

CITY OF NOLANVILLE

FISCAL YEAR 2017-2018 APPROVED BUDGET



THE CITY OF NOLANVILLE

CITY OF NOLANVILLE, TEXAS
ANNUAL BUDGET
FISCAL YEAR OCTOBER 1, 2017 – SEPTEMBER 30, 2018

APPROVED

September 20, 2017

THE MAYOR AND CITY COUNCIL

Christine Rosenthal, Mayor
Butch Reis, Mayor Pro Tem
Joan Hinshaw, Seat 1
George French III, Seat 3
David Williams, Seat 4
James Bilberry, Seat 5

City Manager
Kara Escajeda

Finance Director
Stephen Peters

Calculated Rates

Current Property Tax Rate:	\$0.5020
Operations & Maintenance:	\$0.3878
Debt Service:	\$0.1142

Effective Rate Operations and Maintenance:	\$0.3676
Rollback Rate:	\$0.3970

Adopted Rates

Maintenance & Operations Tax Rate:	\$0.3777
Debt Rate (Interest & Sinking Fund):	\$0.1222
Total Adopted Property Tax Rate:	\$0.4999

This budget will raise more total property taxes than last year's budget by \$133,815 or 13.55%, and of that amount \$116,701 is tax revenue to be raised from new property added to the tax roll this year.



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 2017-2018**

TABLE OF CONTENTS

	<u>Page</u>
City of Nolanville Organizational Chart	
BUDGET MESSAGE	2
Budget Purpose	4
General Fund Reserve Level	4
General Fund Revenues	4
Special Fund Revenues	7
General Fund Expenditures	8
General Fund Debt Services & Schedule of Outstanding Debt	9
DEPARTMENTAL BUDGETS	10
Personnel Overview Data.....	11
Administration	12
Municipal Court	12
Police Department.....	13
Public Works	13
Fire & EMS Contracts.....	14
SCHEDULE OF CAPITAL OUTLAYS BY DEPARTMENT	15
CAPITAL IMPROVEMENTS.....	17
AD VALOREM ANALYSIS OF TAX RATES	20
FISCAL YEAR 2017-2018 APPROVED BUDGET	21

APPENDIX

Budget Ordinance No. F 17-09 #1 A

Tax Rate Ordinance No. F 17-09 #2 B

Economic Development Corporation..... C

Financial Policies D



BOARDS & COMMITTEES

- ECONOMIC DEVELOPMENT
- PLANNING & ZONING
- ZONING BOARD OF ADJUSTMENTS
- KEEP NOLANVILLE BEAUTIFUL
- CITIZEN ADVISORY COMMITTEE

CITIZENS

MAYOR &
CITY COUNCIL

CITY
MANAGER

CONTRACTED SERVICES

CITY
ATTORNEY

CITY
PLANNER

CITY
ENGINEER

FIRE
SERVICES

EMS AMBULANCE
SERVICES

SANITATION
SERVICES

ASST CITY MANAGER
CITY SECRETARY

MUNICIPAL
COURT

PERMIT
SERVICES

PAYROLL

INFORMATION
TECHNOLOGY

PUBLIC
WORKS

BUILDING
OFFICIAL

CODE
ENFORCEMENT

ANIMAL
CONTROL

PARKS &
RECREATION

DRAINAGE

POLICE

PATROL

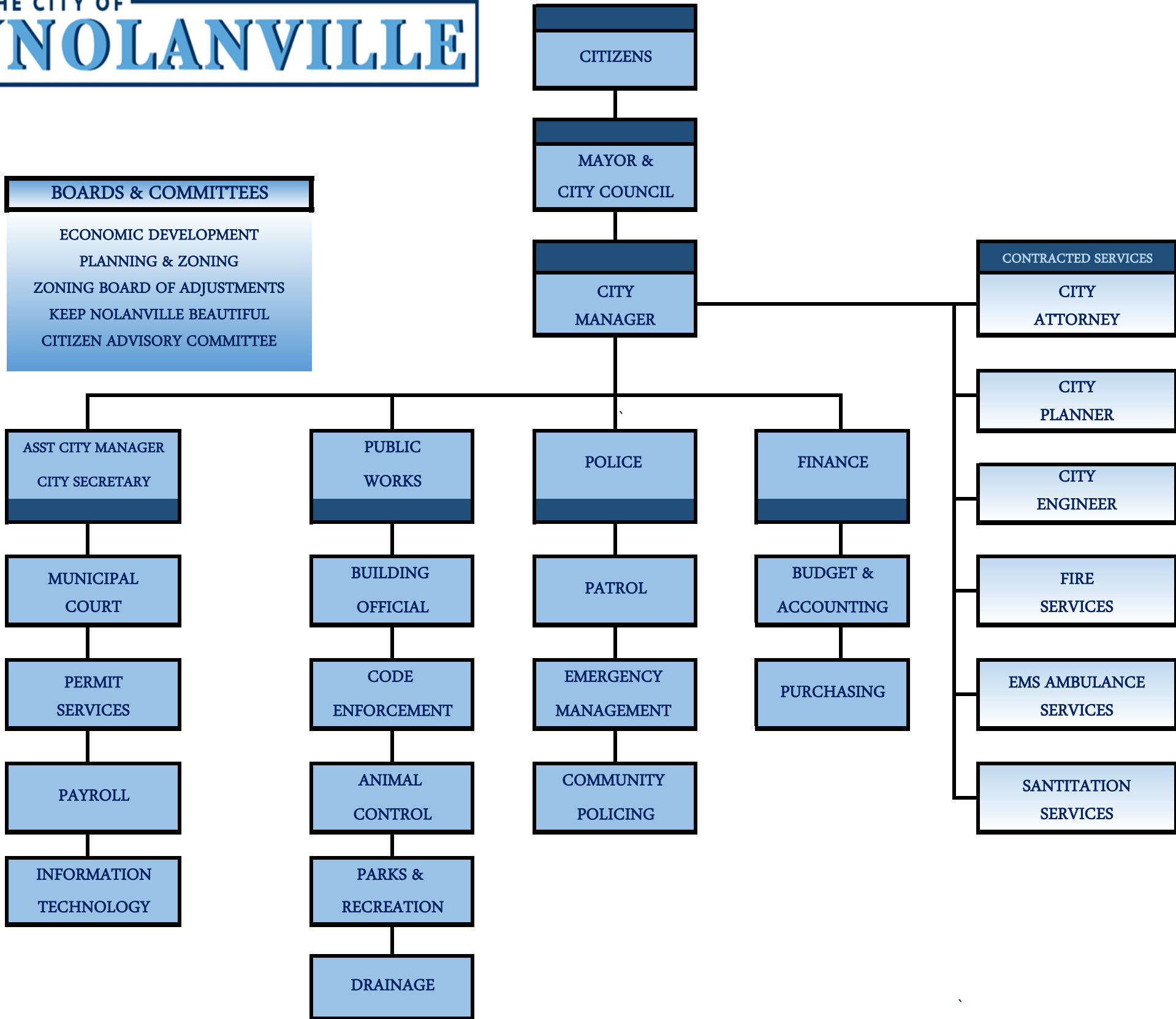
EMERGENCY
MANAGEMENT

COMMUNITY
POLICING

FINANCE

BUDGET &
ACCOUNTING

PURCHASING



BUDGET MESSAGE

Fiscal Year 17-18 Budget Priorities are referenced within the following categories: Public Safety, Roadway & Drainage Infrastructure & Enhancing Quality of Life. They are a compilation of Council directives and department needs.

