sales. The fiscal year 2019-2020 sales tax estimate is \$453,035 and mixed beverage tax estimate is \$3,600 towards the General Fund. There is a larger amount of risk associated with estimate given the number of known businesses to leave the City limits, however, the reserve is healthy enough to absorb a shortfall if necessary.

Street Maintenance Fund and Economic Development sales taxes are both anticipated to yield approximately, \$103,500 each.



Franchise Fees

The third largest revenue source in the General Fund is the revenue collected from franchise fees. Franchise fees are collected for the use of the City's rights-of-way by electric, gas, telephone, and other utility companies. The fiscal year 2019-200 franchise fee revenue is estimated to be \$192,300, similar to last year.

Other Revenues

Other revenue sources include Permits and Municipal Court. Permits are issued prior to construction and pay for the contracted cost associated with inspections to ensure safety and improve the quality of life for the citizens of Nolanville. Municipal Court revenues are associated with citations issued through the police department, animal services and code enforcement. While the city does collect money from citations issued by the police department, by law, a significant portion of each fine goes to the State of Texas.

Special Revenue Funds

Special Revenue Funds are dedicated funds with revenues intended to fund a specific purpose and restricted. This section includes a summary of these funds with their description.

Court Security Fee revenue can only be used to improve the security and safety of the Municipal Court including security personnel and security-related training.

The Court Technology Fees requires defendants of convicted misdemeanor offenses in municipal court to pay a fee. This fee can be used to maintain and improve technology at the Municipal Court including: (1) computer systems; (2) computer networks; (3) computer hardware; (4) computer software; (5) imaging systems; (6) electronic kiosks; (7) electronic ticket writers; and (8) docket management systems.

Crossing Guard Fund is generated from a court cost for parking violation convictions. Funds are dedicated to operate school crossing guard program.

Street Maintenance Fund is a dedicated .25% of city sales tax. These revenues may be spent to repair and maintain existing city streets and sidewalks. This fund must be voted on every four years and was last approved in November 2017.

Economic Development Corporation (EDC) Type B is funded by a .25% sales tax. In general, the funds may be spent on development projects and incentives that create primary jobs and authorized projects. Examples of authorized projects include those related to recreation or community facilities. Note: Economic Development Fund is maintained separate from the General Fund, however, EDC budget is included in the adoption of the City Budget Ordinance.

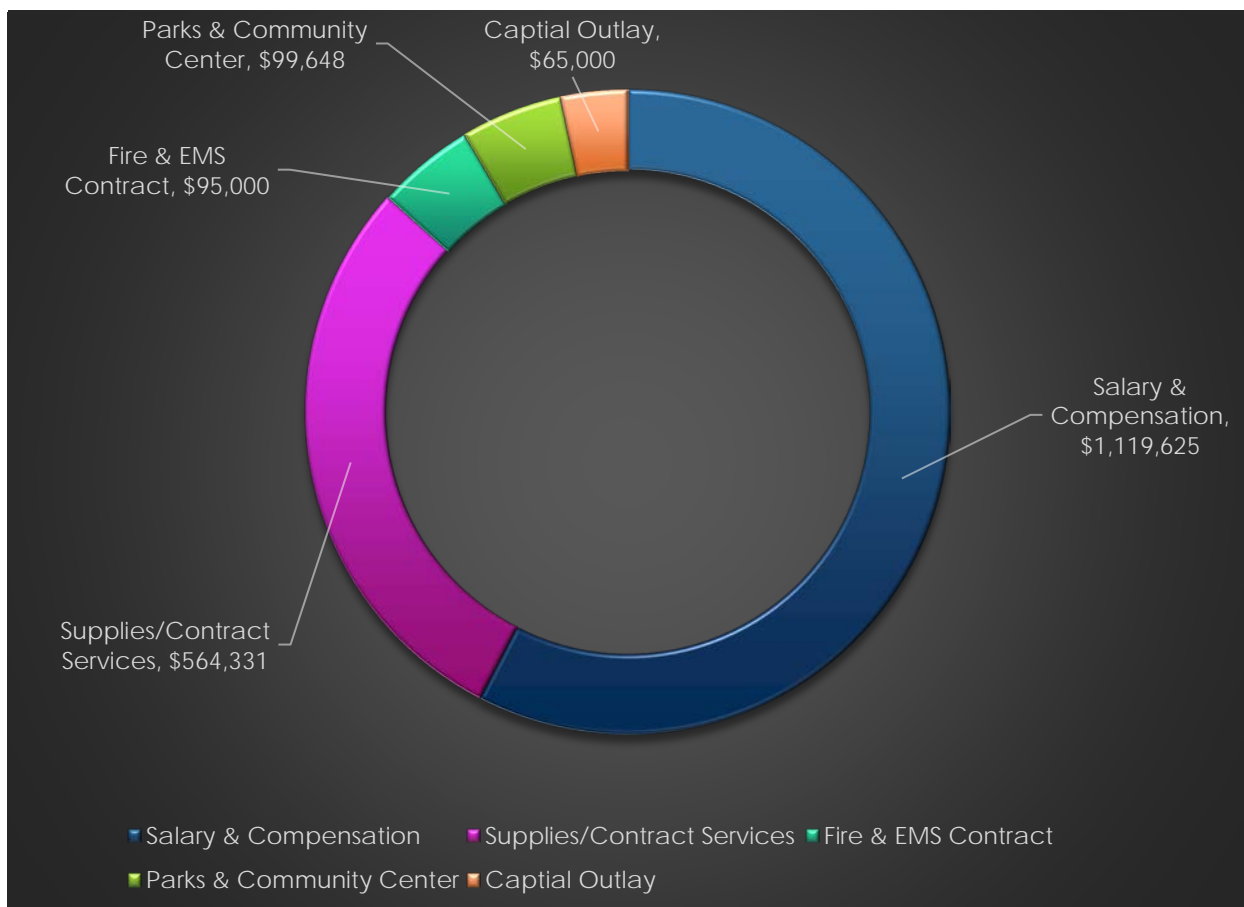
General Fund Expenditures Summary

The Budget includes an increase of \$254,126 in General Fund expenditures from the previous fiscal year. The Budget lists the total General Fund Expenditures at \$1,943,604.

The budget provides capital outlay for Police Department Vehicle and increase in Public Works for Street Maintenance. The park budget is maintained at the same amount as last year in order to keep the Large Park Grant on schedule.

The Budget accounts for a City employee salary increase of 10% for Full Time Staff and 18% increase for the Police Department. The City does not have a merit or step program increase; instead, the percentage of increase is determined annually to ensure that the City of Nolanville retains valued employees and also attracts quality talent. One additional Police Officer, Full time Police Administrator.

Expenditures by Category, Fiscal Year 2019-2020



General Fund Debt Services

The City's outstanding indebtedness will be **\$2,045,904** as of October 1, 2019. Interest and Sinking (I&S) is collected from property tax revenue and pays the principal, interest, and fees on the current debt. The I&S component for FY 19-20 is \$0.1120 per \$100 of assessed valuation.

In September of 2016, the City consolidated the 2007 Series Bond and 2012 Certificate of Obligation to take advantage of low interest rates and secured a 1.73% refinanced bond with Chase. The Council approved a Tax Note with a rate of 2.07% from BBT in March of 2017 to complete several road repairs and drainage issues.

