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Wednesday, January 22, 2025  
9:00 AM

City Hall - 141 W. Renfro  
Burleson, TX 76028

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1. **CALL TO ORDER**

2. **CITIZENS APPEARANCES**

Each person in attendance who desires to speak to the Committee on an item NOT posted on the agenda, shall speak during this section. A speaker card must be filled out and turned in to the City Secretary prior to addressing the Committee. Each speaker will be allowed three minutes to speak.

Each person in attendance who desires to speak on an item posted on the agenda shall speak when the item is called forward for consideration.

3. **GENERAL**

A. Consider approval of the minutes from the August 21, 2024 Council Policy and Valuation Committee meeting. *(Staff Contact: Monica Solko, Deputy City Secretary)*

4. **REPORTS AND PRESENTATIONS**

A. Receive a report, hold a discussion, and provide a recommendation regarding amendments to City Council Policy 36 and the Procurement Procedures. *(Staff Contact: Lauren Seay, Deputy Director of Administrative Services)*

B. Receive a report, hold a discussion, and provide a recommendation regarding the Equipment Replacement Fund (ERF) Policy, which is designed to provide financial stability to the purchase of vehicles and equipment. *(Staff Contact: Harlan Jefferson, Deputy City Manager)*

C. Receive a report, hold a discussion, and provide a recommendation regarding new policies for Municipal Utility Districts, Municipal Management Districts, and Public Improvement Districts. *(Staff Contact: Tony McIlwain, AICP, CFM, Development Services Director)*

5. **BOARD REQUESTS FOR FUTURE AGENDA ITEMS OR REPORTS**

6. **RECESS INTO EXECUTIVE SESSION**

In accordance with Chapter 551 of the Texas Government Code, the Committee may convene in Executive Session in the City Council Workroom at City Hall to conduct a closed meeting to discuss any item listed on this agenda.

**Pending or Contemplated Litigation or to Seek the Advice of the City Attorney  
Pursuant to Section 551.071**

7. **ADJOURN**

(Staff Contact)

### **CERTIFICATE**

I hereby certify that the above agenda was posted on this the 5th of January 2025, by 5:30 p.m., on the official bulletin board at the Burleson City Hall, 141 W. Renfro, Burleson, Texas.



Amanda Campos

City Secretary

### **ACCESSIBILITY STATEMENT**

The Burleson City Hall is wheelchair accessible. The entry ramp is located in the front of the building, accessible from Warren St. Accessible parking spaces are also available in the Warren St. parking lot. Sign interpretative services for meetings must be made 48 hours in advance of the meeting. Call the A.D.A. Coordinator at 817-426-9600, or TDD 1-800-735-2989.

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## Council Policy and Valuation Committee

**DEPARTMENT:** City Secretary's Office  
**FROM:** Amanda Campos, City Secretary  
**MEETING:** January 22, 2025

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**SUBJECT:**

Consider approval of the minutes from the August 21, 2024 Council Policy and Valuation committee meeting. *(Staff Contact: Monica Solko, Deputy City Secretary)*

**SUMMARY:**

The Council Policy and Valuation committee duly and legally met on August 21, 2024 for a regular meeting.

**OPTIONS:**

Committee may approve the minutes as presented or approve with amendments.

**RECOMMENDATION:**

Approve.

**STAFF CONTACT:**

Monica Solko, TRMC  
Deputy City Secretary  
[msolko@burlesontx.com](mailto:msolko@burlesontx.com)  
817-426-9682

**COUNCIL POLICY & VALUATION COUNCIL COMMITTEE**  
**August 21, 2024**  
**DRAFT MINUTES**

Council present:

Dan McClendon, Chair  
Larry Scott

Council Absent:

Adam Russell

Staff present

Tommy Ludwig, City Manager  
Harlan Jefferson, Deputy City Manager  
Eric Oscarson, Deputy City Manager  
Matt Ribitzki, Deputy City Attorney  
Amanda Campos, City Secretary  
Monica Solko, Deputy City Secretary

**1. CALL TO ORDER – Time: 9:00 a.m.**

Chair Dan McClendon called the meeting to order. **Time: 9:00 a.m.**

**2. CITIZEN APPEARANCES**

- None.

**3. GENERAL**

**A. Consider approval of the minutes from the April 17, 2024 Council Policy and Valuation Committee meeting. (Staff Contact: Amanda Campos, City Secretary)**

Motion made by Larry Scott and seconded by Dan McClendon to approve.

Motion passed 2-0, with Adam Russell absent.

**B. Consider approval of a recommendation for the Council to review and approve the City Council Policy #30, as required annually by the Public Funds Investment Act and the City's charter for the City of Burleson. (Staff Contact: Harlan Jefferson, Deputy City Manager)**

Harlan Jefferson, Deputy City Manager, reported on Council Policy #30 to the committee.

Discussion included:

- No significant changes to Investment
- Minor changes proposed as follows:

- Add: Deputy City Manager, Chief Accountant, Accounting Supervisory
- Removed: Controller
- Minor indentations and typo corrections

The committee was in favor of the changes and to bring an item forward to the full council for consideration.

**C. Receive a report, hold a discussion and provide staff direction on the proposed Newspaper Services contracts for publishing legal notices. (Staff Contact: Richard Abernethy, Director of Administrative Services)**

Richard Abernethy, Administrative Services Director, gave an update on the city's newspaper service bids to the committee.

Option 1:

- Reject the one submission we have received
- Execute an administrative contract with McClatchy Services for one-year at the rate of \$4.06 per line.

Option 2:

- Enter into a separate agreements with both publications
- Utilize the Cleburne Times-Review for general publications and the Fort Worth Star-Telegram (McClatchy) for election, tax rate and development notices.

Under both options, staff recommends re-evaluating the service contract at the end of the term and considering re-bidding for a longer-term contract. A one-year contract could be executed administratively.

The committee was in favor of option 1 and to bring an item forward to the full council for consideration.

**D. Receive a report, hold a discussion and provide staff direction regarding Municipal Utility Districts and Public Improvement Districts. (Staff Contact: Tony McIlwain, AICP, CFM, Development Services Director)**

Tony McIlwain, Development Services Director, reported on the Municipal Utility Districts and Public Improvement Districts to the committee.

Discussion included brief recap of PIDs and MUDs, review of city's current PID policy, and requested direction on a MUD policy.

The committee requested staff to amend the PID policy that would be overarching for all special districts for consideration of each but with the flexibility to review each on a case-by-case basis. Staff will draft and policy and bring back to the committee for review.

## **RECESS AND BACK TO ORDER**

Chair McClendon recessed for a short break at 10:13 a.m. and called the meeting back to order at 10:22 a.m. with all members present.

**E. Receive a report, hold a discussion and provide staff direction regarding neighborhood empowerment zones (NEZs). (Staff Contact: Tony McIlwain, AICP, CFM, Development Services Director)**

Tony McIlwain, Development Services Director, reported on the neighborhood empowerment zones (NEZs) to the committee.

Discussion included three target areas (residential area), creating a policy, promoting the creation of affordable housing, including manufactured housing, in the zone; an increase in economic development in the zone; an increase in the quality of social services, education or public safety provided to residents of the zone; or the rehabilitation of affordable housing in the zone.

The committee requested staff to bring an item (policy) forward to the full council for consideration.

**F. Receive a report, hold a discussion and provide staff direction regarding a possible use policy for the City Hall Annex balcony. (Staff Contact: Janalea Hembree, Assistant to the City Manager)**

Janalea Hembree, Assistant to the City Manager, reported on the City Hall Annex balcony to the committee.

Presentation included background, policies, legal requirements, and options. Staff recommends that city staff be allowed to utilize the balcony for business use only and within the guidelines establish by the existing Building Access Policy.

The committee was in favor of the recommendation and requested an item be brought forward to the full council for consideration.

## **4. BOARD REQUEST FOR FUTURE AGENDA ITEMS OR REPORTS**

- Spending cap for City Manager.

## **5. EXECUTIVE SESSION**

In accordance with Chapter 551 of the Texas Government Code, the Committee may convene in Executive Session in the City Council Workroom at City Hall to conduct a closed meeting to discuss any item listed on this agenda.

**A. Pending or Contemplated Litigation or to Seek the Advice of the City Attorney Pursuant to Section 551.071**

- No executive session needed.

**6. ADJOURN**

There being no further business Chair Dan McClendon adjourned the meeting.

**Time: 11:12 a.m.**

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Monica Solko  
Deputy City Secretary

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Choose an item.

**DEPARTMENT:** Administrative Services

**FROM:** Lauren Seay, Deputy Director

**MEETING:** January 22, 2025

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**SUBJECT:**

Receive a report, hold a discussion, and provide a recommendation regarding amendments to City Council Policy 36 and the Procurement Procedures. *(Staff Contact: Lauren Seay, Deputy Director of Administrative Services)*

**SUMMARY:**

City Council Policy 36 provides guidelines for administering all procurement activities in the City, with the express intent of promoting an open and fair procurement process. The Procurement Procedures is the companion document to City Council Policy 36 and provides steps and operational procedures for procuring goods and services for the City.

The Procurement Procedures were last amended alongside City Council Policy 36 in October 2023 to reflect changes in signature authority, interlocal agreement authority, competitive solicitation responsibilities, and to include minor clarifications.

In October 2023, the Purchasing Division was reorganized within the Administrative Services Department. Newly assigned staff began reviewing Council Policy 36 and the Procurement Procedures as well as gathering input from user departments. It was determined that some components of the Procurement procedures were outdated and that there was some duplication in both documents.

In November 2024, a committee was formed to review City Council Policy 36 and the Procurement Procedures to recommend amendments to these documents. The committee included representatives from high-procurement departments including:

- Administrative Services
- City Manager's Office
- Finance
- Fire, Emergency Management
- Human Resources
- Legal
- Parks and Recreation
- Public Works



The committee's recommendations were presented to the Deputy City Managers in December 2024, with a final review conducted by the City Manager's Office in January 2025. Additionally, Department Directors were briefed on the changes during a Directors' meeting and provided further comments.

A presentation detailing the recommended changes is included in your packet alongside a redlined copy of City Council Policy 36.