Public Safety

Police Recruitment and Retention: Nolanville is a great place to live, but it also needs to demonstrate it is a great place to work. In order to maintain our low crime rate, we need to attract and retain the best officers that take the time to know our community. The turnover rate experienced in the past leads to added expenses related to equipment, training and lost opportunity to improve community relations.

The Department has taken the first steps in changing this trend with the thoughtful hire of a new Police Chief. Vehicle and Body Cameras were budgeted and policy was implemented in this FY 16-17. Pay was adjusted slightly to become more competitive with surrounding communities. This year's budget includes implementation of incentives, it also reorganizes rank structure and scheduling strategies that will make the Department the best place to work in Central Texas as a Police Officer.

Community policing includes enhancement of neighborhood watch programs, bicycle patrol and National Night Out. These programs will provide Police Officers with the resources needed to build relationships and are represented in the budget through a staffing increase. Budgeted items also include consulting services for proper audits and legal review over police functions.

Fire Services: Central Bell County Fire & Rescue (CBCFR), all Volunteer Department, provides expert fire services and arguably perform better than most paid departments. The budget was last increased for FY 15-16, when comparisons were made to other like departments. The increase to the department is for continuous improved Public Protection Rating and increased City Limit boundaries.

Addressing Improvement: Addressing is important in dispatching essential services to the right location during an emergency. The City has a lot of room for improvement in this area and professional services are needed to; readdress the Highway 190 access

road as a result of the Interstate 14 designation and to renumber various areas throughout the City. There is also a need for greater code enforcement for the display of house numbers.

Roadway & Drainage Infrastructure

Road Maintenance: Many of the subdivisions within the City limits were developed around 2004 and have not been on a preventive maintenance schedule. The City's near term plan for road maintenance maximizes the life expectancy and resilience of the roads. The general fund road maintenance budget was increased to perform preventive maintenance on 3 miles of road each year over the next 7 years.

Road Enhancement: The City's expectation is that grants will continue to be maximized to get the best return on the community's tax dollars. Aesthetics, such as landscaping, no longer take a back seat as a priority. The use of vegetative elements in complete streets has multiple benefits including economic, environmental and community pride.

Drainage: The City has two distinct watersheds from floodplains. The City is almost completely open storm drainage. Nolanville is currently supporting a Regional Flood Plain Study and the second year's match is supported in the budget.

Additionally, we are required to file a permit and reports through Texas Commission on Environmental Quality (TCEQ) which mandate a storm water management plan. Street sweeping and education are part of this plan and included in the Public Works budget.

Our long term drainage goal is to implement measures that have a cascading effect by taking into consideration beautification (using strategies such as bioswales to filter water and control flooding), bike/pedestrian paths near the channels and Nolan Creek to enhance use of green space, and watershed awareness to protect environmental priorities. TCEQ grant is in progress this Fiscal Year with match considerations for FY 18-19.

Enhancing Quality of Life

Recreation in the City had become non-existent, forcing our residents to seek it from neighboring cities. As improvements to the park occur and the capability to add programs increases, so will the need to fund these activities. The City is pursuing a Large Park Grant from Texas Parks & Wildlife in FY 17-18 to add major elements to the City Park. The grant work will be accomplished over several fiscal years and the match for the first year is reflected in the budget in anticipation of a successful application.

The addition of a multi-use center will add activities for our youth. As the fields develop, we will see greater utilization and value of our City Park.

Budget Purpose

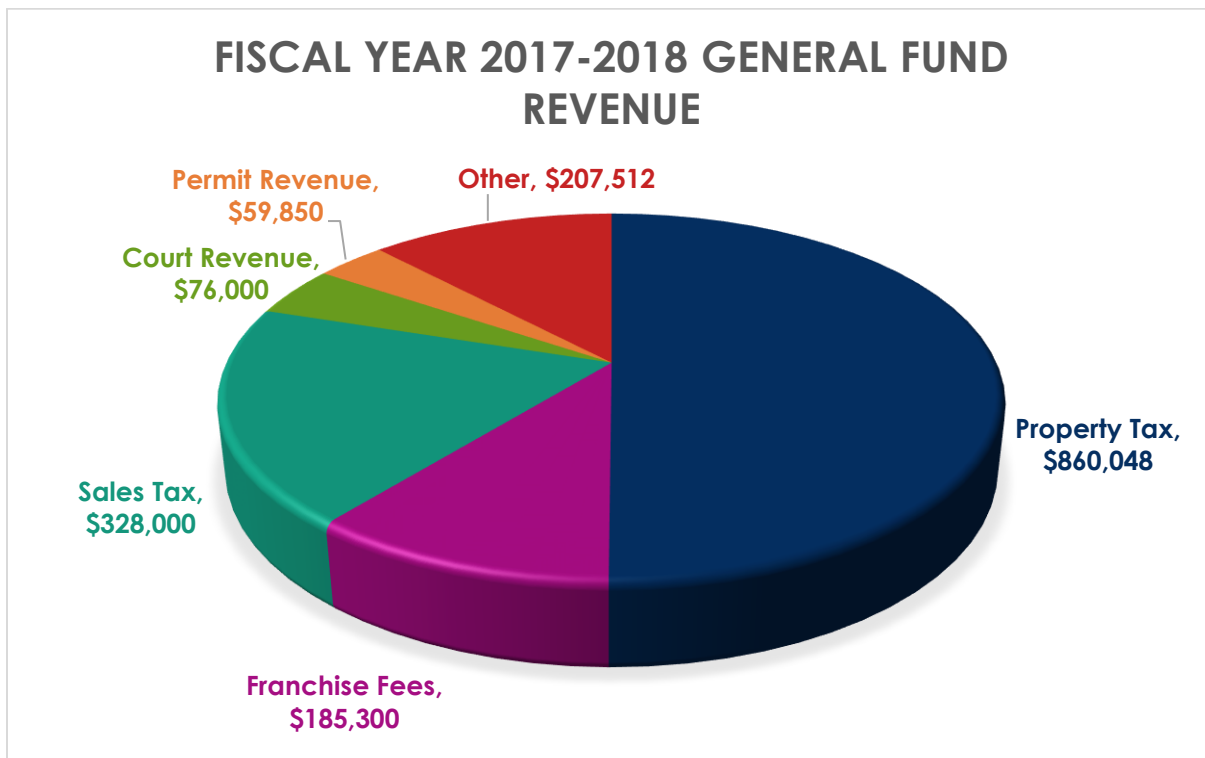
A budget is the translation of the future plans of the organization into financial terms. Adopting the budget and the tax rate are two of the most important processes for the City to go through each year. Processes for each action are designed to give citizens notice and impact of each action. The process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

General Fund Reserve Level

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.