SCHEDULE OF OUTSTANDING DEBT

CITY OF NOLANVILLE

2019-2020 TAX YEAR

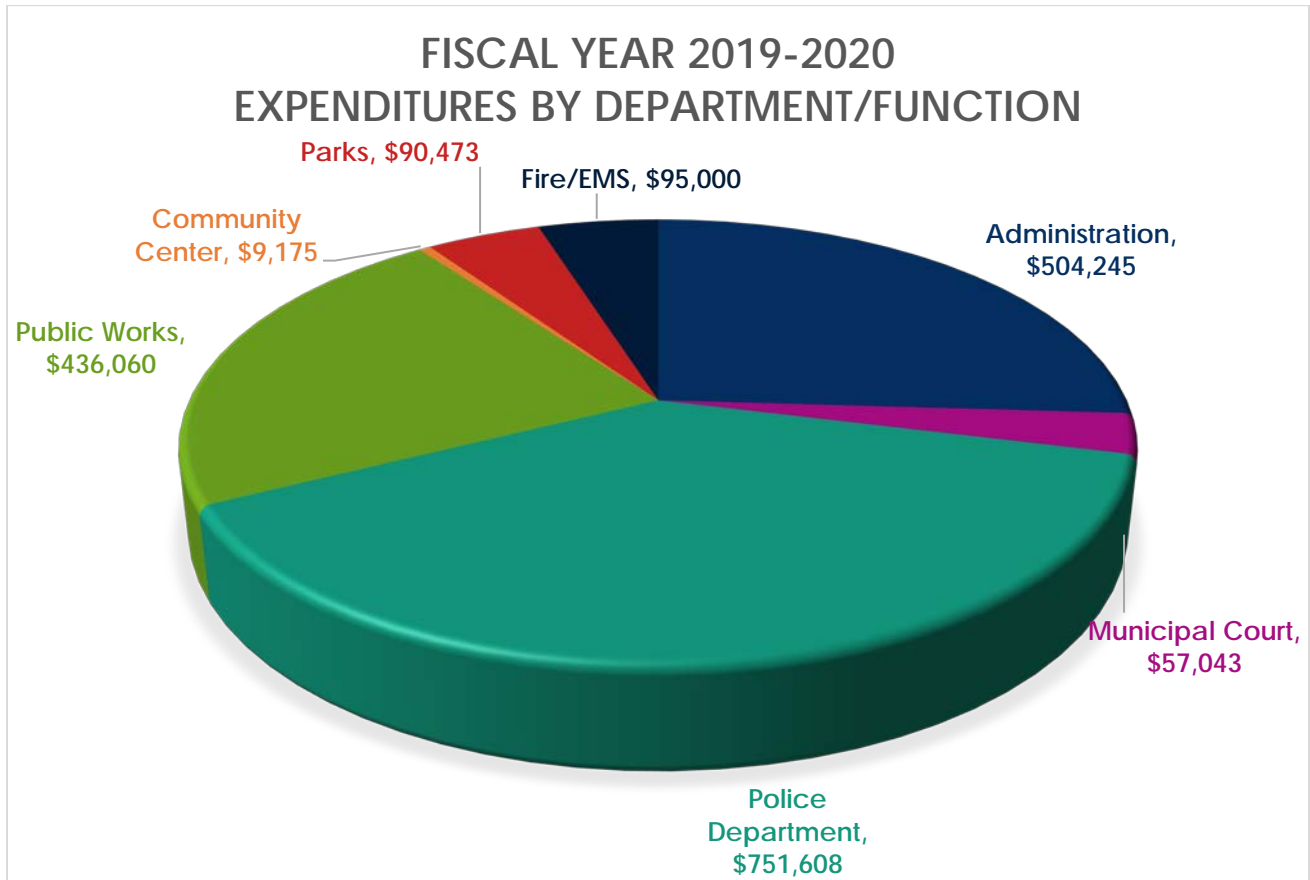
Description of Debt Service	Principal Payments to be Paid	Interest to be Paid	Total Payments
General Obligation Refunding Bonds Series 2016, Chase	\$180,000	\$26,037	\$206,037
Tax Note (7 Year) Series 2017, BBT	\$70,000	\$6,831	\$76,831

Debt Service Account applied: \$15,000

TOTAL FY 2019-20 Payment:

\$282,868

DEPARTMENTAL BUDGETS

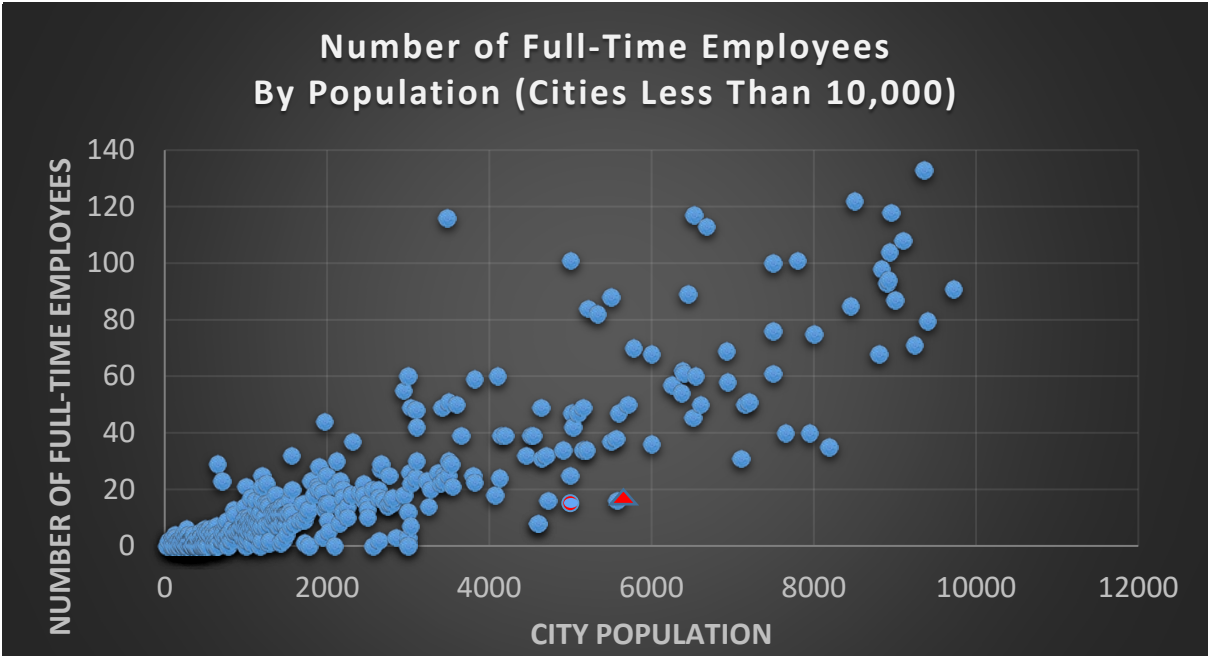


The Municipal Building is located at 101 North 5th Street, Nolanville, Texas 76559. The hours of operation are 8:00AM to 5:00PM, Monday through Friday excluding holidays. All departments can be reached by phone at (254) 698-6335. The City's Website lists announcements and department information at <http://ci.nolanville.tx.us/> . City Email is cityhall@ci.nolanville.tx.us .

Nolanville Personnel Overview Data

Personnel	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
City Manager	1	1	1	1	1
City Secretary	1	1	1	1	1
Finance Director	.5	.5	.5	*	*
Administrative Assistant	1	1	1	1	1
Court Clerk	1	1	1	1	1
Judge				*	*
Police Chief	1	1	1	1	1
Administrative Assistant	1	0	0	*	1
Police Officers	5	6	7	8	9
Public Works Director	1	1	1	1	1
Assistant Public Works	0	0	1	1	2
Seasonal Labor			.3	*	*
Building Official				*	*
Total Personnel	14.5	14.5	*15.5	*16	*18

*Programmed; < 1000 hours for the fiscal year.