Major proposed revisions include:

1. Increasing the City Manager's approval authority from \$50,000 to \$75,000.
2. Revising Council Policy 36 to remove redundant information that requires duplicate updates.
3. Clarifying the distinction between Council Policy 36 as a governing policy and the Purchasing Procedures as operational processes and procedures.

Staff will be prepared to walk through the recommendations and answer any questions.

**RECOMMENDATION:**

Staff recommends that the Committee review and discuss the proposed changes to City Council Policy 36 and provide a recommendation to City Council for consideration.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

October 16, 2023 – The City Council approved amendments to City Council Policy 36.

**REFERENCE:**

N/A

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

Lauren Seay  
Deputy Director of Administrative Services  
[lseay@burlesontx.com](mailto:lseay@burlesontx.com)  
817-426-9897

# Purchasing Policy & Procedures Proposed Changes

Council Policy & Valuation Committee  
January 22, 2025

# AGENDA

Topics to be discussed today:

- 01** Background
- 02** Internal Review Committee
- 03** Governing Documents

- 04** Summary of Recommended Changes
  - 05** In-Depth Discussion
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# Background

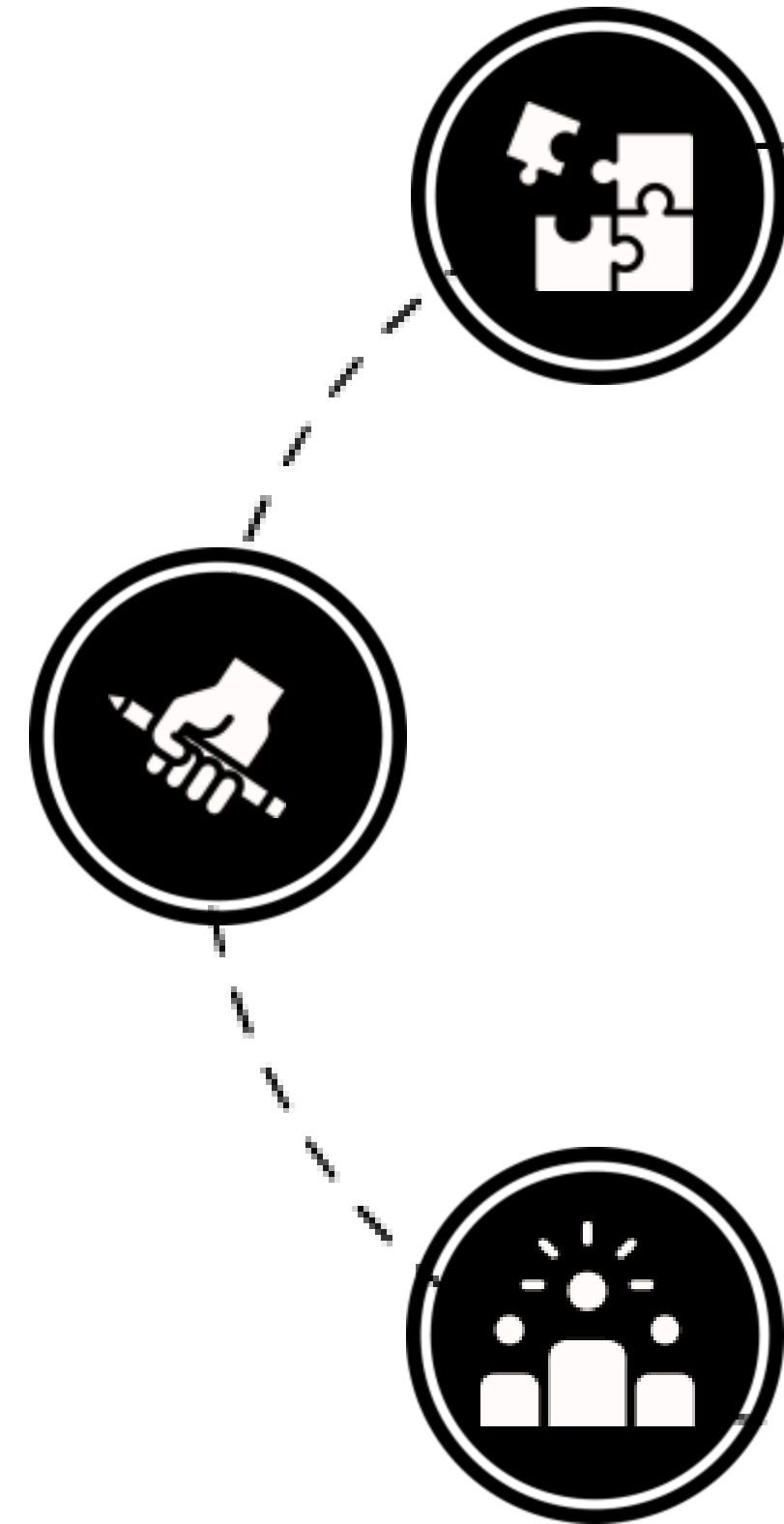
- **October 2023:**
  - City Council Policy 36 and Purchasing Procedures received updates to sections pertaining to signature authority and interlocal agreements.
  - Purchasing Division was moved to the new Administrative Services Department to allow the City to focus on best procurement practices and maximize purchasing power.
- **October 2023 - September 2024:** Administrative Services staff began reviewing the Purchasing Procedures and City Council Policy 36 to propose recommended updates based on City Council feedback and best practices.
- **October - November 2024:** Committee of representatives from multiple city departments was formed to review the purchasing procedures and City Council Policy 36, provide feedback, and to recommend changes.
- **December 2024:** Recommended changes were reviewed by Deputy City Managers.
- **January 2025:** City Manager reviewed changes and provided feedback and comments.

# Purchasing Policy & Procedure Review Committee

The committee consisted of representatives from high-procurement departments and divisions across the organization to gather their feedback and incorporate their insights into the proposed updates.

The committee met three times, established clear goals, and developed a Charter to align efforts toward a common objective.

The committee thoroughly reviewed Council Policy 36 and the procurement procedures, gathering examples from other cities, researching best practices, and identifying opportunities for improvement to ensure transparency and efficiency.



# Committee Members

<b>Andrea Anderson</b>	Administrative Services, Purchasing
<b>Richard Abernethy</b>	Administrative Services
<b>Jen Basham</b>	Parks & Recreation
<b>Janalea Hembree</b>	City Manager's Office
<b>Joe Laster</b>	Fire, Emergency Management
<b>Cheryl Marthiljohni</b>	Human Resources
<b>Gloria Platt</b>	Finance
<b>Matt Ribitzki</b>	Legal
<b>Justin Scharnhorst</b>	Public Works
<b>Lauren Seay</b>	Administrative Services
<b>Jennifer Swim</b>	Administrative Services, Purchasing

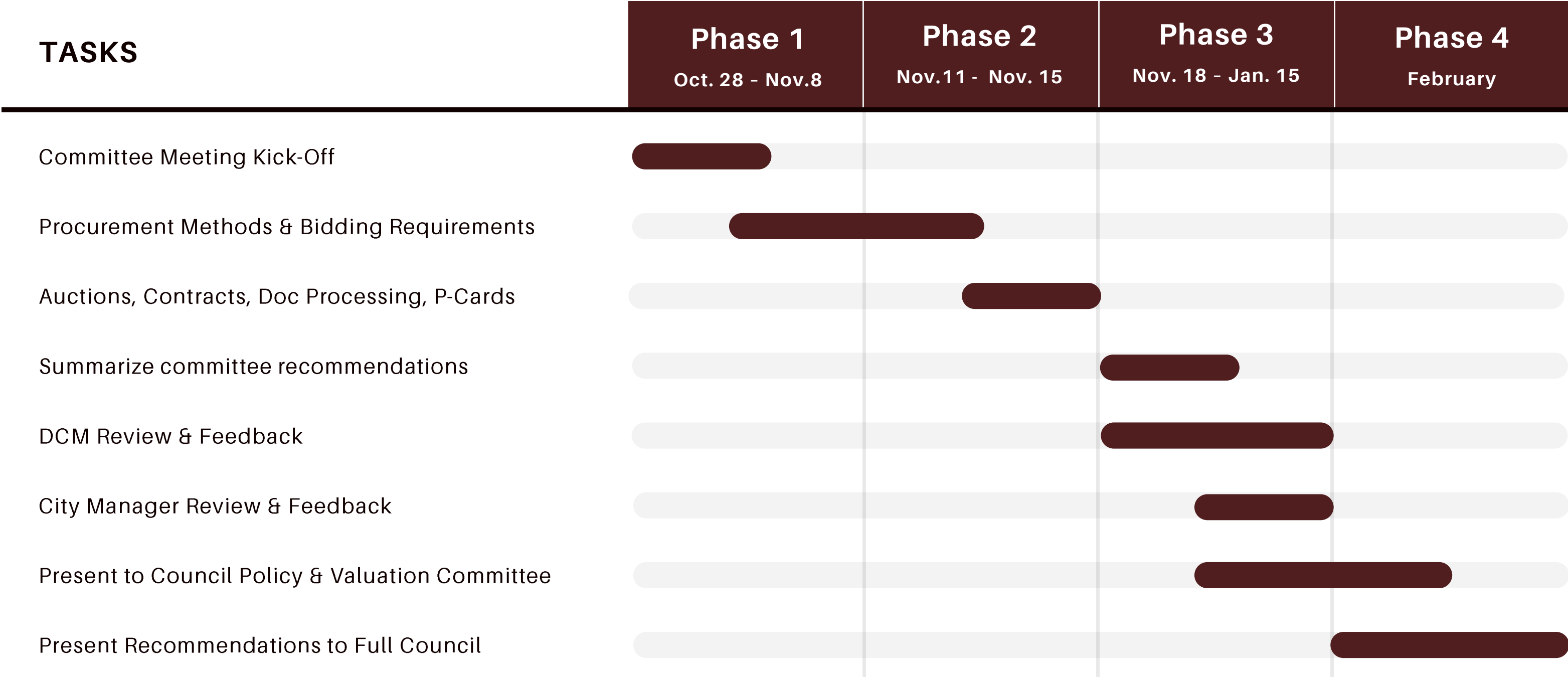


# Committee Goals & Objectives

01	<b>Policy and Procedure Clarity:</b> Define and distinguish the roles of policies versus procedures in purchasing documentation, creating a structured framework that is easy to follow and implement.
02	<b>Efficiency and Transparency:</b> Streamline and simplify purchasing processes to increase efficiency, remove redundancies, and maintain transparency at every stage, building trust with the public and city departments.
03	<b>Competitiveness and Fairness:</b> Update procedures to support competitive bidding, cooperative purchasing, and fair vendor selection to ensure best value and increase fairness.
04	<b>Stakeholder Engagement:</b> Collaborate with city departments to gather input during policy development, ensuring comprehensive, inclusive policies that meet the needs of all stakeholders.