General Fund Revenues Summary

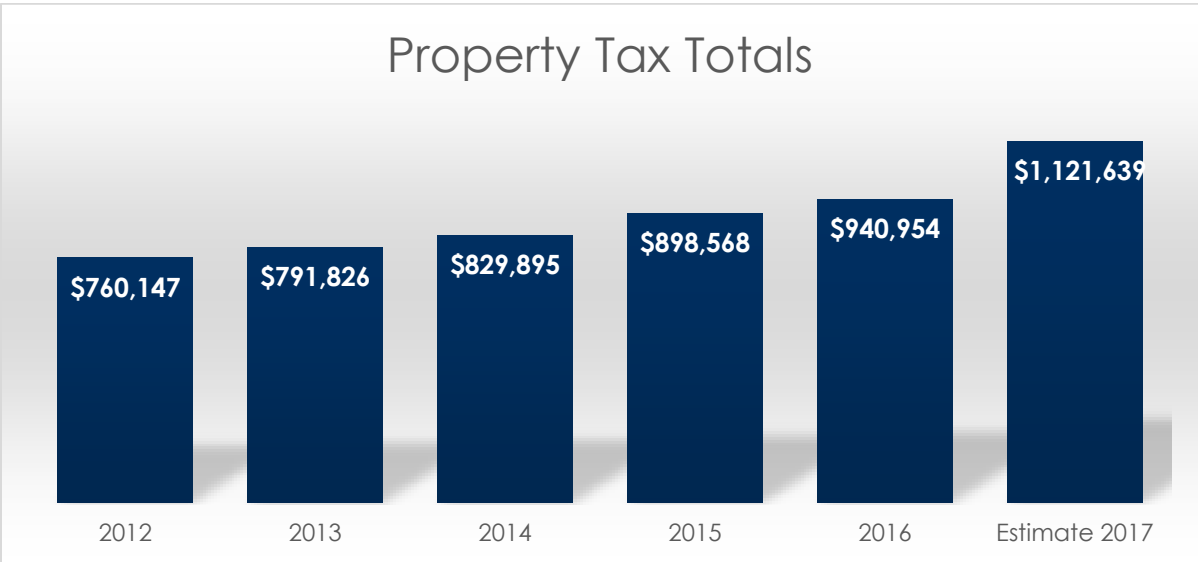
The City's General Fund receives revenue from several sources, with the top three being property tax, franchise fees, and sales tax. The 2017-2018 Budget anticipates revenues \$172,357 greater than last budget giving a balance of \$907,636 in total general fund revenue (does not include Special Fund Balances).



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; Operations and Maintenance (O & M) and Interest and Sinking (I & S). The O&M provides the revenue for the City's General Fund operations while the I & S provides revenue to pay the City's Debt Service obligations.

New property and improvements added in 2017 totaled \$23,344,994. The total property tax rate will decrease slightly to \$0.4999 (.0021 decrease). Of the two components, a \$0.3777 tax rate totaling \$860,048 will be for Operations and Maintenance and a \$0.1222 tax rate totaling \$261,591 for Interest and Sinking. These two components combine to make the total property tax rate. The fiscal year 2017-2018 property tax revenue is estimated to be \$1,121,639.

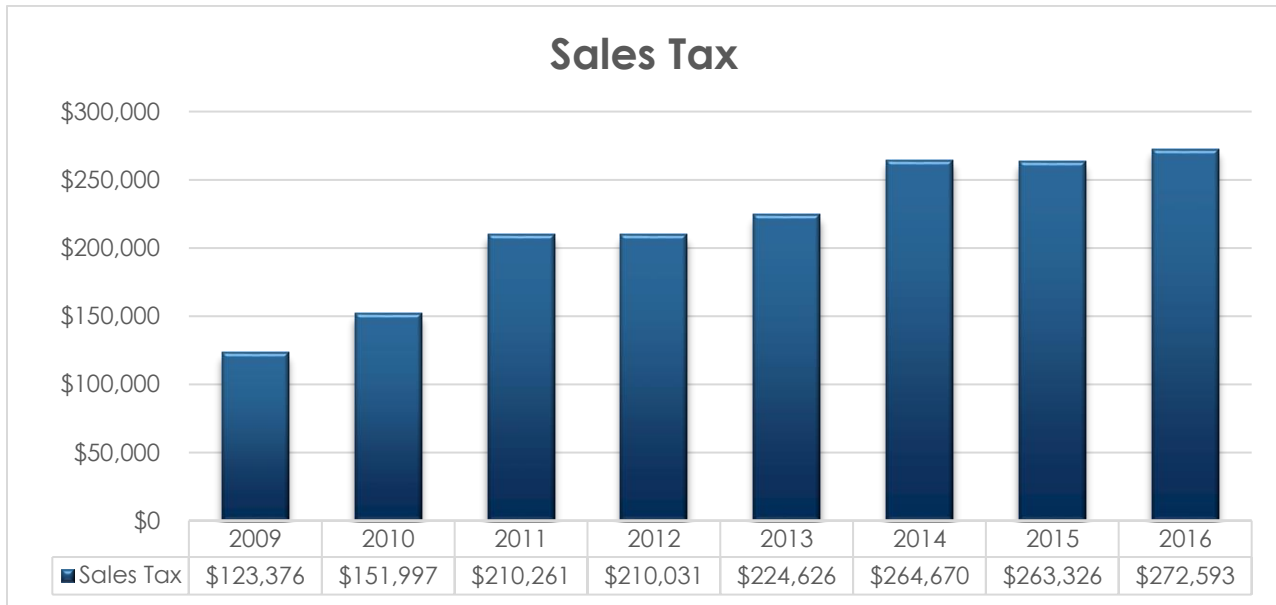


Sales Tax

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.

FY 17-18 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. The fiscal year 2017-2018 sales tax estimate is \$325,000 and mixed beverage tax estimate is \$3,000 towards the General Fund.

Street Maintenance Fund and Economic Development sales taxes are both anticipated to yield approximately, \$81,250 each. This is double the amount normally generated for these funds.



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 right-of-ways by electric, gas, telephone, and other utility companies. The fiscal year 2017-2018 franchise fee revenue is estimated to be \$185,300.

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 is on the ballot for November 2017.