Nolanville comparison to other Cities in Texas of similar size. Nolanville is represented by the red triangle.
 Source: 2017 TML Fiscal Conditions Survey; <https://www.tml.org/surveys#fiscal>

ADMINISTRATION

Department Description

The Administration Department of the City of Nolanville is made up of the City Manager, City Secretary, Finance Director, and an Administrative Assistant. Routine Professional Services fall under the Administrative Budget such as City Planning, Engineering, Building Inspections and Legal. The Administrative budget also accounts for all employee health insurance and liability insurance for the City.

Expenditures

The Administration expenditures total \$504,245. The operating budget remains consistent, increasing slightly for wireless services and information technology requirements.

MUNICIPAL COURT

Department Description

Municipal Court duties include Processing, Traffic Citations, Parking Tickets, Class C Misdemeanors, Animal Control Violations, Code Enforcement Violations and other City Ordinance Violations. The Court Clerk serves as the administrative side of the Municipal Court. The responsibilities of the Court Clerk include collecting assessed fines and fees, docketing cases for efficient adjudication, processing filed complaints on time and accurately, and responding courteously to requests for information from the public. The Municipal Court provides all persons the right to trial by judge or jury and follows the procedures set forth under Texas law.

Expenditures

The Municipal Court expenditures remain consistent. Organizational structure change placed the Judge under employee instead of contracted services. Total expenditures are \$57,043.

POLICE DEPARTMENT

Department Description

Under the City Charter, the Police Department is charged to preserve the peace, protect life and property, and enforce the local, state and federal statutes. The Nolanville Police Department is a full-service, community law enforcement agency. To accomplish all tasks assigned to the police department, the organization is divided into three functional areas, Administration, Operations (Patrol), and Support Services, which includes fulltime/part-time personnel and volunteers.

Expenditures

The current Police Department budget totals \$751,608. The Police Department is the area where most of the budget increase occurs. The City wages for officers were not competitive with the neighboring cities. An increase of 18% was needed to prevent turn over. The addition of police officer as well as a full-time administrative assistant to assist with clerical and administrative duties also contributed to a \$181,160 increase. Capital Outlay expenditure is planned for the replacement or addition of a patrol car.

PUBLIC WORKS

Department Description

Public Works Department is comprised of several functions including Code Enforcement, Animal Services, Building Compliance, Storm Water Drainage Permitting, Streets, Parks and Recreation. Public Works also has the responsibility of street repairs, cleaning of storm drains, mowing of City property, and maintaining city street signs. It is Public Works goal to provide quality services to help meet the needs of our unique and growing community while at the same time, ensuring the safety of Nolanville Citizens. This is accomplished through careful review and input regarding all permit applications, checking for compliance with all ordinances and local codes, and inspection of all construction work done in Nolanville.

Expenditures

The Public Works expenditures total \$436,060. Street Maintenance accounts for over one fourth of the budget in order to initiate the 7-year street maintenance plan.

Fire and EMS Contractual Services

Contract Description

Contractual agreements are made for Fire and Emergency Medical Services for City coverage. An amount of \$45,000 was secured for Central Bell County Fire and Rescue Volunteer Fire Department to provide fire protection services. There is not a planned increase in the contracted amount for this Fiscal Year.

The contractual agreement for ambulance service to the City was secured with Acadian Ambulance Service will continue with their contracted services. The annual amount is \$50,000.

SCHEDULE OF CAPITAL OUTLAYS BY DEPARTMENT

Capital outlay items are expenditures for fixed assets such as equipment, infrastructure improvements (building) and vehicles that are funded from the operating budget. These items generally have a life expectancy of up to 10 years or greater than \$5,000. The following table is used to anticipate expenditures by department.

Department	2016-2017	2017-2018	2018-2019	Projected
Municipal Buildings				
Renovations	\$61,000	\$0	\$10,000	\$0
Storage Building				
Community Centers	\$4,000	\$4,505		
Information Technology				
Server	\$10,000		18000	
Security Cameras	\$6,000			
Administration				
Furniture & Equip.				
Municipal Court				
Security Improvements	\$3,000			
Police Department				
Automobile Cameras	\$19,000	\$6,000	\$12,000	
Equipped Police Vehicles		\$40,000	\$91,678	\$65,000
Weather Siren				
Radars	\$10,980		\$5,000	
Public Works				
Mower		\$6,000		
Truck			\$35,000	
Parks				
Grant Matching Funds & Equip	\$75,000	\$120,000	\$70,000	\$70,000
Total	\$188,980	\$176,505	\$241,678	\$135,000

GENERAL FUND CAPITAL REPLACEMENT PROGRAM

Item by Department	Service Life	# of Units In Dept.	Item Cost	Cost/Year	2019-2020 Budget	Original or Last Original Purchase Year
ADMINISTRATION						
Computers (includes Finance/PW)	5	7	\$1,800	\$2,520	\$3,000	Varies
File Server	5	1	\$7,500	\$1,500		2017
TOTAL			\$9,300	\$4,020	\$3,000	
COURTS						
Cameras/Security	5	1	\$6,000	\$1,200	\$0	2017
TOTAL			\$6,000	\$1,200	\$0	
PUBLIC WORKS						
John Deere 790 Tractor	10	1	\$38,000	\$3,800		2000
Mower, Zero Turn Hustler, 2016	7	1	\$6,000	\$857		2015
Mower, Zero Turn Hustler, 2018	7	1	\$6,000	\$857		2010
16' C&M Utility Trailer	15	1	\$3,000	\$200		2005
Utility Trailer Dump 14FT	15	1	\$6,000	\$400	\$7,000	2000
Dodge Ram (2018)	7	1	\$28,000	\$4,000		2018
F150	7	1	\$25,000	\$3,571		2007
F250	7	1	\$25,000	\$3,571		2011
Mahindra Tractor 4530 w loader	10	1	\$55,000	\$5,500		2006
Backhoe CAT 420E	20	1	\$70,000	\$3,500		2010
TOTAL			\$262,000	\$26,257	\$7,000	
POLICE						
File Server	5	1	\$12,000	\$2,400	\$22,000	2009
Laptop computers	5	8	\$1,800	\$2,880		Varies
Desktop computers	5	3	\$1,800	\$1,080		Varies
In-car video recorder	7	5	\$6,500	\$4,643		Varies
Patrol Vehicles	5	7	\$45,000	\$63,000		
Dodge Charger (2012); miles 68,000						2012
Dodge Charger (2012); miles 118,000					\$65,000	2012
Dodge Charger (2013); miles 122,500						2013
Ford Explorer (2017); miles 38,804						2017
Ford Inter Sedan (2018); miles 33,613						
Ford Crown Sedan (2011); miles 64,000					\$17,000	
Ford Explorer (2019); miles 33						2016
Harris	10	8	\$4,275	\$3,420	\$2,000	2014
Vehicle radar	10	8	\$2,000	\$1,600	\$1,200	2017
TOTAL			\$73,375	\$79,023	\$107,200	
GRAND TOTAL				\$109,300	\$117,200	
			These expenditures will be funded by unforecasted revenue at the end of the FY 18-19 to offset impact on budget			

CAPITAL IMPROVEMENTS PROGRAM (CIP)

Capital Improvement Projects (CIP) address Nolanville's long-term needs in the form of street repairs, drainage improvements, parks, other public utilities and facilities. These projects are typically scheduled over several years to address the City's ability to pay for the improvements. Capital Improvement Projects are relatively expensive and non-recurring, periodically these improvements are financed with Bonds or Certificates of Obligation.