# Council Policy 36 & Purchasing Procedures Review

Target Council Date: February 27, 2025





# Governing Procurement Documents

Each of these documents references purchasing regulations. Some are much more specific than others and several of them reference one another.



Local Government Code



City Charter



Council Policy 36



Purchasing Procedures

# LOCAL GOVERNMENT CODE

THE CITY OF  
BURLERSON

# Local Government Code

## **Chapter 252: Purchasing and Contracting Authority of Municipalities**

**Purpose:** Governs municipal purchasing procedures, including competitive bidding and contract awards, with exemptions for certain purchases.

## **Chapter 271: Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments**

**Purpose:** Provides a framework for the purchasing and contracting authority of various local governments, including municipalities, counties, and certain other local entities.

## **Chapter 2269: Contracting and Procurement for Construction Projects**

**Purpose:** Governs the procurement of construction projects by municipalities, including competitive bidding requirements and alternative procurement methods such as design-build and construction manager at risk.

## **Chapter 2254: Professional Services Procurement**

**Purpose:** Governs the procurement of professional services (e.g., architects, engineers, lawyers) by municipalities, requiring a qualifications-based selection process rather than competitive bidding.

# CITY CHARTER

THE CITY OF  
BURLESON

# City Charter

Below is an excerpt of the City's charter as it relates to procurement. For purchases of \$50,000 or more, cities are required to use competitive bidding or proposals. The purchasing authority of a city manager is typically defined by local policies or ordinances and may vary between municipalities. In the City of Burleson, the current authorization limit for the City Manager is \$50,000, as outlined in Council Policy 36.

## ☐ § 74 Purchase and procurement procedures.

(El. of 8-13-1977; El. of 8-9-1980; El. of 5-2-1998; El. of 11-5-2013)

- (a) Approval by city manager. The city manager shall have the authority to approve purchases for goods, services and public improvements up to the maximum authorized by state law. The City Council may establish city purchasing authority for the city manager at an amount lower than authorized by state law.
- (b) Contracts. Contracts are required when state law requires compliance with state procurement laws. The city manager may sign contracts up to the maximum dollar amount allowed by state law or a lower maximum as directed by the city council.
- (c) Procurement. Before the city may enter into a contract for goods, services or public improvements or approve alterations in an existing contract, the city shall comply with the requirements of state law. The city manager shall adopt procedures to assure competition for contracts that do not require formal bidding under state law.
- (d) No bids received. If state law requires compliance with procurement laws, and after formally requesting bids or proposals on two separate occasions, if the city fails to receive any valid bids or proposals, the city council is authorized to make the purchase without the use of bids or proposals; provided, that it follows specifications used in the failed bid or proposal offerings.

*\*Please note that changes to the language in a City's Charter typically require voter approval through an election. No language changes are proposed as part of this review.*

# COUNCIL POLICY 36

THE CITY OF  
BURLESON

# MAJOR PROPOSED CHANGES

01

Proposed increase to the City Manager's approval authority from \$50,000 to \$75,000

02

Proposed rework of Council Policy 36 to remove redundant information that necessitates duplicate revisions

03

Proposed revisions would delineate between Council Policy 36 as a governing policy and the Purchasing Procedures as operational process and procedures

## 1.0 (b) Governing Authority

In August 2024, this committee recommended evaluating the potential impact of increasing the City Manager's signature authority.

### Current Language:

*"All powers of the City vest in the City Council. Authority for purchasing goods and services is delegated to the City Manager provided the purchase does not exceed \$50,000. The City Manager's authority is delegated to the Purchasing Manager, subject to the requirements of this policy and adopted purchasing procedures."*

### Proposed Revision:

*All powers of the City vest in the City Council. Authority for purchasing goods and services is delegated to the City Manager provided the purchase does not exceed **\$75,000**. The City Manager's authority may be delegated to a designee, in writing, subject to the requirements of this policy and adopted purchasing procedures.*



# City Manager Approval Authority in Surrounding Areas

City Name	Population Estimate (2024)	City Manager Threshold
Allen	106,009	\$100,000
Arlington	411,167	\$50,000
Bedford	49,941	\$50,000
Cedar Hill	50,904	\$50,000
Coppell	43,193	\$50,000
Denton	154,189	\$100,000
Garland	250,099	\$100,000
Grapevine	52,283	\$50,000
Keller	47,476	\$50,000
Mansfield	86,323	\$50,000
North Richland Hills	73,602	\$50,000
Plano	294,152	\$100,000
Richardson	122,678	\$100,000
Wylie	62,171	\$50,000

*Note: Population estimates are based on the North Central Texas Council of Governments (NCTCOG) 2024 data.*

## 1.0 (c) Governing Authority

This suggested revision aligns with current practices.

### Current Language:

*“To ensure proper oversight, all purchases and requisitions in excess of \$25,000 will be reported to Council monthly. The report will include the vendor, purpose, amount, and source of funds for the expenditure.”*

### Proposed Revision:

*To ensure proper oversight, all purchases and requisitions are monitored through established approval levels at all stages prior to vendor payments, ensuring compliance with purchasing procedures. For transparency, vendor payments are published on the City website, and budget-to-actual reporting is provided by the Finance Department to the Council on a monthly basis.*

# Propose to remove the following sections:

## 3.0 Objectives

Propose to remove this section entirely as it outlines the responsibilities of the Purchasing Division, which are already detailed comprehensively in the Purchasing Procedures document. Eliminating this redundancy ensures that operational changes to processes can be implemented more efficiently.

## 4.0 Code of Ethics

The Code of Ethics outlined here is specific to procurement activities and is already integrated into the Purchasing Procedures to ensure ethical practices throughout all procurement processes. Please note that a standalone Code of Ethics specific to procurement is required to meet the criteria for the NIGP's Achievement of Excellence in Procurement Award.

## 5.0-5.7 Competitive Purchasing Requirements, Procedures for Purchases < \$10,000, Procedures for Purchases of \$10,000 to \$50,000, Procedures for Purchases \$25,000 to \$50,000, Competitive Solicitations, HUB's, Purchases more than \$50,000, Reciprocity

All procedural information is covered in detail in the Purchasing Procedures document. Eliminating this redundancy ensures changes to processes can be implemented more efficiently.

## 5.8 Award of a Contract

**This suggested revision references LGC and indicates staff will determine the best method of procurement.**

### **Current Language:**

*“The City of Burleson shall award contracts based on criteria deemed in the best interest of the City.”*

### **Proposed Revision:**

*The City of Burleson will award contracts based on the procurement method that staff determines to be in the best interest of the City. This determination will align with the processes and requirements outlined in Texas Local Government Code 252 or its successor statute.*

*Any resulting change orders or amendments to existing agreements will follow Texas Local Government Code 252.048 or its successor statute, ensuring compliance with state requirements for changes in scope, cost, or timeline.*

Propose to remove subsection b, as it duplicates LGC regulation.

# Propose to remove the following sections:

**5.9 Disclosure of Information**

**5.10 Professional Services**

**5.11 Automated Information Systems**

**5.12 Cooperative Purchases**

Each of these sections is thoroughly addressed in the Purchasing Procedures document, with much of the content referencing or mirroring statutes from the Local Government Code. Eliminating this redundancy ensures that operational changes to processes can be implemented more efficiently.

## 5.13 Emergency Purchases

### Current Language:

*(a) “Valid emergencies are those that occur as a result of the breakdown of equipment which must be kept in operation to maintain the public’s safety or health, or whose breakdown would result in the disruption of City operations. When this situation occurs, the department shall contact the Purchasing Division and conduct the procurement of supplies and services in accordance with the Purchasing Manual.”*

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

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



## 5.13 Emergency Purchases (cont.)

This suggested revision was drafted by the City’s Emergency Operations Manager, with input from the internal review committee, which researched policies and procedures from surrounding cities.

### Proposed Revision:

#### **Definition and Purpose**

*Emergency purchases are authorized in situations where immediate procurement is necessary to protect public health, safety, or City assets. The City of Burleson adheres to Texas Local Government Code, Section 252.022(a), which permits the City to bypass standard competitive bidding in emergency circumstances. This process ensures the City can respond swiftly and effectively to unforeseen events that disrupt essential services. For the emergency procurement process, refer to the Purchasing Procedures.*

#### **Definition of a Valid Emergency Purchase**

*An emergency purchase is deemed valid if it meets one or more of the following criteria:*

*Public Calamity: An urgent need resulting from a disaster or event that requires the immediate allocation of funds to relieve a necessity for residents or protect City assets.*

*Health and Safety Threats: Situations requiring immediate action to protect the health or safety of the public.*

*Critical Asset Failure: Failures of critical City equipment or infrastructure that require swift intervention to prevent a lapse in essential services.*

*The City of Burleson emphasizes pre-planning to avoid “self-created emergencies” due to lack of foresight, which could unnecessarily escalate costs. In cases where unforeseen needs arise, these must be verified as emergencies by the City Manager and Purchasing Division.*

#### **Ratification by the City Council**

*All emergency purchases exceeding \$75,000 must be submitted for City Council ratification as soon as practicable under the Texas Open Meetings Act. The ratification process provides an opportunity to review the emergency actions taken and ensures compliance with municipal policies and transparency standards. City Council will receive a report detailing the nature of the emergency, the items procured, costs incurred, and justification for any expedited purchasing actions taken without competitive bidding.*

## 5.14 Sole Source Purchases

Propose to remove this section – this topic is thoroughly addressed in the Purchasing Procedures document, with much of the content referencing or mirroring statutes from the Local Government Code. Eliminating this redundancy ensures that operational changes to processes can be implemented more efficiently.