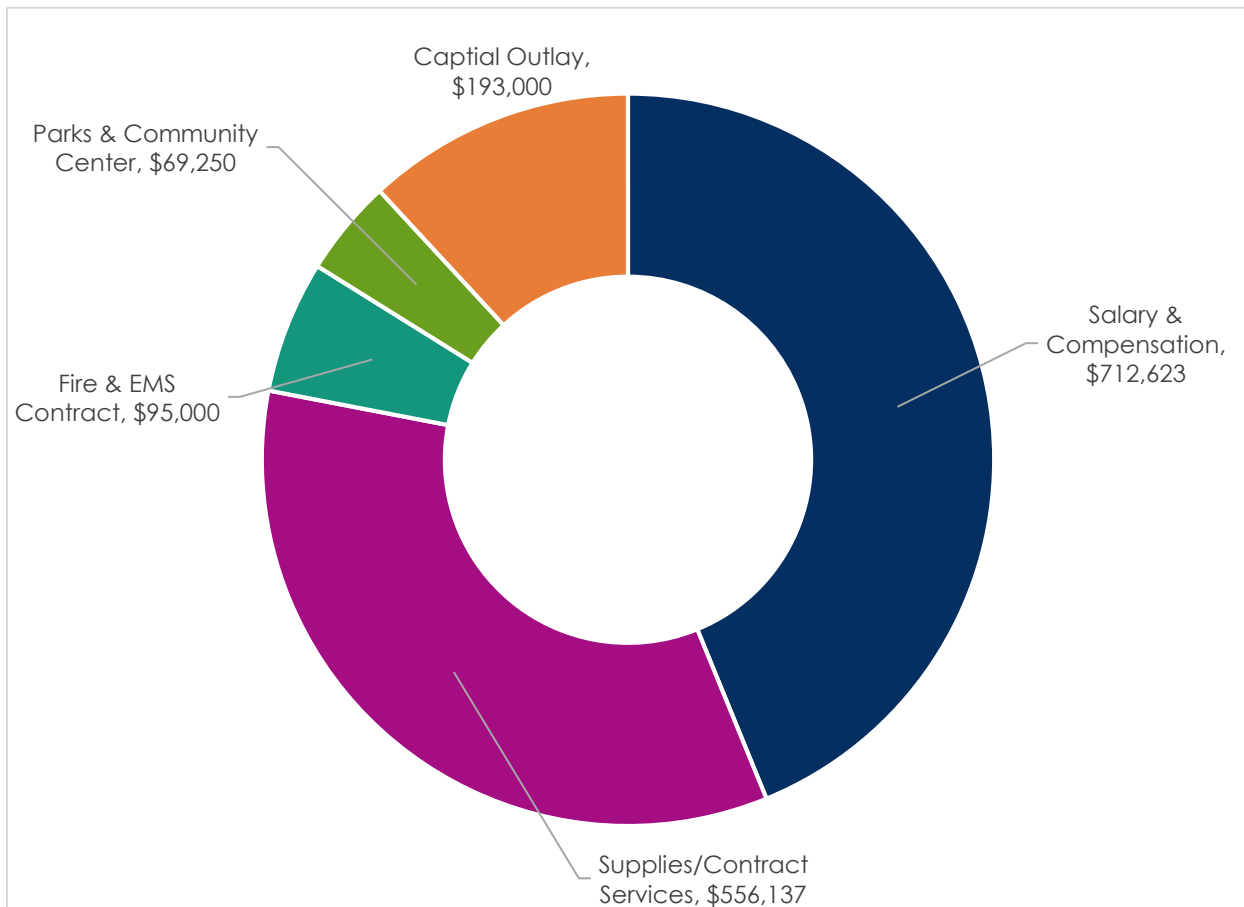
Economic Development Corporation (EDC) Type B is funded by a .25% sales tax. In general, the funds may be spent on development projects and incentives that create primary jobs and authorized projects. Examples of authorized projects include those related to recreation or community facilities. Note: Economic 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 Fiscal Year 2017-2018 Budget includes an increase in General Fund expenditures from the previous fiscal year. The Budget lists the total General Fund Expenditures at \$1,717,210. A transfer from the Unrestricted Reserve for \$171,000 provides capital outlay for Police Department Vehicle (Life Cycle Replacement), Municipal Building improvements, Large Park Grant Match, and security enhancements.

The Budget accounts for a City employee salary increase of 3% and one additional Police Officer. 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.

Expenditures by Category, Fiscal Year 2017-2018



General Fund Debt Services

The City's outstanding indebtedness will be \$2,355,000 as of October 1, 2017. 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 17-18 is \$0.1222 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

2017-2018 TAX YEAR

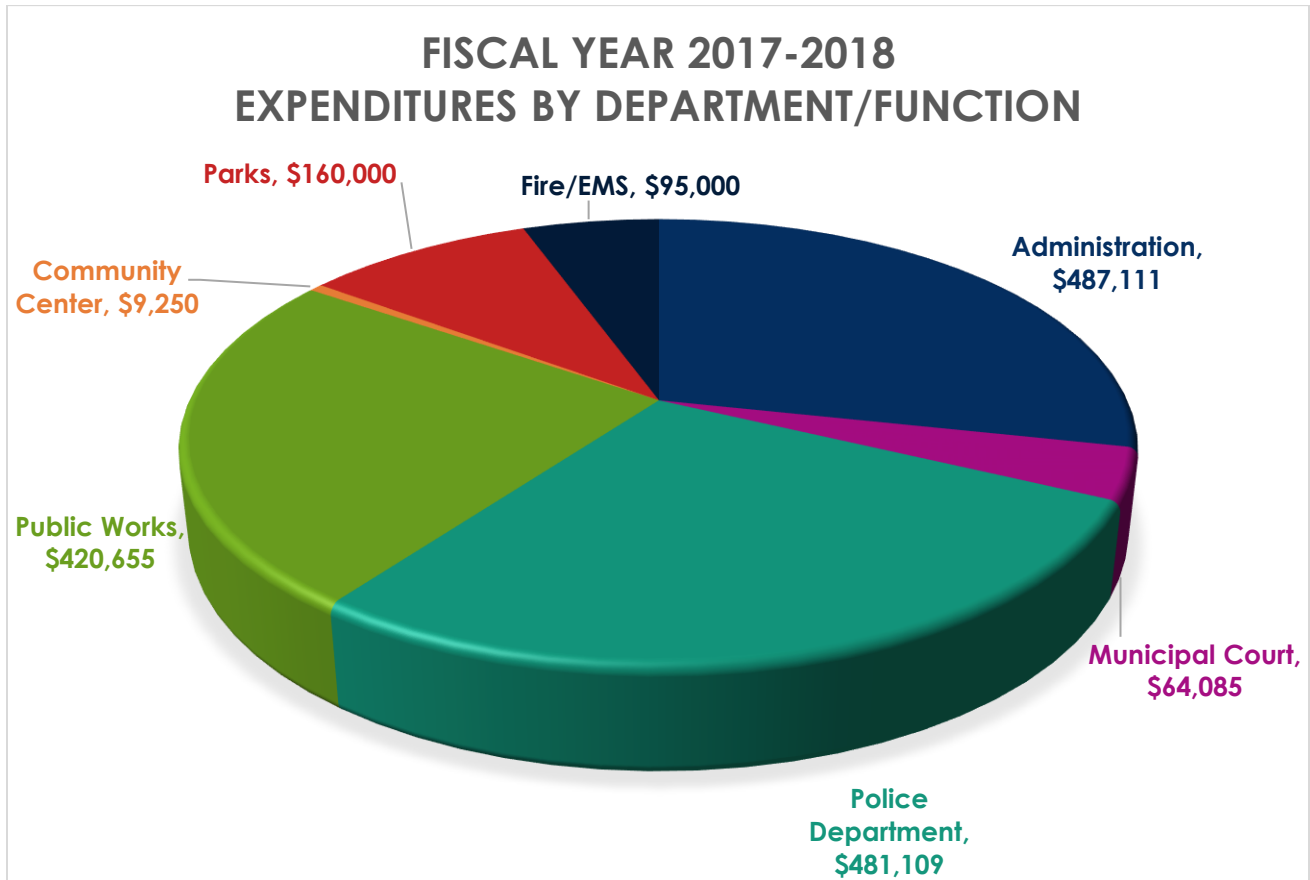
Description of Debt Service	Principal or Contract payments to be paid	Interest to be paid	Total Payments
General Obligation Refunding Bonds Series 2016, Chase	\$175,000	\$32,092	\$207,092
Tax Note (7 Year) Series 2017, BBT	\$65,000	\$9,677	\$74,677