Street & Drainage Improvements

Major infrastructure improvements are accomplished using different sources of funding. The Street Maintenance Fund, funded by a 1/4% sales tax has an anticipated revenue of \$102,500 for FY 2019-2020. The vote to approve this tax for an additional four years was successful in November 2017. Grants from Killeen Temple Metropolitan Planning Organization (KTMPO) & Texas Department of Transportation (TxDOT) are another source. Calls for projects occur every 2-3 years. Bonds, Certificates of Obligation and Tax Notes provide another method for funding major projects.

Ideally, future budgets will provide a provision to save for matching fund requirements, engineering and professional services involving project calls. This will ensure the City is postured to receive grant awards by preparing projects to be "shovel ready." In the event that grants are limited, the funds can be used to complete work in phases.

The City received 1.5 million dollars in Category 7 grant funding from Killeen Temple Metropolitan Planning Organization to improve Avenue H and Mesquite Street, called the "Park Connectivity Project." The scope for the project consists of complete streets to improve bicycle & pedestrian safety from 10th Street to the Park. The project requires the City to fund 20% of construction and all of the preliminary engineering. The Street Maintenance Funds for FY 2019-2020 are earmarked to complete the preliminary engineering for this project.

Priorities for future project calls within the next five years include:

1. Old Nolanville Bridge repair with pedestrian extension and multi-use trail to Highway 190/Interstate 14 (projected 2022, in combination with KTMPO project call)
2. Spur FM 439- Multi-use trail from North Street to Main Street along Spur
3. Roadway Connection between Warrior's Path and FM 439

Priorities for Future Road Maintenance Activities:

Plaza Improvements

Plaza improvements continues in phases, priority is given to the roads experiencing the most degradation. Drainage improvements are anticipated to extend the life expectancy of the roads. There may be opportunities to combine improvements with other construction mobilization to reduce cost.

One side street for reconstruction costs \$80,000 plus engineering. In priority as listed the next streets for repair include East Ash, West Ash, East Birch, East Fir, East Cedar and East Pine.

Capital projects that may be considered for future bond issue included in a combined infrastructure improvement package:

1. Quiet zone requirements for railroad crossings at Jackrabbit, 5th Street and Pleasant Hill. These priorities would improve the safety by leveling tracks and widening roads as needed.
2. Drainage improvements as recommended by the Regional Flood Plain Study.

Nolanville Greenways

Phase II of City Park Improvement received grant funding for \$321,000 (50% City Match required). The Basketball/Volleyball Court was the first element installed January 2019. The Multi-use field is scheduled for completion summer 2019, with the bid for the trails to follow in October 2019. A \$30,000 grant called "Meet Me at the Park" was received from Disney Corporation for assistance with funding ADA accessible trails. The City has three years to complete the remaining items which include the Skate Park and Dog Park.

Next recreational grant application will center on trail improvements along Wildwood Estates and/or Nolan Creek through Texas Parks and Wildlife. Applications for this are due in February 2020, preliminary engineering and application administration will be necessary in order to compete.

CIP Provision Summary

The City is prepared to submit a bond or Certificate of Obligation (COO) or tax note in 2020 to bundle an infrastructure improvement package. Potential elements in the package include the third phase of the Plaza Street improvements, Avenue H/Mesquite reconstruction and sidewalks "Park Connectivity" match, South Main Street Bridge - Nolan Creek path, and completion of the Quiet Zone. Every effort will be made to offset these costs through a combination of grants, use of Sales Tax-Street Maintenance and potentially unencumbered reserves.

Project Description	ENG	CONSTR.	LAND	TOTAL	Provision	CONST.	PAID TO	BUDGET	Projected
						YEAR	DATE	2019/2020	Total: 10/01/2021
Master Park Plan	\$60,000	\$640,000		\$700,000	TPW 50% Match, M&O	18-21	\$120,000	\$73,500	\$193,500
Avenue H Completion N40-04	\$250,000	\$1,558,802		\$1,808,802	Cat 9 & Bond	2020		80,000	\$80,000
Plaza Street Improvements	\$175,000	\$1,600,000		\$1,775,000	CDBG (Unfunded)	Multi-year			
Spur Improvements N40-05	\$130,000	\$593,230		\$723,230	Cat 9 & Bond	2022			
ONR Bridge to Main Street N40-03	\$150,000	\$793,000		\$943,000	Cat 7	TBD			
Warrior's Path N40-07		\$5,703,255		\$5,703,255	Cat 7	2025			
Warrior's Path II N40-08		\$8,000,000		\$8,000,000	Unfunded	TBD			
Railroad Safety & QZ N40-06		\$500,000		\$500,000	Cat 7	Multi-year			
Pleasant Hill Class II Lane N40-09				\$765,000	Unfunded	TBD			
WW Trail N40-13	\$50,000	\$400,000		\$450,000	Cat 9 & TPW	TBD			
Nolan Creek Trail N40-11				\$0	Cat 9 & TPW	TBD			
Jackrabbit Class II Lane N4012				\$0	Unfunded	TBD			

TBD- To Be Determined

AD Valorem Taxes Analysis				
ESTIMATE OF AD VALOREM TAX REVENUE				
AND PROPOSED DISTRIBUTION OF COLLECTIONS				
Taxable Assessed Valuation			\$	239,098,049
Proposed Tax Rte of \$100 Valuation			\$	0.5156
Non-Freeze Tax Levy			\$	1,232,790
Freeze Tax Levy			\$	78,846
Total Tax Levy			\$	1,311,636
Estimated Percent of Collections				100%
Estimated Funds from Tax Levy			\$	1,311,636
PROPOSED DISTRIBUTION OF ALL TAX COLLECTIONS				
	% of Total	Tax Rate		Collections
General Fund	78.28%	\$ 0.4036		1,026,719
Debt Service Fund	21.72%	\$ 0.1120		284,917
Total	1.0000	\$ 0.5156		1,311,636
COMPARISON OF PREVIOUS YEARS TAX RATES				
Tax Year	General Fund	Debt Service		Total
2018	0.4065	0.12		0.5265
2017	0.3777	0.1222		0.4999
2016	0.3878	0.1142		0.5020
2015	0.3781	0.1273		0.5054
2014	0.3635	0.1419		0.5054
2013	0.3650	0.1468		0.5118
2012	0.3654	0.1541		0.5195
2011	0.3454	0.1240		0.4694
PROPERTY VALUE ANALYSIS				
Tax Year	Assessed Value	Percentage Change	Amount Collected	Percentage Collected
2018	\$234,039,465	2.27%	\$1,130,907	93.18%
2017	\$228,839,002	16.14%	\$1,096,349	96.59%
2016	\$197,044,479	7.08%	\$957,727	97.18%
2015	\$184,014,670	3.63%	\$899,794	97.16%
2014	\$177,576,133	3.15%	\$831,547	97.20%
2013	\$172,153,826	6.06%	\$792,789	97.25%
2012	\$162,322,922	5.44%	\$761,543	97.31%
2011	\$153,943,751	1.57%	\$659,032	97.37%