## 5.15 Legal Review

### Current Language:

*“The City Attorney shall review all documents, contracts and legal instruments in which the City may have an interest, unless otherwise determined by the City Attorney. Equipment, materials, supplies, and service contracts bearing any special terms and conditions, other than administrative provisions, not previously approved by the City Attorney, shall be submitted for such approval and must receive approval prior to issuance. Review and approval by an attorney at TOASE or by the Deputy City Attorney shall constitute the review and approval by the City Attorney required under this Section.”*

### Proposed Revision:

*City staff shall work with the City Attorney and the Legal Department to review and approve documents, contracts, and legal instruments in which the City may have an interest. Contracts bearing any special terms and conditions not previously approved by the City Attorney should be submitted for review and approval. Review and approval by an attorney at TOASE or by the Senior Deputy City Attorney shall constitute the review and approval by the City Attorney required under this Section.*



## 5.16 (a)(1)(2) Signature Authority

### Current Language:

*(a) “Only the City Manager has signature authority to execute contracts of any nature. Such signature authority is detailed and delegated below:*

*(1) The City Manager has authority to execute contracts under \$50,000.”*

*(2) The City Manager has authority to execute contracts equal to or in excess of \$50,000 if approved by City Council in the annual budget or as a city council agenda item.*

### Proposed Revision:

*(a) “Only the City Manager has signature authority to execute contracts of any nature. Such signature authority is detailed and delegated below:*

*(1) The City Manager has authority to execute contracts under **\$75,000**.*

*(2) The City Manager has authority to execute contracts equal to or in excess of **\$75,000** if approved by City Council in the annual budget or as a city council agenda item.”*

**All other thresholds remain the same.**

## 6.0 Legal Definition

Propose to remove this section – this section only references Local Government Code and Deputy City Attorney has advised it is not necessary in this document.

## 7.0 Recommendation to City Council

### Current Language:

*“The Purchasing Division and the user department make final recommendations to City Council for awarding of contracts, in accordance with approved thresholds, for all solicitations in the stated areas of responsibility.”*

### Proposed Revision:

*Adding the following: If the Purchasing Division and the user department decide not to proceed with a competitive solicitation, all submitted bids or proposals must be formally rejected by the City Council before the solicitation can be reissued.*

## 8.0 Purchasing Manual

**This proposed revision would streamline updates and ensure that operational changes to processes can be implemented without requiring Council authorization.**

### **Current Language:**

*“The Purchasing Manual contains expanded explanation and process for accomplishing the procurement of goods and services in accordance with this policy. The Purchasing Manager maintains responsibility for updating the Purchasing Manual in accordance with the applicable state and local laws and the Purchasing Policy, as approved by City Council.”*

### **Proposed Revision:**

Rename section Purchasing Procedures

*The Purchasing Procedures contain expanded explanation and processes for accomplishing the procurement of goods and services in accordance with this policy. The City Manager or designee maintains responsibility for updating the Purchasing Procedures in accordance with the applicable state and local laws and City Council Policy 36: City of Burleson Purchasing Policy.*

# PURCHASING PROCEDURES

THE CITY OF  
BURLESON

# Major Proposed Changes to Purchasing Procedures

## Contract Change Order Language

Contract change order language updated to align with Local Government Code statutes.

## Emergency Purchases

Authorization and document requirements clearly defined and outlined in conjunction with the updates proposed to Policy 36.

## Historically Underutilized Businesses (HUB) Requirements

Updated to require a HUB search in the county where the work is being performed (Johnson or Tarrant).

## Definitions Section

An extensive Definitions section has been added, providing helpful information such as alternative methods, procedural explanations, and key terminology to enhance clarity and understanding throughout the document.

## Purchase Card (P-Card) Procedures

The Purchase Card Procedures will be removed from the Purchasing Procedures and established as a standalone policy in an effort to further develop operational processes and enhance procedural clarity.

## Travel Policy

The Employee Travel Policy currently resides in the Employee Handbook. The Employee Travel Policy will be updated and relocated into the Purchasing Procedures document to centralize related policies and ensure ease of access.

# Next Steps

Incorporate updates or revisions to the draft documents and presentation based on the guidance provided by the Council Policy & Valuation Committee

Present committee's recommendation to City Council & request a resolution updating City Council Policy 36

Publish updated documents on Legal & Purchasing SharePoint Pages

Send email communication and training sign-ups to internal staff



# CITY COUNCIL POLICY

## 36

### City of Burleson Purchasing Policy

Item A.

Adopted date	July 2, 2018
Revised date	2025

#### CITY OF BURLESON PURCHASING POLICY

##### 1.0 Governing Authority

- (a) The primary governing authority for the City of Burleson's Purchasing Policy shall be the City's Charter in conjunction with Local Government Code Chapter 252, "Purchasing and Contracting Authority of Municipalities." All procurement activity shall be governed by the Purchasing Policy, in accordance with applicable state and local government codes. The Mayor and Council shall from time to time review the Purchasing Policy and the City's resolution shall record any changes made to the Policy.
- (b) All powers of the City vest in the City Council. Authority for purchasing goods and services is delegated to the City Manager provided the purchase does not exceed \$75,000. The City Manager's authority ~~is delegated to the Purchasing Manager,~~ may be delegated to a designee, in writing, subject to the requirements of this policy and adopted purchasing procedures. In addition, authority for the following payments is delegated to the City Manager:
- (1) Payments made pursuant to the City's compensation and benefit plans including: Payroll, TMRS, Contributions, Payments to Deferred Compensation Plans, and Accrued Employee Benefits
  - (2) Payments to the federal government or its agencies
  - (3) Transfer payments of employee deductions or garnishments
  - (4) Health insurance claims and fees
  - (5) Other insurance premiums
  - (6) Utility bills including wholesale water and wastewater treatment



- (7) Remittance to the state of Texas
- (8) Procurement card remittance
- (9) Scheduled bond or lease payments

(c) To ensure proper oversight, all purchases and requisitions are monitored through established approval levels at all stages prior to vendor payments, ensuring compliance with purchasing procedures. For transparency, vendor payments are published on the City website, and budget-to-actual reporting is provided by the Finance Department to the Council on a monthly basis.

## 2.0 Purpose and Scope

The Purchasing Policy applies to the procurement activities of the City of Burleson. All procurement activities for the City shall be administered in accordance with the provisions of this policy, with the express intent to promote open and fair conduct in all aspects of the procurement process.

## ~~3.0 Objectives~~

- ~~(a) The Purchasing Division is responsible for ensuring that City departments comply with federal, state and local statutes regulating competitive sealed bids, competitive sealed proposals, professional services, high technology purchases, cooperative purchases, and emergency and sole source purchases. The Purchasing Division solicits for all competitive procurements as required by law, evaluates bids and proposals, and with the user department makes recommendations to the City Council for awarding of contracts.~~
- ~~(b) The Purchasing Division is a functional support division and should be included in all states of acquisition, through planning, ordering and receiving. Purchasing staff issues purchase orders (PO's) and bids, and/or negotiates and executes contracts to deliver goods and services in a timely manner. This is to ensure compliance with the State of Texas competitive bid statutes and the City's purchasing policies.~~
- ~~(c) The Purchasing Division is committed to providing quality service through effective teamwork and communication with City departments and vendors alike, in order to fulfill the purchasing needs of the City in a professional, responsive and timely manner in compliance with all City policies and~~



~~applicable federal, State, and local purchasing laws. Public purchasing has the responsibility to obtain the most value for the tax dollar in a fair, efficient and equitable manner. To achieve this objective the Purchasing Division seeks to foster as much competition as possible. In doing so, the City will adopt the goal of fairness by ensuring all who wish to compete for the opportunity to sell to the City of Burleson can do so. Our policy is intended to:~~

- ~~(1) Give all suppliers full, fair, prompt, and courteous consideration;~~
- ~~(2) Encourage open and fair competition;~~
- ~~(3) Solicit supplier suggestions in the determination of clear and adequate specifications and standards;~~
- ~~(4) Cooperate with suppliers and consider possible difficulties they may encounter; and~~
- ~~(5) Observe strict truthfulness and highest ethics in all transactions and correspondence.~~

### ~~3.1 General Duties of the Purchasing Division~~

- ~~(a) Observe and enforce the policy and these procedures outlined in the City of Burleson Purchasing Procedures Manual.~~
- ~~(b) Advise and assist in the formulation of policies and procedures connected with the purchasing activities of the City, and keep the City Manager or designee advised of such policies and procedures.~~
- ~~(c) Keep abreast of current developments in the fields of purchasing, price, market conditions and new products.~~
- ~~(d) Coordinate, organize, and assist departments in the specification writing process to ensure that specifications are written concisely and are not written in an exclusive manner.~~
- ~~(e) Join with other governmental agencies in cooperative purchasing plans when it is in the best interest of the City.~~
- ~~(f) Receive, open, and evaluate competitive solicitations.~~

- ~~(g) — Act in an advisory role as a non-voting member on evaluation committees.~~
- ~~(h) — Prepare and coordinate with user departments staff reports recommending award of competitive solicitations for City Council approval.~~
- ~~(i) — Combine purchases of similar items or services possible and practical to allow for better pricing and establish a more competitive atmosphere.~~
- ~~(j) — Assist department heads in the disposition of junk and scrap material such as pallets, scrap pipe, paper products, etc.~~
- ~~(k) — Dispose of stolen, abandoned, and recovered property coming into the possession of the City.~~
- ~~(l) — Dispose of surplus City property.~~
- ~~(m) — Conduct regular training sessions for employees involved in the purchasing process.~~

#### **4.0 — Code of Ethics**

~~(a)~~ By participating in the procurement process, employees of the City of Burleson agree to the Employee Roles and Responsibilities as outlined in Section 13.5 of the City of Burleson Employee Handbook.