Debt Service Account applied: \$20,000

TOTAL FY 2017-18 Payment:

\$281,796

DEPARTMENTAL BUDGETS

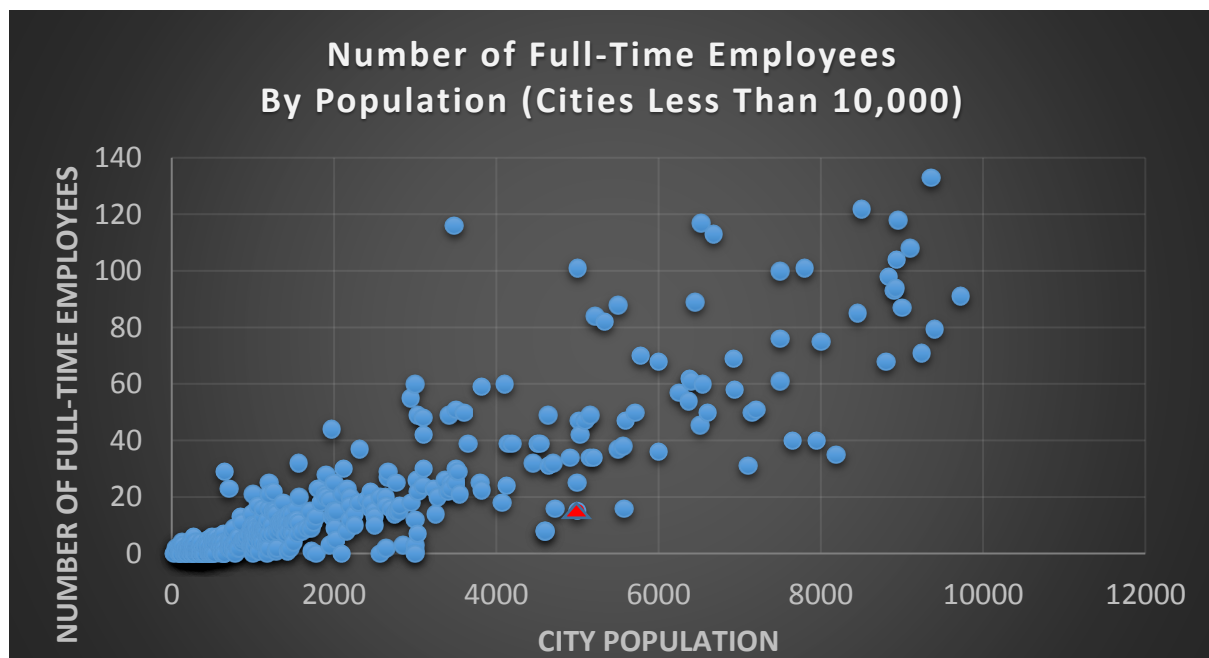


The Municipal Building is located at 101 North 5th Street, Nolanville, Texas 76559. The hours of operation are 8:00AM to 5:00PM, Monday through Friday excluding holidays. All departments can be reached by phone at (254) 698-6335. The City's Website lists announcements and department information at <http://ci.nolanville.tx.us/>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

Nolanville Personnel Overview Data

Personnel	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Administration						
City Manager	1	1	1	1	1	1
City Secretary	1	1	1	1	1	1
Finance Director	.5	.5	.5	.5	.5	.5
Administrative Assistant	1	1	1	1	1	1
Municipal Court						
Court Clerk	1	1	1	1	1	1
Deputy Court Clerk					*	
Police Department						
Police Chief	1	1	1	1	1	1
Administrative Assistant	.5	.5	1	1	0	0
Police Officers	4	5	5	5	6	7
Public Works						
Public Works Director	1	1	1	1	1	1
Assistant Public Works Director			1	0	0	1
Public Works Assistant Labor	2	2	2	2	2	1
						*
Total Personnel	13	14	15	14.5	*14.5	*15.5

*Temporary Position Programed < 500 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 \$487,111. An increase in legal services was included to anticipate ordinance improvement and contract reviews. Other increases were a result of increased rates for insurance and use of contract services correlated to growth. A portion of these expenses are reimbursed as a fee for service. Professional Services were increased for grant preparation and readdressing/mapping assistance.

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 are anticipated to remain consistent for the next fiscal year. Total expenditure for professional services and salary are \$64,085.

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 Police Department expenditures total \$481,109. The increase is largely due to the addition of one full time officer in order to provide better coverage during all shifts. Capital Outlay expenditures the previous year were dedicated to improving video surveillance and archiving, as well as improving police and department security. This year’s capital expenditures are planned for vehicle life cycle replacement. Vehicle Life Cycle Replacement Plan is one vehicle replaced per Fiscal Year. The vehicle radios are past life cycle and communication capabilities are increasing. The department will search for grants over the next year to lessen the burden of upgrading.

PUBLIC WORKS

Department Description

Public Works Department is comprised of several functions including Code Enforcement, Animal Services, Building Compliance, 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 \$420,655.

Incentives for worker certification were added. The Director salary will raise slightly and convert to exempt status.

Street Maintenance is the primary increase in the department, to allow for the implementation of a preventive maintenance plan.

The City Hall occupied the old Schoolhouse at 101 North 5th Street approximately two years ago. It is the intent to upgrade the facility over time to avoid the need for bond improvements. The building is in need of upgrades to include air condition replacement, window replacement and bathroom ADA compliance and plumbing.

Capital Outlay for Municipal Building over the last Fiscal Year were directed towards priority building security concerns and utilities. Improvements since the move-in include door & window replacement, security cameras, lighting, roofing, A/C and plumbing repairs. Bathroom renovations and window replacement projects will carry on to the next Fiscal Year.