CITY OF NOLANVILLE
Proposed Annual Budget
Fiscal Year 2019 - 2020

	<u>FY 18-19</u> <u>BUDGET</u>	<u>FY 19-20</u> <u>BUDGET</u>
<u>GENERAL FUND</u>		
REVENUES		
Ad Valorem Tax	944,228	1,026,719
Sales Tax	373,600	456,635
Municipal Court	76,000	161,000
Franchise Fees	185,300	192,300
Permits	73,000	73,000
Public Works	1,250	1,250
Other Misc Revenues (inc Transfers In)	36,100	32,700
TOTAL REVENUES	1,689,478	1,943,604
EXPENDITURES		
<u>ADMINISTRATION</u>		
Personnel	270,202	302,545
Supplies/Contracted Services	197,800	201,700
Capital Outlay	0	0
Total Administration	468,002	504,245
<u>MUNICIPAL COURT</u>		
Personnel	41,516	44,673
Supplies/Contracted Services	12,370	12,370
Capital Outlay	0	0
Total Municipal Court	53,886	57,043
<u>POLICE DEPARTMENT</u>		
Personnel	462,847	609,958
Supplies/Contracted Services	62,601	76,650
Capital Outlay	45,000	65,000
Total Police Department	570,448	751,608
<u>EMERGENCY SERVICES</u>		
Fire Services	45,000	45,000
Ambulance Services	50,000	50,000
Total Emergency Services	95,000	95,000
<u>PUBLIC WORKS</u>		
Personnel	146,890	162,449
Supplies/Contracted Services	224,811	273,611
Capital Outlay	30,000	0
Total Public Works	401,701	436,060
<u>COMMUNITY CENTER</u>		
Supplies/Contracted Services	9,175	9,175
Capital Outlay	0	0
Total Community Center	9,175	9,175
<u>PARKS</u>		
Supplies/Contracted Services	17,166	16,973
Capital Outlay	73,500	73,500
Total Parks	91,266	90,473
TOTAL EXPENDITURES	1,689,478	1,943,604
REVENUES OVER/(UNDER) EXPENDITURES	0	0
BEGINNING FUND BALANCE (Estimated)	818,268	855,162
ENDING FUND BALANCE (Estimated)	855,162	855,162

SPECIAL FUNDS	FY 18-19 BUDGET	FY 19-20 BUDGET	ESTIMATED END FY 18-19 START BALANCE
DEBT SERVICE FUND			
REVENUES	282,344	282,868	20,000
EXPENDITURES	282,344	282,868	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	
COURT SECURITY FUND			
REVENUES	1,750	4,000	25,617
EXPENDITURES	1,750	0	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>4,000</u>	
COURT TECHNOLOGY FUND			
REVENUES	2,333	4,000	5,000
EXPENDITURES	2,333	5,500	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>-1,500</u>	
CROSSING GUARD FUND			
REVENUES	450	5,500	13,050
EXPENDITURES	450	0	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>5,500</u>	
STREET MAINTENANCE FUND			
REVENUES	92,500	140,534	45,000
EXPENDITURES	92,500	140,534	
REVENUES OVER/(UNDER) EXPENDITURES	<u>-</u>	<u>(0)</u>	
GRANTS FUNDS			
REVENUES	868,783	143,500	15,000
EXPENDITURES	550,000	143,500	
REVENUES OVER/(UNDER) EXPENDITURES	<u>318,783</u>	<u>-</u>	
NOLANVILLE ECONOMIC DEVELOPMENT CORP			
REVENUES	92,750	103,500	165,000
TRANSFER IN			
EXPENDITURES	109,150	171,900	
REVENUES OVER/(UNDER) EXPENDITURES	<u>-16,400</u>	<u>-68,400</u>	



ORDINANCE No. F 19-09 #1

AN ORDINANCE OF THE CITY OF NOLANVILLE, TEXAS, ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020; PROVIDING THAT ALL PREVIOUS BUDGET ALLOCATIONS SHALL BE SAVED; AND PROVIDING FOR SEVERABILITY AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Nolanville is a Home Rule City in the State of Texas; and

WHEREAS, Chapter 102 of the Texas Local Government Code requires that a City budget must be adopted annually; and

WHEREAS, a budget for operating the municipal government of the City of Nolanville for the fiscal year October 1, 2019, to September 30, 2020, has been prepared by Kara Escajeda, City Manager, as Budget Officer for the City of Nolanville, Texas; and

WHEREAS, said budget has been submitted to the City Council by the City Manager in accordance with the City Charter; and

WHEREAS, Notice of a Public Hearing on the Proposed Budget of the City of Nolanville, Texas for the year 2019-2020 has been posted in accordance with Texas Local Government Code Section 102.0065; and

WHEREAS, public hearings were duly held at the time and place as provided for in the notice of such public hearings and all interested persons were given an opportunity to be heard on said proposed budget; and

WHEREAS, the City of Nolanville wishes to adopt the Proposed Budget for the 2019-2020 Fiscal Year;

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

1. APPROVAL OF BUDGET

The proposed budget presented by the City Manager and made available for public review for one month prior to its adoption including all amendments thereto as a result of such review and public hearing is hereby approved and adopted for the fiscal year 2019-2020. That the appropriations for the 2019-2020 fiscal year for different administrative units and purposes of the

City of Nolanville, Texas be fixed and determined for said fiscal year in accordance with expenditures shown in said budget.

2. FILING OF THE BUDGET

The City Secretary shall attach any required cover page to the adopted budget, file the budget in her office, and post a copy of the budget, including the cover page, on the website of the City of Nolanville. The City Secretary shall post the record vote on the budget on the website until September 30, 2020 (one year).

3. CUMULATIVE CLAUSE

This Ordinance shall be cumulative of all provisions of Ordinances of the City of Nolanville, Texas, except where the provisions of this Ordinance are in direct conflict with the provisions of such Ordinance, in which event the conflicting provisions of such Ordinance are hereby repealed.

4. SEVERABILITY CLAUSE

That if any section, subsection, paragraph, clause, phrase, or provision of this Ordinance shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this Ordinance as a whole or provision thereof, other than the part as so decided to be invalid or unconstitutional.

5. SAVINGS CLAUSE

That all previous budget Ordinances shall remain in full force and effect, save and except as amended by this Ordinance.

6. ENGROSSMENT & ENROLLMENT

The City Secretary of the City of Nolanville is hereby directed to engross and enroll this Ordinance by copying the caption, publication clause, penalty clause in the minutes of the City Council of the City of Nolanville and by filing this Ordinance in the Ordinance records of the City.

7. PUBLICATION CLAUSE

The City Secretary of the City of Nolanville, Texas is hereby directed to publish in the Official newspaper of the City of Nolanville, the caption, and effective date clause of this Ordinance as required by Section 52.011 of the Texas Local Government Code.

8. EFFECTIVE DATE

The necessity for making and approving a budget for the fiscal year, as required by the laws of the State of Texas, requires that this Ordinance shall take effect immediately from and after its passage, as the law in such case provides.

9. PROPER NOTICE & 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. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED & APPROVED this, the 19th day of September, 2019 by vote of:

Andy Williams	No Vote Required
Butch Reis	<u>X</u> (aye) (nay) to ___ (abstention)
Joan Hinshaw	<u>X</u> (aye) (nay) to ___ (abstention)
George French III	<u>X</u> (aye) (nay) to ___ (abstention)
David Williams	<u>X</u> (aye) (nay) to ___ (abstention)
James Bilberry	<u>X</u> (aye) (nay) to ___ (abstention)

of the City Council of Nolanville, Texas.





ORDINANCE NO. F 19-09-#2

AN ORDINANCE OF THE CITY OF NOLANVILLE, TEXAS, SETTING A PROPERTY (AD VALOREM) TAX RATE AND APPROVING THE 2019 AD VALOREM TAX RATE AND LEVY OF (\$0.5156) PER ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUATION OF ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY; AND PROVIDING FOR SEVERABILITY AND DECLARING AN EFFECTIVE DATE.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$102,976.57, 6.506920%, AND OF THAT AMOUNT \$51,990.23 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

WHEREAS, the City of Nolanville is a Home Rule City in the State of Texas; and

WHEREAS, a budget appropriating revenues generated for the use and support of the municipal government of the City of Nolanville has been approved and adopted by the Nolanville City Council as required by Section 102.009 of the Texas Local Government Code

WHEREAS, the Chief Appraiser of the Bell County Tax Appraisal District has prepared and certified the appraisal roll of the City of Nolanville, Texas, said roll being that portion of the approved appraisal roll of the Bell County Tax Appraisal District which list property taxable by the City of Nolanville, Texas; and

WHEREAS, the City Council has complied with all applicable requirements of the Texas Property Tax Code prior to the setting of the tax rate for said City for 2019.