#### **4.13.0 Award of Contract**

- ~~(a) — The City of Burleson will award contracts based on the procurement method that staff determines to be in the best interest of the City. This determination will align with the processes and requirements outlined in Texas Local Government Code 252 or its successor statute. The City of Burleson shall award contracts based on criteria deemed in the best interest of the City~~

Any resulting change orders or amendments to existing agreements will follow Texas Local Government Code 252.048 or its successor statute, ensuring compliance with state requirements for changes in scope, cost, or timeline.

#### **4.2 — Cooperative Purchases**

- ~~(a) — Cooperative, Joint, and Piggybacking contracts are available for use through~~

- ~~— signed interlocal agreements. Interlocal agreements can be signed by the City Manager. All purchases as a result of that interlocal agreement must follow council policy 36.~~
- ~~(b) Cooperative purchasing occurs when two or more governmental entities coordinate some or all purchasing efforts to reduce administrative costs, take advantage of quantity discounts, share specifications, and create a heightened awareness of legal requirements. Cooperative purchasing can occur through inter-local agreements, state contracts, piggybacking, and joint purchases.~~
- ~~(c) The Purchasing Division shall take advantage of the following types of cooperative purchases when deemed to be in the City's best interest:~~
  - ~~(1) Inter-local Agreement Purchases;~~
  - ~~(2) State Contract Purchases;~~
  - ~~(3) Piggybacking; and~~
  - ~~(4) Joint Purchases.~~
- ~~(d) Cooperative quotes that exceed \$50,000 must also be accompanied by documentation of steps taken to provide assurance that the cooperative price is competitive with current market pricing.~~

#### **4.34.0 Emergency Purchases**

- ~~(a) Valid emergencies are those that occur as a result of the breakdown of equipment which must be kept in operation to maintain the public's safety or health, or whose breakdown would result in the disruption of City operations. When this situation occurs, the department shall contact the Purchasing Division and conduct the procurement of supplies and services in accordance with the Purchasing Manual.~~
- ~~(b) The Legislature exempted certain items from sealed bidding in the Texas Local Government Code Section 252.022(a), including but not limited to:~~
  - ~~(1) A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;~~

- ~~(2) A procurement necessary to preserve or protect the public health or safety of the municipality's residents; and~~
- ~~(3) A procurement necessary because of unforeseen damage to public machinery, equipment or other property.~~

### **Definition and Purpose**

Emergency purchases are authorized in situations where immediate procurement is necessary to protect public health, safety, or City assets. The City of Burleson adheres to Texas Local Government Code, Section 252.022(a), which permits the City to bypass standard competitive bidding in emergency circumstances. This process ensures the City can respond swiftly and effectively to unforeseen events that disrupt essential services. For the emergency procurement process, refer to the Purchasing Procedures.

### **Definition of a Valid Emergency Purchase**

An emergency purchase is deemed valid if it meets one or more of the following criteria:

Public Calamity: An urgent need resulting from a disaster or event that requires the immediate allocation of funds to relieve a necessity for residents or protect City assets.

Health and Safety Threats: Situations requiring immediate action to protect the health or safety of the public.

Critical Asset Failure: Failures of critical City equipment or infrastructure that require swift intervention to prevent a lapse in essential services.

The City of Burleson emphasizes pre-planning to avoid "self-created emergencies" due to lack of foresight, which could unnecessarily escalate costs. In cases where unforeseen needs arise, these must be verified as emergencies by the City Manager or Purchasing Division.

### **Ratification by the City Council**

All emergency purchases exceeding \$75,000 must be submitted for City Council ratification as soon as practicable under the Texas Open Meetings Act. The ratification process provides an opportunity to review the emergency actions taken and ensures compliance with municipal policies and transparency standards.

City Council will receive a report detailing the nature of the emergency, the items procured, costs incurred, and justification for any expedited purchasing actions taken without competitive bidding.

#### **~~4.4 Sole Source Purchases~~**

- ~~(a) Sole source purchases are items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies as defined by local government code. When a department has identified a specific item with unique features or characteristics essential and necessary to the requesting department and no alternate products are available, a detailed written justification must be provided to the Purchasing Division in advance for review and approval. Per the local government code, items include:~~
- ~~(1) Items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;~~
  - ~~(2) films, manuscripts, or books;~~
  - ~~(3) gas, water and other utility services;~~
  - ~~(4) captive replacement parts or components for equipment;~~
  - ~~(5) books, papers, and other library materials for a public library that are available only from the person holding exclusive distribution rights to the materials; and~~
  - ~~(6) Management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.~~

#### **4.55.0Legal Review**

City staff shall work with the City Attorney and the Legal Department to shall review and approve all documents, contracts and legal instruments in which the City may have an interest. ~~unless otherwise determined by the City Attorney.~~ ~~Equipment, materials, supplies, and service c~~Contracts bearing any special terms and conditions, ~~other than administrative provisions,~~ not previously approved by the City Attorney, ~~shall should~~ be submitted for such review and approval. ~~and must receive approval prior to issuance.~~ Review and approval by an attorney at TOASE

or by the Deputy City Attorney shall constitute the review and approval by the City Attorney ~~required~~ under this Section.

#### **4.66.0 Signature Authority**

- (a) Only the City Manager has signature authority to execute contracts of any nature. Such signature authority is detailed and delegated below:
  - (1) The City Manager has authority to execute contracts under \$~~50~~75,000.
  - (2) The City Manager has authority to execute contracts equal to or in excess of \$~~50~~75,000 if approved by City Council in the annual budget or as a city council agenda item. Including but not limited to:
    - a. Payments made pursuant to the City's compensation and benefit plans including: Payroll, TMRS, Contributions, Payments to Deferred Compensation Plans, and Accrued Employee Benefits
    - b. Payments to the federal government or its agencies
    - c. Transfer payments of employee deductions or garnishments
    - d. Health insurance claims and fees
    - e. Other insurance premiums
    - f. Utility bills including wholesale water and wastewater treatment
    - g. Remittance to the state of Texas
    - h. Procurement card remittance
    - ~~i.~~ Scheduled bond or lease payments
    - i.
  - (3) The Deputy/Assistant City Manager authority to execute contracts under \$25,000;
  - (4) The Purchasing Manager has authority to execute contracts under \$10,000;

- (5) Department Directors have authority to execute contracts under \$3,000;
- (6) The City Manager may designate in writing a city employee to sign contracts in his absence. All contracts executed under this section must be compliant with the city's purchasing policy and compliant with all retention schedules as designated by the Texas State Library and Archives Commission.

## **6.0 Legal Definition**

~~(a) The legislature exempted certain items from sealed bidding in the Local Government Code Section 252.022. The City of Burleson will follow this section when determining what items and services qualify for exemptions.~~

## **7.0 Recommendation to City Council**

The Purchasing Division and the user department make final recommendations to City Council for awarding of contracts, in accordance with approved thresholds, for all solicitations in the stated areas of responsibility.

If the Purchasing Division and the user department decide not to proceed with a competitive solicitation, all submitted bids or proposals must be formally rejected by the City Council before the solicitation can be reissued.

## **8.0 Purchasing ~~Manual~~Procedures**

The Purchasing ~~Manual~~Procedures contain expanded explanation and processes for accomplishing the procurement of goods and services in accordance with this policy. The City Manager or designee maintains responsibility for updating the Purchasing ~~Manual~~Procedures in accordance with the applicable state and local laws and ~~the City Council Policy 36: City of Burleson Purchasing Policy, as approved by City Council.~~



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## Council Policy and Valuation Committee

**DEPARTMENT:** City Manager's Office  
**FROM:** Harlan Jefferson, Deputy City Manager  
**MEETING:** January 22, 2025

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**SUBJECT:**

Receive a report, hold a discussion, and provide a recommendation regarding the Equipment Replacement Fund (ERF) Policy, which is designed to provide financial stability to the purchase of vehicles and equipment. *(Staff Contact: Harlan Jefferson, Deputy City Manager)*

**SUMMARY:**

The Equipment Replacement Fund (ERF) Policy ensures long-term financial sustainability by stabilizing budgetary impacts associated with replacing aging city vehicles and equipment. By implementing a systematic approach to funding replacements through scheduled contributions from department budgets, the city can avoid unexpected large capital outlays, thereby improving fiscal predictability. This policy also facilitates effective fleet and equipment management, ensuring that the city operates reliable, efficient vehicles and tools while minimizing maintenance costs and operational downtime. Additionally, the ERF enhances financial transparency by clearly delineating the responsibilities of departments and committees involved in equipment procurement and replacement, promoting accountability in resource management.

The ERF Policy consists of several critical components:

1. **Policy Overview** – Establishes the framework for managing and funding replacements, detailing that vehicles and equipment are owned by the ERF and allocated to user departments.
2. **Organizational Responsibilities** – Assigns roles to city departments, the City Council Finance Committee, the Purchasing Division, the Finance Director, the City Manager, and the City Council, each responsible for specific aspects of the program, such as managing contributions, reviewing requests, and approving replacements.
3. **Replacement Request Process** – Outlines the annual process for departments to request vehicle and equipment replacements during the budget cycle, including submission and review of procurement requests by an internal committee.
4. **Replacement Criteria** – Provides guidelines for determining when items qualify for replacement, based on factors like age, mileage, and condition, while also allowing for exceptions in cases of excessive maintenance or total loss.
5. **Replacement Funding** – Defines the funding mechanism, where departments contribute to the ERF based on the estimated replacement cost and expected useful life.



of each item. The policy also specifies how sale proceeds, investment income, and claims are credited to the ERF, ensuring sufficient funds are available for future replacements.