Fire and EMS Contractual Services

Contract Description

Contractual agreements are made for Fire and Emergency Medical Services for City coverage. An amount of \$35,000 is paid to Central Bell County Fire and Rescue Volunteer Fire Department for fire protection services. The increase in this year's budget for Fire & Rescue is in anticipation of request for increase. City Council will ultimately decide on the final amount for the contract for services.

The contractual agreement for ambulance service to the City was secured with Capital Ambulance Service in May 2015 with a 5 year term. On July 27, 2015, Capital was sold to Acadian Ambulance Service and the organization completed a successful one year probationary period. The agreement was transferred on July 21, 2016 for an amount of \$50,000 for the duration of the original contract.

SCHEDULE OF CAPITAL OUTLAYS BY DEPARTMENT

Capital outlay items are expenditures for fixed assets such as equipment, infrastructure improvements and vehicles that are funded from the operating budget. These items generally have a life expectancy of up to 10 years. The table below is a historical and anticipated list of expenditures by department.

Department	2014-2015	2015-2016	2016-2017	Projected
Municipal Building				
Building Purchase	\$150,000			
Renovations	\$150,000		\$61,000	\$50,000
Storage Building	\$60,000			
Security Improvements (Cameras)			\$6,000	
Information Technology				
Server			\$10,000	
Administration				
Furniture & Equip.				
Municipal Court				
Security Improvements (Camera)			\$3,000	
Police Department				
Automobile Cameras	\$11,000		\$19,000	
Equipped Police Vehicles		\$40,000		\$43,000
Weather Siren	\$17,000			
Public Works				
School Traffic Lighting	\$22,000			
Community Center Improvement		\$4,500		
Total	\$410,000.00	\$44,500.00	\$99,000	\$93,000

GENERAL FUND CAPITAL REPLACEMENT PROGRAM

Item by Department	Service Life	# of Units In Dept.	Item Cost	Cost/Year	2017-2018 Budget	Original or Last Original Purchase Year
ADMINISTRATION						
Computers	5	7	\$1,800	\$2,520		2014
File Server	5	1	\$7,500	\$1,500		2017
TOTAL			\$9,300	\$4,020	\$0	
COURTS						
Cameras/Security	5	1	\$10,000	\$2,000	\$0	2017
TOTAL			\$10,000	\$2,000	\$0	
PUBLIC WORKS						
Computers	5	2	\$1,800	\$720		2014
John Deere 790 Tractor	10	1	\$38,000	\$3,800		2000
Mower, Scag 61"	10	1	\$10,000	\$1,000		2015
Mower, Zero Turn Hustler 25/54	7	1	\$13,400	\$1,914	\$14,000	2010
16' C&M Utility Trailer	15	1	\$3,000	\$200		2005
Utility Trailer Dump 14FT	15	1	\$6,000	\$400		2000
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			\$245,400	\$23,457	\$14,000	
POLICE						
File Server**	5	1	\$7,500	\$1,500		2009
Laptop computers	5	7	\$1,800	\$2,520		2017
Desktop computers	5	5	\$1,800	\$1,800		2007
In-car video recorder	7	4	\$5,150	\$2,943		2017
Patrol Vehicles	5	4	\$34,000	\$27,200		
Dodge Charger (2012); miles 43,328						2012
Dodge Charger (2012); miles 91,204					\$43,000	2012
Dodge Charger (2013); miles 107,677						2013
Ford Explorer (2016); miles 22,438			\$36,000			2016
Harris	10	7	\$4,275	\$2,993		2014
Vehicle & Handheld Radar	10	5	\$2,500	\$1,250	\$6,400	*2017
Vehicle Equipment	5	5	\$7,500	\$7,500	\$7,000	Varies
TOTAL			\$100,525	\$47,705	\$40,000	
GRAND TOTAL				\$75,183	\$54,000	

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 can be accomplished using different sources of funding. The Street Maintenance Fund, funded by a 1/4% sales tax has an anticipated revenue of \$80,000 for FY 2017-2018. This tax is voted on every four years and scheduled for the November 2017 election. The starting balance is approximately \$127,000. Grants from Killeen Temple Metropolitan Planning Organization (KTMPPO) & 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. The following is a list of ongoing projects and priorities for future funding.

Old Nolanville Road- Safe Routes to School

The Street Maintenance Fund is earmarked for the Safe Route to School project on Old Nolanville Road in 2016. The City applied for Texas Department of Transportation, Transportation Alternative Program to offset the expense; 80% construction is paid by TxDOT and 20% is paid by the City. Total cost of construction is estimated at \$537,092. The City match came from Street Maintenance Fund in the amount of \$107,000. Improvements include sidewalks, paved bus stop and increased road width with concrete ribbon.

The age and road condition of Old Nolanville Road pavement became apparent over the last year. The City Engineer's recommendation is to add a 4" overlay during the grant improvements for the best outcome. The estimate for the overlay is approximately \$140,000 and earmarked in the Street Maintenance Fund.

Main Street Connectivity

KTMPPO project call in 2016 yielded a successful submission for a grant that

improves the walkability of Main Street to the Bus Stops with total construction cost estimated at \$596,386. In addition to ADA compliant sidewalks, these improvements include curb & gutter, Fire Station parking resurface and shelters at the bus stops. This project is an 80/20 split and includes contributions from partner agencies; the HOP and BNSF for \$26,000. The City match of \$119,288 was provided by the Economic Development Corporation.

Public Works Project Tax Note

There are several areas in the City that have suffered from deferred maintenance. As a result City Staff recommended a short term tax note (7 years) of \$500,000 to make improvements in the following areas: Red Leaf, Elm Street, Park Connection and various drainage areas.

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
2. Avenue H- Multi-use trail from Park to 10th Street
3. Spur FM 439- Multi-use trail from North Street to Main Street along Spur
4. Connection between Warrior's Path and FM 439

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

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

FY 2016-2017 will close out the City's first Small Park Grant and the Multi-Use building will near completion:

Texas Parks & Wildlife awarded a \$75,000 park grant with a \$75,000 City match. This match was budgeted in the FY 15-16 operational and maintenance budget. This funded the Splash Pad and Playground improvements. The Economic Development obligated \$23,000 as overmatch.

The Multi-Use Center in the City Park is possible due to a Texas Department of

Agriculture Grant for \$350,000 with a \$17,500 (5%) match from the Economic Development. Construction of the building will likely carry to FY 17-18. The Multi-Use Center will be used for YMCA activities, CBCFR meetings & training, Nolanville Economic Development Workforce & Business Resources.

Operational & Maintenance FY 17-18 Budget allocates \$60,000 for additional park improvements to develop playing fields, landscaping and place additional playground elements. This is a \$20,000 increase from last year's budget to anticipate the development of a pocket park in Wildwood and operational costs of the Splash Pad. A Citizen Advisory Committee was formed by the Council in June to provide input into future plans.