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

1. APPROVAL OF 2019 TAX RATE & LEVY

That there be and is hereby levied and shall be assessed and collected for the year 2019, on all taxable property, real, personal and mixed, situated within the City Limits of the City of Nolanville, Texas, and not exempt by the Constitution of the State and valid State Laws, an ad valorem tax rate of \$0.5156 on each One Hundred Dollars (\$100.00) assessed value of taxable property, and shall be apportioned and distributed as follows:

- (a) For the purpose of defraying the current expenses and budget of the municipal government of the City (maintenance and operation), a tax rate of \$0.4036 on each One Hundred Dollars (\$100.00) assessed value of taxable property.
- (b) For the purpose of creating a sinking fund to pay the interest and principal on all outstanding bonds or other indebtedness of the City, not otherwise provided for, a tax of \$0.1120 on each One Hundred Dollars (\$100.00) assessed value of taxable property which shall be applied to the payment of such interest and maturities of all outstanding bonds or other indebtedness.

2. PENALTY & INTEREST

All taxes shall become a lien upon the property against which assessed and the City Tax Assessor/Collector for the City of Nolanville, Texas shall by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty and interest collected from such delinquent taxes shall be appropriated for the general fund of the City of Nolanville, Texas.

3. CUMULATIVE CLAUSE

This Ordinance shall be cumulative of all provisions of Ordinances of the City of Nolanville, Texas, except where the provisions of this Ordinance are in direct conflict with the provisions of such Ordinance, in which event the conflicting provisions of such Ordinance are hereby repealed.

4. SEVERABILITY CLAUSE

That if any section, subsection, paragraph, clause, phrase, or provision of this Ordinance shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this Ordinance as a whole or provision thereof, other than the part as so decided to be invalid or unconstitutional.

5. SAVINGS CLAUSE

That all previous tax rate Ordinances, including exemptions listed therein, shall remain in full force and effect, save and except as amended by this Ordinance.

6. ENGROSSMENT & ENROLLMENT

The City Secretary of the City of Nolanville is hereby directed to engross and enroll this Ordinance by copying the caption, publication clause, penalty clause in the minutes of the City Council of the City of Nolanville and by filing this Ordinance in the Ordinance records of the City.

7. PUBLICATION CLAUSE

The City Secretary of the City of Nolanville, Texas is hereby directed to publish in the Official newspaper of the City of Nolanville, the caption, and effective date clause of this Ordinance as required by Section 52.011 of the Texas Local Government Code.

8. EFFECTIVE DATE

The necessity for making and approving a tax rate for the fiscal year, as required by the laws of the State of Texas, requires that this Ordinance shall take effect immediately from and after its passage, as the law in such case provides.

9. PROPER NOTICE & 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. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED & APPROVED this, the 19st day of September, 2019 by vote of:

Andy Williams	No Vote Required
Butch Reis	<u>X</u> (aye) (nay) to ___ (abstention)
Joan Hinshaw	<u>X</u> (aye) (nay) to ___ (abstention)
George French III	<u>X</u> (aye) (nay) to ___ (abstention)
David Williams	<u>X</u> (aye) (nay) to ___ (abstention)
James Bilberry	<u>X</u> (aye) (nay) to ___ (abstention)

of the City Council of Nolanville, Texas.





July 2019

MEMORANDUM FOR City Council

Re: Economic Development Budget FY19-2020

Budget	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Estimated Starting Balance	187,045.03	107,395	115,000	92,500
Estimated Total Revenue	40,000	81,250	92,500	103,500
Estimated Expenditures				
Wages				43,000
Administrative/Rent	2,400	2,400	2,400	2,400
Advertising/Marketing				5,000
Dues & Fees	250	250	250	6,000
Furniture				
Insurance	250	250		1,000
Legal Fees	1,000	1,000		5,000
Community Development	13,500	13,500	65,000	60,000
Grants Matching Funds	126,867			
Meeting Expenses	500	500	500	1,500
Professional Services	3,500	40,000	20,000	15,000
Office Supplies	1,000	1,000	1,000	1,000
Economic Development Incentives	20,000	20,000	15,000	15,000
Keep Nolanville Beautiful				10,000
Training & Education	1,500	1,500	2,500	4,000
Travel & Meals	1,250	1,250	2,500	3,000
Total Expenditures	172,017	81,650	109,150	171,900.00
Excess of Revenues Over Expenditures	(132,017)	(400)	(16,650.00)	(68,400)
Estimated Ending Fund Balance	107,395	115,000	92,500	
Fund Balance (as of June 2019)	171,171.65			

Bryan Buck, President
Nolanville Economic Development Corporation



RESOLUTION No. F 19-07

**A RESOLUTION OF THE CITY COUNCIL ADOPTING AN
INVESTMENT POLICY FOR FISCAL YEAR 2019-2020 AND
DESIGNATING INVESTMENT OFFICERS**

WHEREAS, the City of Nolanville is a City Charter type of local government of the State of Texas; and

WHEREAS, the City Council seeks to be in compliance with The Public Funds Investment Act governed by Government Code §2256.001; and

WHEREAS, the Public Funds Investment Act requires the City to adopt an investment policy, investment strategies, and designate an investment officer,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NOLANVILLE THAT:

The Investment Policy attached as Exhibit A has been reviewed by the City Council and the Council hereby readopts the Investment Policy attached.

IT IS FURTHER RESOLVED that Marlene Fey, Finance Director (Primary Investment Officer) and Kara Escajeda, City Manager (Secondary Investment Officer) are hereby appointed Investment Officers to be responsible for the investment of funds in accordance with State law.

APPROVED AND PASSED this, the 1st day of August, 2019.

CITY OF NOLANVILLE, TEXAS



Andy Williams, Mayor

ATTEST:



Crystal Briggs, City Secretary



EXHIBIT "A"

CITY OF NOLANVILLE INVESTMENT POLICY

Adopted, July 18, 2019

I. POLICY STATEMENT

It is the policy of the City of Nolanville ("City") that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state statutes governing the investment of public funds.

II. OBJECTIVES AND STRATEGY

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity. The choice of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise.

Safety of Principal

Safety of principal is the foremost objective of the City. Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Liquidity

The City's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.

Diversification

Diversification of the portfolio will include diversification by maturity and market sector. Competitive bidding will be used on each sale and purchase.

Yield

The City's investment portfolio shall be designed with the objective of attaining a market rate of return taking into account the City's risk constraints and the cash flow needs of the portfolio. The City will use the average yield of the six months U.S. Treasury Bill during the same period as its benchmark for risk.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability.

III. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code, and (the Act"). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits. All investments will be made in accordance with these statutes.

IV DELEGATION OF INVESTMENT AUTHORITY

The City Council has designated two (2) Investment Officers, who are responsible for investment management decisions and activities. Marlene Fey, Finance Director is the Primary Investment Officer and Kara Escajeda, City Manager is the Secondary Investment Officer. No Officer may engage in an investment transaction except as provided under the terms of this Policy and the procedures established.

V. PRUDENCE

The standard of prudence to be used in the investment function shall be the "Prudent Person" standard and shall be applied in the context of managing the overall portfolio.