**RECOMMENDATION:**

Staff recommends that the Committee discuss the merits of the draft ERF policy and make a recommendation for the City Council to consider.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

N/A

**REFERENCE:**

N/A

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

Harlan Jefferson  
Deputy City Manager  
[hjefferson@burlesontx.com](mailto:hjefferson@burlesontx.com)  
817-426-9651

# Equipment Replace Funds Update and Discussion

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PRESENTED TO THE POLICY AND VALUATION COMMITTEE ON  
JANUARY 22, 2025

# Equipment Replacement Fund Purpose

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- Objective:

Establish policy and procedures to ensure the availability of funds for replacement

- Vehicles
- Equipment

- Key Goals:

- Stabilize budgeting for future replacements
- Fund ERF-related purchases

- Implementation:

- Facilitate timely replacements and purchases
- Administer the disposition of replaced assets

# Overview of Presentation

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- Current Status of Equipment Replacement Funds
- Draft Policy
  - Estimated useful life update consideration
  - Options to increase funding levels to a proposed 65% to 75% range goal
  - Debt funding of equipment with replacement cost of \$300,000 or higher
  - Consideration of test case for shorter replacement of certain vehicles
  - Exclusion of non-rolling equipment except generators
- Review Next Steps
- Review Future Steps

# Funding Goal

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- Recommended Funding Goal of 65% to 75%
- Since replacements are made over several years, no need to reach 100%. The goal is to have adequate funding to meet annual replacement needs.
- Additional Funding Sources
  - Interest Income
  - Auction proceeds from replaced vehicle sales

# Proprietary Equipment Replacement Fund

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- Number of Assets – 66 (Excludes Sewer Vacuum Truck)
- Purchase Cost – \$2,970,332
- Estimated Current Funding Needed – \$3,122,637
- Estimated Funding Needed at 70% - \$2,185,846
- Estimated Fund Balance at 9/30/2024 – \$491,773
- Funded Ratio – 15.7%
- Funding Shortfall at 70% - \$1,694,073

# Proprietary Equipment Replacement Fund

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## Recommendations

- Consider one-time transfer from Water and Wastewater Fund to bring their portion of funding to 70% (\$1,564,003)
- Current estimated working capital of Water and Wastewater Fund at 9/30/2024 - \$12,045,387 (\$14,241,182 with impact fees)
- Current estimated working capital as % of expenditures - 40%
- Would reduce Water and Wastewater Fund working capital to \$10,481,384 and require a budget amendment
- Would reduce estimated working capital as a % of expenditures to 35%
- Exclusion of non-rolling equipment except for generators

# Governmental Equipment Replacement Fund

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- Number of Assets – 223 (Excludes equipment over \$300,000 such as - Fire Apparatus, Ambulances, Police Command and Tactical Vehicles, and Streets Track Loader, Paver and Sweeper)
- Purchase Cost – \$8,793,888
- Estimated Current Funding Needed – \$8,551,518
- Estimated Funding Needed at 70% - \$5,986,063
- Estimated Fund Balance at 9/30/2024 – \$5,161,919
- Funded Ratio – 60.4%
- Funding Shortfall at 70% - \$824,144



# Replacements in excess of \$300,000



- Number of Assets – 23 (18 Primary, 5 reserve)
- Initial Purchase Cost – of Primary \$6,997,190
- Replacement cost of primary - \$11,280,291
- Does not include equipment that has been ordered, but not yet in service



One sewer vacuum truck is proposed to be replaced in 2025



Two new ambulances are proposed to be purchased in 2026



One paver and one street sweeper are proposed to be replaced in 2026



Four ambulances purchased in 2023, with replacement in 2028



One ladder truck and one brush truck for Fire Station 4 (2029)



One BearCat proposed to be replaced in 2029

## Impact on Five-Year CIP

# General Government Five Year CIP Plan

Item B.

GO Bond Projects	2025	2026	2027	2028	2029	Total
Neighborhood Street Rebuilds	\$750,000	\$750,000	\$261,876	\$3,347,953		\$5,109,830
Alsbury Ph. 2 -Hulen to CR1020 (Bridge)	\$5,646,260					\$5,646,260
Police Expansion	\$13,607,500	\$16,409,500				\$30,017,000
SH174 Widening (Schematic & Environmental)		\$750,000				\$750,000
Hulen at Wilshire Intersection	\$200,000	\$1,501,027				\$1,701,027
Hulen Widening (SH174 to Candler) (Design 4 Lanes; Build 2 Lanes)	\$1,800,000	\$6,003,653				\$7,803,653
Elk, Hillside, & FM731- Ped. & Int. Improvements		\$204,871	\$403,834			\$608,705
Fire Station #4			\$2,500,000		\$13,443,000	\$15,943,000
FM 1902 and CR 910 Pedestrian Mobility		\$300,000	\$1,189,901			\$1,489,901
Wilshire Blvd. (SH174) Construction Documents (Hulen to City Limits)			\$1,600,000			\$1,600,000
Fire Station #1	\$1,100,000					\$1,100,000
Police Expansion	\$6,293,000					\$6,293,000
Alsbury Ph. 1B -Candler to Hulen Outside Lanes	\$2,815,444					\$2,815,444
Alsbury Ph. 2 -Hulen to CR1020 (Bridge)	\$2,116,276					\$2,116,276
HULEN 4-LANE EXPANSION (additional costs to GO Bond ST2502)	\$2,267,711	\$11,770,242				\$14,037,953
Elk, Hillside, & FM731- Ped. & Int. Improvements			\$705,749			\$705,749
Additional Pavement Rehab	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
Quiet Zone at Dobson Street and County Road 714			\$1,045,541			\$1,045,541
Village Creek Parkway Expansion (Tarrant Co. Bond 50% Match)	\$1,660,765					\$1,660,765
Two Fire Engines & Equipment	\$2,600,000					\$2,600,000
Eight Storm Sirens	\$350,000					\$350,000
Two New Ambulances		\$1,326,000				\$1,326,000
One Replacement Sweet Sweeper		\$325,000				\$325,000
One Replacement Paver		\$535,000				\$535,000
Four Replacement Ambulances				\$2,652,000		\$2,652,000
One New Ladder Truck					\$2,438,197	\$2,438,197
One New Brush Truck					\$367,332	\$367,332
One Replacement BearCat					\$350,000	\$350,000
Total all funding sources	\$42,206,956	\$40,875,293	\$8,706,901	\$6,999,953	\$17,598,529	\$116,387,632

# Water & Sewer Five Year CIP Plan

Item B.

Water Projects	2025	2026	2027	2028	2029	Total
Waterline Rehabilitation		\$350,000	\$2,500,000	\$350,000	\$2,500,000	\$5,700,000
Industrial Blvd Pump Station Expansion & Alsbury Pump Station Decommission	\$15,913,678					\$15,913,678
12" Willow Creek Waterline Looping	\$837,619					\$837,619
Hulen Ground Storage Tank Rehabilitation		\$1,506,557				\$1,506,557
8" Village Creek and 8" CR 715 Water Line Looping	\$1,177,838					\$1,177,838
Service Center Detention						\$0
Mountain Valley EST and GST Demolition		\$84,395	\$752,333			\$836,728
16" Hulen Street Waterline	\$464,889	\$5,853,180				\$6,318,069
12" Waterline Loop for Mountain Valley	\$410,248	\$1,072,813				\$1,483,061
Offsite Water Supply from Fort Worth	\$2,193,995	\$13,486,298				\$15,680,293
New AMI / AMI Implementation	\$4,500,000					\$4,500,000
Hulen Pump Station Expansion			\$391,255	\$2,804,349		\$3,195,604
New Mountain Valley 0.75 MG EST			\$475,000	\$3,200,000		\$3,675,000
New 2023 W Masterplan Projects for Design			\$775,000	\$1,300,000		\$2,075,000
New 2023 W Masterplan Projects for Construction				\$3,300,000	\$3,500,000	\$6,800,000
Turkey Peak Elevated Storage Tank Rehabilitation			\$200,211	\$1,437,171		\$1,637,382
Hidden Creek Pkwy Tank Rehab			\$499,993			\$499,993
12" Water Line from Wilshire to John Jones (Future Hulen)				\$256,361	\$1,068,516	\$1,324,877
<b>TOTAL</b>	<b>\$25,498,267</b>	<b>\$22,353,243</b>	<b>\$5,593,792</b>	<b>\$12,647,881</b>	<b>\$7,068,516</b>	<b>\$73,161,699</b>

Sewer Projects	2025	2026	2027	2028	2029	Total
Sewer Line Rehabilitation		\$500,000	\$3,500,000	\$500,000	\$3,500,000	\$8,000,000
Trunk Relief Line (Town Creek Basin Parallel Buildout Interceptors)	\$344,794	\$20,178,034				\$20,522,828
Lift Station Rehabilitations						\$0
SE Tarrant Sewer Erosion Control (aka Sewer Line Protection- Booger Creek Imp.)						\$0
Sewer Line Easement Acquisition- Mockingbird to CR913						\$0
New AMI / AMI Implementation	\$3,000,000					\$3,000,000
New 2023 W Masterplan Projects for Design		\$950,000	\$1,600,000	\$1,300,000		\$3,850,000
New 2023 W Masterplan Projects for Construction			\$5,500,000	\$3,500,000	\$7,350,000	\$16,350,000
Parkview Dr Sewer Upsizing to 10"	\$139,285	\$1,000,558	\$0			\$1,139,843
12" Wastewater line Replacement in Village Creek Basin (Golf Course)	\$178,491	\$1,281,348				\$1,459,839
Sewer Vacuum Truck	\$518,000					\$518,000
<b>TOTAL</b>	<b>\$4,180,570</b>	<b>\$23,909,940</b>	<b>\$10,600,000</b>	<b>\$5,300,000</b>	<b>\$10,850,000</b>	<b>\$54,322,510</b>

<b>Total Water and Sewer Bond Funding</b>	<b>\$29,678,837</b>	<b>\$46,263,183</b>	<b>\$16,193,792</b>	<b>\$17,947,881</b>	<b>\$17,918,516</b>	<b>\$127,484,209</b>
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# Governmental Equipment Replacement Fund

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## Recommendations

- Set contribution levels beginning with FY 25-26 budget to bring funding level to 70% over five years
- Consider pilot program of potential early replacement
- Continue to fund Fire Apparatus, Ambulances, Police Command and Tactical Vehicles and Streets large equipment with debt (term of debt tied to life of asset)
- Exclusion of non-rolling equipment, except generators

# Review of Current Useful Life Estimates

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- Staff recommends review of estimated useful life tables of vehicles and equipment
- Coordinate review with external auditors
- After internal review by staff and external auditor, return to the City Council to update useful life tables