Texas Parks & Wildlife Large Park Grant

The Master Park Plan was approved this year and a Resolution was passed to pursue the next set of park priorities. Greenway improvements projected over the next year include an application to Texas Parks & Wildlife for a matching trail grant and pursuit of a Large Park Grant for the City Park. Wildwood Estates land dedication will assist in a portion of the required match for the trail grant. Plans include development of a nature observation area in the wetland and trail extending alongside the channel.

CIP Provision Summary

Type & Agency	Total Cost	Match	Budget Line
Transportation Alternatives Program Old Nolanville Road	\$537,386 \$140,000	\$107,000	Street Maint. Street Maint.
KTMPO Category 7 Main Street Connectivity	\$596,386	\$119,288 \$26,800	EDC Partner
Public Works Projects (Note)	\$500,000	N/A	Capital Project
Texas Parks & Wildlife Small Park Grant	\$198,000	\$75,000 \$23,000	FY15/16 Park EDC
Large Park Grant	TBD	\$100,000	Park
Texas Department of Agriculture 2015 Community Enhancement (CE) Fund	\$367,500	\$17,500	EDC

AD Valorem Taxes Analysis
ESTIMATE OF AD VALOREM TAX REVENUE
AND PROPOSED DISTRIBUTION OF COLLECTIONS

Taxable Assessed Valuation	\$ 214,068,068
Proposed Tax Rate of \$100 Valuation	\$ 0.4999
Non-Freeze Tax Levy	\$ 1,070,126
Freeze Tax Levy	\$ 68,179
Total Tax Levy	\$ 1,138,305
Estimated Percent of Collections	100%
Estimated Funds from Tax Levy	\$ 1,138,305

PROPOSED DISTRIBUTION OF ALL TAX COLLECTIONS

	% of Total	Tax Rate	Collections
General Fund	75.56%	\$ 0.3777	860,048
Debt Service Fund	24.44%	\$ 0.1222	278,257
Total	1.0000	\$ 0.4999	1,138,305

COMPARISON OF PREVIOUS YEARS TAX RATES

Tax Year	General Fund	Debt Service	Total
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
2010	0.3134	0.1326	0.4460
2009	0.2880	0.2197	0.5077

PROPERTY VALUE ANALYSIS

Tax Year	Assessed Value	Percentage Change	Amount Collected	Percentage Collected
2017	\$ 228,839,002	16.14%		
2016	\$ 197,044,479	7.08%	\$ 940,954	95.75%
2015	\$ 184,014,670	3.63%	\$ 883,785	95.67%
2014	\$ 177,576,133	3.15%	\$ 827,833	96.91%
2013	\$ 172,153,826	6.06%	\$ 790,506	97.08%
2012	\$ 162,322,922	5.44%	\$ 760,147	97.20%
2011	\$ 153,943,751	1.57%	\$ 658,372	97.30%
2010	\$ 151,560,633	2.31%	\$ 617,967	97.32%
2009	\$ 148,144,996		\$ 691,971	97.38%

CITY OF NOLANVILLE
Proposed Annual Budget
Fiscal Year 2017 - 2018

	<u>FY 16-17</u> <u>BUDGET</u>	<u>FY 17-18</u> <u>BUDGET</u>
<u>GENERAL FUND</u>		
REVENUES		
Ad Valorem Tax	763,104	860,048
Sales Tax	174,500	328,000
Municipal Court	100,000	76,000
Franchise Fees	168,500	185,300
Permits	58,800	59,850
Public Works	1,500	500
Other Misc Revenues (inc Transfers In)	92,359	207,737
TOTAL REVENUES	1,358,763	1,717,435
EXPENDITURES		
<u>ADMINISTRATION</u>		
Personnel	185,114	266,549
Supplies/Contracted Services	188,662	220,562
Capital Outlay	0	0
Total Administration	373,776	487,111
<u>MUNICIPAL COURT</u>		
Personnel	53,651	43,135
Supplies/Contracted Services	22,250	20,950
Capital Outlay	0	0
Total Municipal Court	75,901	64,085
<u>POLICE DEPARTMENT</u>		
Personnel	324,524	378,809
Supplies/Contracted Services	44,050	59,300
Capital Outlay	40,000	43,000
Total Police Department	408,574	481,109
<u>EMERGENCY SERVICES</u>		
Fire Services	35,000	45,000
Ambulance Services	50,000	50,000
Total Emergency Services	85,000	95,000
<u>PUBLIC WORKS</u>		
Personnel	123,809	115,555
Supplies/Contracted Services	185,784	255,325
Capital Outlay	61,000	50,000
Total Public Works	370,593	420,880
<u>COMMUNITY CENTER</u>		
Supplies/Contracted Services	4,650	9,250
Capital Outlay	0	0
Total Community Center	4,650	9,250
<u>PARKS</u>		
Supplies/Contracted Services	40,270	60,000
Capital Outlay	0	100,000
Total Parks	40,270	160,000
TOTAL EXPENDITURES	1,358,763	1,717,435
REVENUES OVER/(UNDER) EXPENDITURES	0	(0)
BEGINNING FUND BALANCE (Estimated)	735,279	907,636
ENDING FUND BALANCE (Estimated)	907,636	736,399

SPECIAL FUNDS	FY 16-17 BUDGET	FY 17-18 BUDGET	ESTIMATED FY 17-18 START BALANCE
DEBT SERVICE FUND			
REVENUES	224,720	281,591	
EXPENDITURES	224,448	284,269	
REVENUES OVER/(UNDER) EXPENDITURES	<u>273</u>	<u>-2,678</u>	
COURT SECURITY FUND			
REVENUES	3,000	1,750	26,460
EXPENDITURES	3,000	1,750	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	
COURT TECHNOLOGY FUND			
REVENUES	4,000	2,333	27,118
EXPENDITURES	23,584	2,333	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	
CROSSING GUARD FUND			
REVENUES	5,000	5,000	6,600
EXPENDITURES	5,000	10,000	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>-5,000</u>	
STREET MAINTENANCE FUND			
REVENUES	43,750	81,250	127,666
EXPENDITURES	107,418	208,000	
REVENUES OVER/(UNDER) EXPENDITURES	<u>(63,668)</u>	<u>(126,750)</u>	
GRANTS FUNDS			
REVENUES	1,229,727	550,000	
EXPENDITURES	1,229,727	550,000	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>-</u>	
NOLANVILLE ECONOMIC DEVELOPMENT CORP			
REVENUES	40,000	81,250	107,000
EXPENDITURES	172,017	81,650	
REVENUES OVER/(UNDER) EXPENDITURES	<u>-132,017</u>	<u>-400</u>	



ORDINANCE No. F 17-09 #1

AN ORDINANCE OF THE CITY OF NOLANVILLE, TEXAS, ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018; 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, 2017, to September 30, 2018, 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 2017-2018 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 2017-2018 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 2017-2018, as set forth in

Appendix 1 hereof. That the appropriations for the 2017-2018 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, 2018 (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 20th day of September, 2017 by vote of:

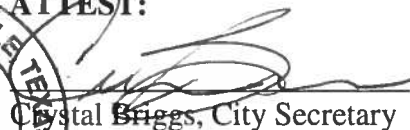
Christina Rosenthal (aye) (nay) to (abstention) *NO VOTE*
Butch Reis (aye) (nay) to (abstention)
Joan Hinshaw (aye) (nay) to (abstention)
George French III (aye) (nay) to (abstention)
David Williams (aye) (nay) to (abstention)
James Bilberry (aye) (nay) to (abstention)
of the City Council of Nolanville, Texas.