This standard 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 expected income to be derived."

Limitation of Personal Liability

The Investment Officers and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accordance with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk and market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

VI. AUTHORIZED INVESTMENTS

At no time shall the assets of the City be invested in any instrument or security not authorized under the Public Funds Investment Act ("PFIA") as the Act may be amended from time to time. Assets of the City may be invested in the following instruments:

1. Obligations issued, guaranteed, or insured by the U.S. or its Agencies and Instrumentalities, including letters of credit. These securities should have a maturity date no longer than two years from the date of purchase. They may only be purchased from brokers/dealers that have been approved by the City Council. They shall be purchased using the delivery vs. payment method.
2. Certificates of deposit/Money Market Funds that:
 - A. are issued by a state or national bank, a savings bank, or a state or federal credit union domiciled in Texas,
 - B. are secured by FDIC or National Credit Union Share Insurance Fund,

C. are collateralized as described in the PFIA and the Public Funds Collateral Act,
D. have a maturity date no longer than two years from the date of purchase. Bids for CD's may be solicited orally or in writing or electronically or in any combination of those three methods.

3. Investment pools that:

- A. are authorized by the City Council
- B. only invest in obligations approved by the PFIA,
- C. provide an offering circular containing information required by the PFIA,
- D. provide investment transaction confirmations,
- E. provide a monthly report containing information required by the PFIA,
- F. function like a money market mutual fund that marks its portfolio to market daily and stabilizes its net asset value at \$1 per share.
- G. have a dollar weighted average stated maturity of 90 days or less,
- H. have an advisor board as specified by the PFIA,
- I. are rated not less than AAA or an equivalent rating by at least one national recognized rating service.

Before an investment is made, a written copy of the investment policy must be presented to the individual or business organization offering to engage in an investment transaction with the City. A written instrument, signed by a qualified representative, must be received from that individual or business organization that acknowledges that the City policy has been received and reviewed and the procedures and controls have been implemented to preclude unauthorized transactions.

VII. COLLATERALIZATION

Consistent with the requirement of the Public Funds Collateral Act, the City will require full collateralization of all City investments and funds on deposit with a depository bank, other than investments which are obligations of the U.S. government and its agencies and instrumentalities. The Investment Officer of the City is responsible for entering into collateralization agreements. Evidence of ownership must be furnished to the City.

VIII. REPORTING

The Investment Officers shall prepare and submit to the City Council monthly, quarterly and annually a written report that describes in detail the City's investment position on the date of the report. Marlene Fey, Finance Director will provide the quarterly report briefing to the City Council. The report will contain the weighted average maturity of investment pools. It will also contain, for comparison purposes, the current rates of return on 3 and 6 month T-Bills. The report shall be signed by the Investment Officer and shall include a statement of compliance of the investment portfolio with the PFIA and the City's investment strategy and policy. The City's outside auditor in conjunction with the annual financial audit shall perform a compliance audit to assess management controls on investments and adherence to the established investment policy.

IX. INVESTMENT POLICY ADOPTION

The City's investment policy shall be adopted by the City Council. The Council shall review the policy and strategies on an annual basis. A written resolution approving that review and changes to the policy from the review will be passed and recorded by the City Council.

<p>City of Nolanville, Texas Financial Policies</p>
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<u>Policy No.</u>	<u>Description</u>	<u>Page</u>
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2.	Fiscal and Budgetary Policy	3
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16.	Purchasing Policy	9
17.	Price Quotations	10

Policies 1.-17. presented to City Council, April 4, 2019

Financial Policies and Procedures

1. Financials

A. Bank Depository

The City shall maintain funds in a Bank, designated as its depository for banking services. City Council shall review depository every three years unless circumstances deem otherwise.

B. Accounts Payable

Four (4) individuals are authorized to sign checks written on the bank depository account: City Manager, Assistant City Manager, Chief of Police and City Treasurer. All checks greater than \$5,000 require two authorized signatures. No exceptions. Checks less than \$5,000 not signed by the City Manager or Assistant City Manager must be signed by two authorized signers, Chief of Police and City Treasurer.

C. Accounting

The Treasurer as the City's Chief Financial Officer will be responsible for establishing the structure for the City Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City's financial position. The Treasurer shall provide financial reports to the City Manager monthly.

D. Audit of Accounts

An independent audit of the City accounts will be performed annually. The Auditor is retained by and is accountable directly to the City Council.

2. Fiscal and Budgetary Policy

A. Purpose

The City of Nolanville is committed to financial management through integrity, prudent stewardship, planning, accountability, full disclosure and communication. The broad purpose of the Fiscal and Budgetary Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition, and provide guidelines for the day-to-day planning and operations of the City's financial affairs.

Policy scope generally spans areas of accounting and financial reporting, internal controls, operating budget, revenue management, investment and asset management, debt management and forecasting. This is done in order to:

1. Fairly present and fully disclose the financial position of the City in conformity to generally accepted accounting principles (GAAP) and
2. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Local Government Code and other legal mandates.

3. Operating Budget

A. Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The "operating budget" is the City's annual financial operating plan. It provides for the payment of expenses incurred as the government works towards its annual goals and the ongoing pursuit of protecting the citizenry, promoting and protecting public health and welfare, and ensuring statutory requirements are followed.

1. Preparation: The budget is developed by staff and elected officials with assistance from the City Treasurer under the responsibility of the City Manager as budget officer.
2. Review: Preliminary budget is submitted for initial review NLT 45 days prior to end of fiscal year. At least two Public Hearings will be held prior to adoption.
3. Adoption: The Final Budget is placed on the City Council's agenda for adoption during the last month of the fiscal year (September).

B. Balanced Budget: The goal of the City is to balance the operating budget with current revenues, whereby current revenues would match and fund on-going expenditures. Any excess balances in the operating funds from previous years will be maintained for contingencies or as general reserves.

C. Planning: The budget process will be coordinated so that the major policy issues are identified prior to budget approval date. This will allow adequate time for consideration of appropriate decisions and analysis of financial impacts.

D. Reporting: Summary financial reports will be submitted to the City Council on a monthly basis to maintain on-going understanding of current expenditures and income status.

E. Contingency Appropriations: The budget may include contingency appropriations within designated operating lines. These funds are used to offset unexpected maintenance or other expenses. Every effort will be made to minimize the need for contingency funds usage.

F. Pursuant to section 103.003 of the Texas Local Government Code and section 6.11 of the Nolanville Home Rule Charter, an annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the City Secretary within 180 days after the last day of the City's fiscal year, and shall be available for public inspection.

4. Revenue Management

A. Types: The city receives revenue from the following sources:

1. Property Taxes. Collected by the Bell County Tax Appraisal District and transmitted to the city via automatic bank drafts as collected.
2. Sales and Use Taxes. Collected by the State Comptroller and transmitted monthly or quarterly to the city via automatic bank drafts.
3. Franchise Fees. The city, by ordinance, has levied fees on certain services being provided to city residents by vendors operating within the city. These fees are paid directly from the vendor to the city on a recurring schedule, normally quarterly.
4. Permit and License Fees: The city assesses fees by ordinance on many services provided by the city and fees for permitting specific functions within the city. These fees are collected by the city and deposited in the city's bank depository.
5. Investment Income. The city makes investments of money not needed for current expenditures. These investments will earn interest and it will be deposited in the bank depository or maintained in the investment account until needed by the city for expenditures.

B. Recording. The treasurer is responsible for recording the revenues received by the city in the books of accounts in a timely manner.

C. Scheduling. The treasurer shall maintain a schedule of all anticipated revenues to insure funds are received when expected.