# Test Case of Shorter Replacement Cycle for Certain Vehicles

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- Cities receive a governmental discount for vehicle purchases
- General annual mileage (excluding police Tahoe's) is relatively low
- Resale value in 3-4 years from purchase can be close to purchase price (due to discount)
- Maintenance cost low due to warranty
- Consider a test case to sell 3-5 newer vehicles and analyze life cycle costs

# Potential Early Replacement Test Cases

Asset #	Vehicle	Department	Purchase Date	Purchase Cost	Current on-line sales price range	Estimated Replacement Cost
923	2022 Chevy Equinox	Police	9/15/2022	\$ 23,442	\$17,500- \$21,600	\$ 32,320
924	2022 Chevy Equinox	Police	9/15/2022	\$ 23,442	\$17,500- \$21,600	\$ 32,320
856	2021 Chevy Silverado 1500	Police	7/15/2021	\$ 41,974	\$36,000 - \$40,000	\$ 50,240
860	2020 Chevy Silverado 3500	Streets	5/19/2022	\$ 45,197	\$39,000 - \$44,000	\$ 73,346
861	2020 Chevy Silverado 3500	Streets	5/19/2022	\$ 45,197	\$39,000 - \$44,000	\$ 73,346
840	2020 Chevy Silverado 3500	Streets	8/14/2020	\$ 44,680	\$39,000 - \$44,000	\$ 73,346



# Consideration of Recommendations

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- Consideration of Equipment Replacement Funds Policy
- Budget amendment for Water and Wastewater Fund to bring Proprietary Equipment Replacement Fund to 70% of Water Portion
- Five-year goal to bring Governmental Equipment Replacement Fund to 70%
- Continue to replace assets over \$300,000 from debt (Fire apparatus, Ambulances, Police Command and Tactical vehicles, Streets Large Equipment and Sewer vacuum truck)
- Staff review of equipment and vehicle useful life tables
- Potential early vehicle replacement test cases
- Order replacement units in June (cost savings buying current year models and sooner delivery of units)

# Next Steps

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February 3<sup>rd</sup> Council Meeting - Report and Presentation

February 17<sup>th</sup> Council Meeting - Consideration of ERF Policy

February 17<sup>th</sup> Council Meeting - Consideration of CIP amendment

February 17<sup>th</sup> Council Meeting - Consideration of the purchase of two ambulances

February 17<sup>th</sup> Council Meeting - Consideration of the purchase of a sewer vacuum truck

February 17<sup>th</sup> Council Meeting - Consideration of a reimbursement resolution



# Future Steps



Evaluate the budgeting strategy of the following expenditure categories:



Computer Equipment



Fire Equipment



Fitness Equipment

# QUESTIONS/COMMENTS

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## **EQUIPMENT REPLACEMENT FUND PROGRAM**

The purpose of the City's Equipment Replacement Fund (ERF) Program is to establish policy and procedures to ensure that adequate funds will be available to purchase replacement vehicles and equipment, and to fund the ERF related to the purchases, thereby stabilizing the budgeting for future year replacements. Also, to provide for such replacements and purchases, and administer the disposition of the replaced vehicles and equipment.

### **SECTION 1: POLICY**

#### **A. Policy Overview**

1. All fleet vehicles and equipment will be owned by the ERF and assigned to the user departments.
2. All user departments will be charged a monthly replacement fee for each item allocated for their use from the ERF. Such a fee will provide funds to purchase future replacement vehicles and equipment.
3. All items replaced will be surrendered simultaneously with the acquisition of the replacement. A determination will be made prior to the acquisition regarding the disposition of the item being replaced.
4. Proceeds for replaced items sold as surplus property will be credited to the ERF.
5. The ERF is for the purchase and replacement of vehicles and equipment. New items, additions and/or upgrades may be requested by departments during the budget process. If approved, items will be added to the ERF after acquisition, and the monthly replacement fee for units will be assessed accordingly.

### **SECTION 2: ORGANIZATIONAL RESPONSIBILITIES**

Throughout the process, it is critical that City staff works together to ensure that requirements are met, and that the City of Burleson achieves the identified goal that created the need for this funding mechanism.

#### **A. City Departments**

Departments operating vehicles and equipment are responsible for:

1. contributing monthly to the ERF according to this policy;
2. requesting replacement units during the annual budget process; and
3. appointing members to the internal vehicle and equipment review committee.

The internal review committee for vehicles and equipment is comprised of a Purchasing Division staff, Fleet Division staff, the Finance Director, and one representative from each user department with a vehicle/equipment unit in the ERF Fund. The user department representatives are appointed by their respective department heads.

Committee duties include:

- a. reviewing the Vehicle and Equipment Procurement Request Forms submitted annually for both scheduled and unscheduled replacements, identifying the items warranting replacement per this policy, and prioritizing these items for budgetary consideration;
- b. making recommendations regarding departmental requests to purchase used vehicles or equipment from the ERF; and
- c. recommending revisions to the replacement criteria.

## **B. City Council Finance Committee**

The City Council Finance Committee is responsible for reviewing staff recommendations on behalf of the City Council. The purpose and scope of the committee is defined below. The Council Finance Committee is comprised of Councilmembers appointed by the City Council.

Committee duties include:

- a. periodically reviewing and making recommendations to the City's ERF as it relates to the acquisition, replacement and upgrading of the City's vehicles and equipment for recommendation in the budget development process.

## **C. Purchasing Division**

The Purchasing Division is responsible for maintaining the ERF Policy, maintaining updated replacement schedules for vehicles and equipment, and for overseeing the activities of the ERF Committee for vehicles and equipment. The Purchasing Division also coordinates with user departments to facilitate individual replacements.

## **D. Finance Director**

The Finance Director is responsible for managing the ERF, setting the annual budget for vehicle equipment replacements, and reviewing and proposing modifications and/or replacement lists based on budgetary constraints.

## **E. City Manager**

The City Manager is responsible for reviewing and deciding departmental requests to purchase retired items from the ERF, approving proposed replacements units to be recommended to the Council Finance Committee and overseeing the activities of the ERF committee.

## **F. City Council**

The City Council reviews and approves the list of proposed replacements, and the amount of annual contributions to the ERF during the budget development process each year.

### SECTION 3: REPLACEMENT REQUEST PROCESS

Departments will complete a Vehicle and Equipment Procurement Request Form to initiate the replacement process. Requests must be submitted annually during the budget process. If the requested unit is not scheduled for replacement, the user department will provide additional justification and support for the request. The internal vehicle and equipment review committee will meet to review all requested replacements.

### SECTION 4: REPLACEMENT CRITERIA

The Vehicle/Equipment Replacement Criteria (Exhibit A) identifies the estimated life expectancy of the City's vehicles and equipment. Age and mileage or hours are the primary criteria for replacement. The criterion is only intended as a guide for the replacement decision; items meeting or exceeding the criteria are not automatically approved for replacement. Meeting the criteria makes a unit eligible for replacement, but still subject to additional scrutiny, considering items such as physical condition, resale value, etc. Also, items that do not meet the criteria may still be eligible for early replacement for reasons like excessive maintenance costs, or a total loss declaration by the City's insurer.

### SECTION 5: REPLACEMENT FUNDING

The ERF is an internal service fund used to account for the replacement of City's vehicles and equipment. Contributions are made to the ERF based on a replacement schedule for each item. Departments using vehicles and equipment will contribute funds from their operational budget into the ERF; these contributions are then used to replace the items which mitigate the impact on the operating budget. The amount of the annual contribution for each item is determined as follows:

#### **CONTRIBUTION = ITEM REPLACEMENT PRICE / EXPECTED USEFUL LIFE**

Example: Chevrolet Tahoe purchased for Police Department: \$60,000\*  
 Expected useful life: 5 years  
 Contribution = (\$60,000/5) = \$12,000/year

\*Acquisition price is inclusive of all after-market installations required to place the unit into operation. The replacement costs are updated on a regular basis and the contributions are adjusted accordingly.

The annual contribution amount is divided by twelve (12) for monthly transfers from the department's budget to the ERF via journal entry. Proposed ERF transactions are reviewed and approved as part of the City's annual operating budget process.

1. Proceeds from sold vehicles will be credited to the ERF, as will income earned from investment of ERF balances and all claims paid on ERF items.
2. If a department's item reaches its expected useful life but continues in service, the department will not be required to make additional contributions for that unit.
3. In the event that City Manager approval is received to purchase a retired or replaced item from the ERF, the purchase price shall be ten percent (10%) of the original cost of the item or estimated sale price (whichever is greater). This amount is intended to compensate for the loss of sale proceeds

that would otherwise be deposited in the ERF. The retained item will be removed from the ERF and will not be funded for future replacement.

4. In the event that a user department has not contributed enough over the life of an item to cover the cost of its replacement, the difference in funding may be derived from:
  - a. savings on other items being replaced according to this policy in the same department; and/or
  - b. funds available from total ERF balance of contributions made by the department, with the difference to be accounted for during the annual review; and/or
  - c. funds available in the department's operating budget, which shall be transferred to the ERF to fund the entire replacement cost.

This section applies to replacement items that are different in nature and more costly than the items to be replaced. It does not apply to increased costs resulting from inflation.

5. Replacement contributions will be discontinued for units sold or retired before the expiration of their useful life.
6. The acquisition price for ERF items will be reviewed on an annual basis during the budget development process and adjusted accordingly to reflect current market prices. This may result in an adjustment to the annual contributions in order to accommodate future replacement costs.

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The City of Burleson Equipment Replacement Fund (ERF) Program was revised and adopted the    day of    , 2025.

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Tommy Ludwig, City Manager



## Exhibit A - Vehicle Equipment Replacement Criteria

The following schedule is a base guideline for vehicle and equipment replacement and is NOT absolute criteria for replacement. Vehicle depreciation, age, meter (mileage or hours), mechanical condition, maintainability/reliability, maintenance cost, and safety will impact the decision to replace or retain them.