CITY OF NOLANVILLE:



Christina Rosenthal, Mayor

ATTEST:



Crystal Briggs, City Secretary



ORDINANCE No. F 17-09-#2

AN ORDINANCE OF THE CITY OF NOLANVILLE, TEXAS, SETTING A PROPERTY (AD VALOREM) TAX RATE AND APPROVING THE FY 2017-2018 AD VALOREM TAX RATE AND LEVY OF (\$0.4999) 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.

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 FY 2017-2018.

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

1. APPROVAL OF FY 2017-2018 TAX RATE & LEVY

That there be and is hereby levied and shall be assessed and collected for the year 2017, 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 \$0.4999 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 \$0.3777 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 \$0.1222 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 20th day of September, 2017 by vote of:

Christina Rosenthal	<input type="checkbox"/> (aye)	<input type="checkbox"/> (nay)	to	<input type="checkbox"/> (abstention)	<i>NO VOTE</i>
Butch Reis	<input checked="" type="checkbox"/> (aye)	<input type="checkbox"/> (nay)	to	<input type="checkbox"/> (abstention)	
Joan Hinshaw	<input checked="" type="checkbox"/> (aye)	<input type="checkbox"/> (nay)	to	<input type="checkbox"/> (abstention)	
George French III	<input checked="" type="checkbox"/> (aye)	<input type="checkbox"/> (nay)	to	<input type="checkbox"/> (abstention)	
David Williams	<input checked="" type="checkbox"/> (aye)	<input type="checkbox"/> (nay)	to	<input type="checkbox"/> (abstention)	
James Bilberry	<input checked="" type="checkbox"/> (aye)	<input type="checkbox"/> (nay)	to	<input type="checkbox"/> (abstention)	

of the City Council of Nolanville, Texas.

CITY OF NOLANVILLE:

ATTEST:

[Signature]
Christina Rosenthal, Mayor



[Signature]
Crystal Briggs, City Secretary



July 19, 2017

MEMORANDUM FOR City Council

Re: Economic Development Budget FY17-18

Background: Nolanville EDC recently hired the Mike Barnes Group as an Economic Development consultant. The Corporation is currently working with the consultant to develop a strategic plan. The submitted budget for FY 17-18 resembles last year, the only exception is the forecasted consulting fee. We expect that implementation of the plan will require amendments during the FY.

Estimated Starting Balance		107,000	
Budget	FY 16-17	FY 17-18	
Total Revenue	40,000	81,250	
Expenditures			
Administrative/Rent	2,400	2,400	
Advertising/Marketing			
Dues & Fees	250	250	
Furniture			
Insurance	250	250	
Legal Fees	1,000	1,000	
Community Development	13,500	13,500	
Grants Matching Funds	126,867		
Meeting Expenses	500	500	
Professional Services	3,500	40,000	
Office Supplies	1,000	1,000	
Economic Development Incentives	20,000	20,000	
Training & Education	1,500	1,500	
Travel & Meals	1,250	1,250	
Total Expenditures	172,017	81,650	
Excess of Revenues Over Expenditures	(132,017)	(400)	

Colleen Smith-Fey
 President, Nolanville
 Economic Development Corporation

**City of Nolanville, Texas
Financial Policies**

<u>Policy No.</u>	<u>Description</u>	<u>Page</u>
1.	Financials	2
2.	Fiscal and Budgetary Policy	3
3.	Operating Budget	3
4.	Revenue Management	4
5.	Expenditure Policies	4
6.	Asset Management	5
7.	Debt Management	5
8.	Financial Reserves	6
9.	Internal Controls	6
10.	Petty Cash Procedures	6
11.	Fixed Asset Capitalization Policy	7
12.	Accepting Personal Checks	8
13.	Returned Checks	8
14.	Outstanding Checks	8
15.	Bank Card (Credit/Debit) Policy	9
16.	Purchasing Policy	9
17.	Price Quotations	10

Policies 1.-17. presented to City Council, October 6, 2011

Financial Policies and Procedures

1. Financials

A. Bank Depository

The City shall maintain funds in a Bank, designated as its depository for banking services. The initial selection of this depository was done by the City Council vote on _____ and will be reviewed thereafter every three years unless circumstances deem otherwise.

B. Accounts Payable

Four (4) individuals are authorized to sign checks written on the bank depository account: Mayor, City Manager, Assistant City Manager 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, Mayor 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 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 would 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 Board 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.

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 Board 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. 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 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 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. Use of Reserve Funds
- c. Use of 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

Whenever possible, written procedures will be established and maintained by the 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. Petty Cash Procedures

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.

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.

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.

11. Fixed Asset Capitalization Policy

The following criteria will be utilized by the City of Nolanville:

- The asset must be owned by the City of Nolanville,
- The expected useful life of the asset must be longer than one year, or extend the life of an identifiable existing asset by more than one year,
- The original cost of the asset must be at least \$2,500,
- The asset must be tangible,
- On-going repairs and general maintenance are not capitalized.

New Purchases - All costs associated with bringing the asset into working order will be capitalized as part of the asset cost. This will include start up costs, engineering or consultant type fees as part of the asset cost once the decision or commitment to purchase the asset is made.

Improvements and Replacement - Improvements will be capitalized when they extend the original life of an asset or when they make the asset more valuable than it was originally. The replacement of assets components will normally be expensed unless they are a significant nature and meet all the capitalization criteria.

Inventory - A permanent record will be maintained of the City's fixed assets, including description, cost, and date of acquisition.

Recording - All capital assets will be recorded in the General Fixed Assets Account Group in the city's books of accounts.

12. Accepting Personal Checks

The City of Nolanville will accept personal and company checks from both residents and non-residents of Nolanville. When accepting a check, the following actions must be accomplished:

- a. Check must be made out to the "City of Nolanville".
- b. Check must be dated the date of issuance, (no post dated checks).
- 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.

Bank cards may not be used for payment of other city fees, licenses, permits etc. Those payments may only be made using cash, check, or money orders.

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.

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.

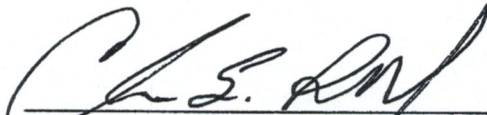
Quotations shall be received for goods and services of comparable quality.

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 2nd day of October, 2014 by vote of 5 (ayes) 0 (nays) to 0 (abstentions) of the City Council of Nolanville, Texas.

CITY OF NOLANVILLE:

ATTEST:


Christina Rosenthal., Mayor




Crystal Briggs, City Secretary