5. Expenditure Policies

A. Budget Amendments: The City Council may authorize with a majority vote, emergency expenditures as an amendment to the original budget.

B. Prompt Payment: All invoices will be approved for payment by Department heads or Mayor, depending on the purchase criteria, and paid within the established terms of the vendor and in compliance with applicable law. The treasurer shall make all effort to receive any prompt payment discount.

6. Asset Management

A. Cash Management and Investments: The Council formally approved a separate Investment Policy that complies with the requirements of the Public Funds Investment Act (PFIA) section 2256 of the Texas Local Government Code. This policy is reviewed annually by the City Council and applies to all financial assets held by the City:

1. Statement of Cash Management Philosophy: The City shall maintain a comprehensive cash management program to include the effective collection of all accounts receivable, the prompt deposit of receipts to the City's depository, the payment of obligations, and the prudent investment of idle funds.

2. Objectives: The City's investment program will be conducted to accomplish the following criteria listed in priority order.

- a. Safety of the principal invested.
- b. Liquidity and availability of cash to pay obligations when due.
- c. Receive the highest possible rate of return (yield) consistent with the City's Investment Policy

3. Safekeeping and Custody: Investments may only be purchased through broker/dealers who meet the criteria detailed in the investment policy, which also addresses internal controls related to investments.

B. Fixed Assets: These assets will be reasonably safeguarded and properly accounted for, and prudently insured. See Section 11, Fixed Asset Capitalization Policy.

7. Debt Management

The City recognizes the primary purpose of capital facilities is to provide services to the community. Any need for financing other than what can be serviced by the City Depository will be considered through usage of:

- a. Grants
- b. Reserve Funds
- c. Current Funds
- d. Short Term Loans
- e. Long Term Bonds

8. Financial Reserves

The City of Nolanville will maintain budgeted minimum reserves in the ending working capital fund balances to provide a secure, healthy financial base for the City in the event of a natural disaster or other emergency, allow stability of City operations should revenues fall short of budgeted projections and provide available resources to implement budgeted expenditures without regard to actual timing of cash flow into the City.

Operating Reserves: The City will maintain reserves in the general fund at a minimum of \$250,000.00.

9. Internal Controls

Written procedures will be established and maintained by the City Treasurer for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

10. Cash Procedures

- A. **Petty Cash:** The City Secretary may keep a petty cash fund amount of \$100.00 in a lockable money box/cash register during operating hours and a lockable file cabinet after hours. The City Secretary shall be responsible for the petty cash. Only the City Secretary is authorized to exchange money from the box/register.
 - 1. Receipts for all petty cash transactions shall be held in the money box until receipts are tallied, recorded and charged to the appropriate accounts. A check made payable to "Cash" will be written in the amount tallied by the receipts. The City Secretary will be responsible for cashing that check to replenish the petty cash fund balance.
 - 2. Random audits of the petty cash box shall be made by the City Treasurer or Mayor in the presence of the City Secretary. The Petty Cash Fund shall not be used to cash checks for any persons.

- B. **City/Court Clerk Change Fund:** Clerks maintain their own lockable money bag during operating hours and stored within a lockable file cabinet after hours. Clerks reconcile each other's balance at the end of each day. Deposits are made weekly and prior to the last day of the month. Additional deposits shall be made if the combined total of collections is over \$10,000 at any point. Reports are reconciled by Treasurer. Individuals must be bonded and insured to have access to the front office area.

- c. The maker of the check must provide a government issued photo ID stating name, birth date, driver's license number, social security number, or other identifying number.
- d. The acceptor of the check shall write the identifying number on the check.
- e. The check may not be written for more than the invoiced amount.

13. Returned Checks

When a check has been returned by the bank to the City stamped "Non-Sufficient Funds", the City Secretary will add a \$25.00 fee to the amount owed and notify the check writer by certified mail of the status of the check and inform the check writer that the money owed will have to be paid by cash, money order, or cashier's check within ten (10) days of the date of the notification letter. If the money owed is not received within ten days, the check shall be submitted to the Bell County Sheriff's office Hot Check Department for criminal prosecution.

When a check has been returned by the bank to the City stamped "Account Closed", the City Secretary will add a \$25.00 fee to the amount owed and notify the check writer by certified mail of the status of the check and inform the check writer that the money owed will have to be paid by cash, money order, or cashier's check within ten (10) days of the date of the notification letter. If the money owed is not received within ten days, the check shall be submitted to the Bell County Sheriff's office Hot Check Department for criminal prosecution

14. Outstanding Checks

A check written by the City shall be valid for a period of ninety (90) days. If a check has not cleared the bank in sixty (60) days, the Treasurer shall try to ascertain why the check has not been paid. If it is determined that the payee did not receive the check, the City will wait an additional thirty (30) days, then issue a stop payment order and issue a new check to the payee.

15. Bank Card (Credit/Debit) Policy

Bank cards may be used to satisfy court obligations, payment for fines, court costs, etc. A convenience fee based on a schedule provided by the credit card service provider will be added to the obligation. The fee will be added to the individual charge by the provider.

16. Purchasing Policy

All purchases made and paid for by City funds are to be used for City purposes only.

Department Heads are authorized to initiate and/or approve purchases for their department as needed according to the following criteria: and, as directed by the following.

A. Purchases less than \$500: (commonly used items for daily operations)

These purchases shall be made utilizing a purchase order approved by the department head. Vendor invoices, tickets, sales slips, etc, notation of item receipt will be submitted to the treasurer for payment.

B. Purchases greater than \$500 and less than \$5,000:

If item or supplies have been budgeted, purchase may be made utilizing a purchase order approved by the City Manager or Assistant City Manager. If item or supplies have not been budgeted, department head must submit the purchase order to the City Manager or Assistant City Manager for approval and possible budget amendment. Vendor invoices, tickets, sales slips, etc, notation of item receipt will be submitted to the treasurer for payment.

C. Purchases \$5,000 or more:

All purchases greater than \$5,000 must be approved by the City Council. See paragraph 17 below for required pricing information. Purchases for supplies and/or services from vendors on an annual basis that exceed \$5,000 shall be approved in advance, at least annually, by the City Council. Examples of these types of actions are: Electricity charges, Health Plans, Insurance charges, Legal Counsel, Judge Expenses, Auditor, etc. Vendor invoices, tickets, sales slips, etc, notation of item receipt will be submitted to the treasurer for payment.

D. Purchases made by Department Heads for reimbursement:

Routinely purchases from vendors are made with a City check, however, there may be times when the use of a personal credit card may be needed. Employees receive a *de minimis* benefit and it would not prevent the employee from using a personal credit card to seek reimbursement from department purchases. Penal Code section 39.02(d) specifically provides that travel discount awards such as "frequent flyer" miles, hotel or rental car discounts, or food coupons are not things of value belonging to the government for purposes of the criminal law prohibiting misapplication of a thing of value belonging to the government.

17. Price Quotations

If the anticipated expenditure exceeds \$5,000, the purchase shall not be made until price quotations have been obtained from at least three (3) suppliers. If the goods or services are not available from as many as three (3) suppliers, price quotations shall be obtained from the available suppliers. "No Bid" is considered to be a price quotation.

Prices may be obtained either in writing or by telephone.

Quotations shall be received for goods and services of comparable quality.

The purchase shall be made from the supplier quoting the lowest price unless cause can be shown as to reason to accept a higher bid.

PASSED & APPROVED this, the 4th day of April, 2019 by vote of 5 (ayes) 0 (nays) to 0 (abstentions) of the City Council of Nolanville, Texas.

CITY OF NOLANVILLE:

ATTEST:


Andy Williams, Mayor




Crystal Briggs, City Secretary