Type of Vehicle	Years	Miles	Hours
Aerial Bucket Trucks	8	100,000	6,000
Aerial Ladder and Snorkel Fire Trucks	15	N/A	N/A
Air Compressors (trailer-mounted)	15	N/A	7,500
Ambulances	7	100,000	N/A
Backhoes	10	N/A	7,500
Backhoes, Tractor (Track hoes)	10	N/A	7,000
Boats	10	N/A	N/A
Chippers	7	N/A	7,500
Concrete Saw	6	N/A	5,000
Crack Sealer	15	N/A	6,000
Cranes, Ditchers and Trenchers	10	N/A	7,000
Dozers	15	N/A	7,000
Excavators – Mini = 10 large = 15	10/15	N/A	7,000
Fire Engines, Pumper Tanks and Quints	15	N/A	N/A
Forklift	15	N/A	7,500
Generators	15	N/A	N/A
Hydraulic Hammers	10	N/A	7,000
Infield Groomer	5	N/A	4,000
Loaders with Tires or Tracks	10	N/A	10,000
Motor Graders	15	N/A	7,000
Mower, Attachments	15	N/A	N/A
Mowers, Riding	5	N/A	4,000
Paving Equipment (Asphalt Truck)	15	100,000	6,000
Sand Spreader Inserts	10	N/A	N/A
Sedans (including Police CID) and Staff Vehicles	8	125,000	N/A
Sedans, Full-Size (Pursuit Rated)	3	125,000	N/A
Sedans, Mid-Size (Pursuit Rated)	2	100,000	N/A
Street Rollers	15	N/A	6,000
Stump Cutter	6	N/A	6,000
SUV (Field)	8	125,000	N/A
SUV (Staff)	8	125,000	N/A
SUV (Pursuit Rated)	5	125,000	N/A
Tractors	12	N/A	7,000
Trailers (Bed, Cargo, Livestock, etc.) Message Boards	10/15	N/A	N/A
Trucks, Dump, 6 and 12 Yards	10	50,000	7,000
Trucks, Flushing	10	100,000	7,000
Trucks, Pickup (Field 1 ton and under)	8	125,000	N/A
Trucks, Pickup (Staff ¾ ton and under)	8	125,000	N/A
Trucks, Utility (Camera, Crane, Dump & Flat Bed, Pipe Hunter, Tree Spade, Vacuum) Truck/Tractor	8/15	100,000	7,500
Turf Vehicles	5	N/A	4,500
Vans (Cargo, Passenger, Field/Staff)	8	125,000	N/A

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## Council Policy and Valuation Committee

**DEPARTMENT:** Development Services

**FROM:** Tony D. McIlwain, Development Services Director

**MEETING:** January 22, 2025

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**SUBJECT:**

Receive a report, hold a discussion and provide a recommendation regarding new policies for Municipal Utility Districts, Municipal Management Districts and Public Improvement Districts.  
(Staff Contact: Tony McIlwain, AICP, CFM, Development Services Director)

**SUMMARY:**

The purpose of the presentation is to brief the Committee on proposed changes to the City's existing Public Improvement District (PID) policy and a new policy for special purpose districts such as Municipal Utility Districts (MUD) and Municipal Management Districts (MMD).

**RECOMMENDATION:**

Staff recommends that the Committee discuss the draft policies and provide further direction.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

May 6, 2024: Staff provided City Council a presentation on Municipal Utility Districts and Public Improvement Districts.

August 21, 2024: The Council Policy and Valuation Committee directed staff to prepare draft policies for further discussion.

**REFERENCE:**

N/A

**FISCAL IMPACT:**

Proposed Expenditure/Revenue: N/A

Account Number(s): N/A

Fund: N/A

Account Description: N/A

**STAFF CONTACT:**

Tony D. McIlwain  
Development Services Director  
[tmcilwain@burlesontx.com](mailto:tmcilwain@burlesontx.com)  
817-426-XXXX

# Special Purpose Districts (MUDs, MMDs, PIDs) Policies

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COUNCIL POLICY AND VALUATION COMMITTEE: JANUARY 22, 2025

# Purpose

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- On August 21, 2024, the Council Policy and Valuation Committee directed staff to revise the City's existing Public Improvement District (PID) policy and prepare a policy for Municipal Utility Districts (MUDs) and Municipal Management Districts (MMDs).
- The purpose of this presentation is to review and discuss staff revisions to the PID policy and the draft policy relating to MUDs and MMDs.

# Purpose

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- Staff's general approach with this effort was to develop policies that recognize that special districts are unique and should be considered on a case-by-case basis; and
- Provide the Council a menu of considerations (when petitions are received), while allowing the flexibility of operating outside of a strict policy framework.

# MUDs, MMDs and PIDs

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- A MUD is created to finance, build and maintain infrastructure and services related to water, sewer, and drainage in areas that are otherwise unmanaged by local governments. MUDs do not last in perpetuity and are typically dissolved once the bond debt has been paid off.
- MMDS may issue bonds to promote, encourage and maintain economic development, employment, commerce, transportation, housing, tourism, recreation, arts, safety and public welfare within the MMD boundary. MMDs can last indefinitely as long as the property owners within the district continue to vote to maintain it.
- A PID can be used for a variety of public community improvements, including parks, fountains, landscaping, infrastructure and other non-utility enhancements.

# Proposed Revisions to PID Policy

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- Substantive Changes:
  - i. The draft revisions to the PID policy include the removal of the “**Types of PIDs**” section detailing Capital PIDs and Operation and Maintenance (O&M) PIDs. Staff is of the determination that this is overly restrictive for a developer.
  - ii. Staff has revised the initial deposit of the “**Professional Services Reimbursement Agreement**” to reflect an initial amount of \$7,500, with additional \$10,000 increments when deposit balance reaches \$2,500.
  - iii. The “**PID Petition**” and “**Service and Assessment Plans**” sections have been removed. These sections simply referenced state law.
  - iv. Staff has removed the tax cap, to allow Council more discretion when evaluating PID petitions.



# MUD and MMD Policy

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- Staff has prepared a draft special purpose district policy for MUDs and MMDs.
- The policy has three broad sections: Conditions for City Consent; CCN; and Voluntary Annexation.
- The draft policy provides a general framework that establishes expectations of the Developer and City Council.

# Questions/ Comments

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STAFF CONTACT:

TONY D. MCILWAIN, AICP, CFM

DEVELOPMENT SERVICES DIRECTOR

[TMCILWAIN@BURLESONTX.COM](mailto:TMCILWAIN@BURLESONTX.COM)

817-426-9684



## **SPECIAL PURPOSE DISTRICTS MASTER POLICY**

### **PURPOSE**

The purpose of this policy is to provide a framework for City Council consideration of special purpose districts (SPDs) such as Municipal Utility Districts (MUDs) and Municipal Management Districts (MMDs). The City will consider an application for a SPD on a case-by-case basis and may support or oppose any SPD regardless of how they are created, and/or whether they meet the guidelines established within this policy. Consent to a SPD is within the discretion and purview of the City Council and no provision within this policy shall be construed to obligate the City Council to grant or deny its consent to any specific petition.

### **MUNICIPAL UTILITY DISTRICTS AND MUNICIPAL MANAGEMENT DISTRICTS**

MUDs and MMDs allow a developer to fund development typically outside of a City's corporate boundary (i.e. city limits). These types of SPDs can be used to facilitate residential or mixed-use development as well as commercial or industrial projects. Both of these districts have the ability to levy taxes to finance, build and maintain infrastructure and services related to water, sewer, and drainage in areas that are otherwise unmanaged by local governments.

MUDs may issue bonds to fund, water, wastewater, drainage, electrical services, roads or other infrastructure and services within the MUD boundary pursuant to Chapters 49 and 54 of the Texas Water Code and Article XVI, Section 59, of the Texas Constitution. MUDs are approved by the Texas Commission on Environmental Quality (TCEQ), or through the Texas legislature. MUDs do not last in perpetuity and are typically dissolved once the bond debt has been paid off.

MMDs may issue bonds to promote, encourage and maintain economic development, employment, commerce, transportation, housing, tourism, recreation, arts, safety and public welfare within the MMD boundary pursuant to Chapter 375 of the Local Government Code and approved by the Texas Commission on Environmental Quality (TCEQ), or through the Texas legislature. MMDs can last indefinitely as long as the property owners within the district continue to vote to maintain it.

### **CONDITIONS FOR CITY CONSENT OF A SPECIAL PURPOSE DISTRICT**

Any SPD located within the City's ETJ, and desiring future annexation into the City, shall be developed in accordance with the City's Comprehensive Plan and Master Thoroughfare Plan (MTP). When considering a request for a special purpose district, the City Council can consider the public benefit of the development by weighing the value of the benefits to the community, and to property in the special purpose district, against the costs to the City (i.e. city services and public infrastructure), including delayed annexation.

- The proposed SPD should be generally consistent with the vision, goals and policies of the City of Burleson Comprehensive Plan.
- Should City Council grant consent to the SPD, the City and the SPD should enter into a development agreement to outline all associated conditions of consent.
- The SPD should obtain all rights-of-way and easements necessary for the SPD. If the SPD is not able to obtain necessary third-party rights-of-way and easements then the City may, where allowed by State law, assist through the eminent domain process for services provided by the City and all associated fees should be borne by the SPD.
- Public infrastructure plans shall be prepared and reviewed by the City in compliance with the City's development regulations as relates to land use, infrastructure design, permitting, and inspections and applicants shall seek City development approvals prior to the commencement of any construction of public water, wastewater, drainage and road infrastructure that will be owned and operated by the City within the special purpose district.
- Construction or acquisition of any special purpose district facilities consisting of roadway, water, wastewater, and drainage infrastructure facilities that will be owned and operated by the City shall not commence unless the design conforms to the City's standards and the plans and specifications have been approved by all government entities with jurisdiction, including the City. In cases where County and City standards conflict, City standards shall apply.

- The special purpose district shall not provide services for, or acquire property to provide services for, any property outside its boundaries without the consent of the City.
- A special purpose district may not extend its boundaries unless the City Council first gives its consent to the extension.
- The special purpose district shall not allow use or extension of utility easements or stormwater drainage facilities owned or controlled by the special district for any property or development outside its boundaries without the consent of the City.

### **CERTIFICATE OF CONVIENCE AND NECESSITY**

The following SPD should be met based on the location of the SPD in relate to the City's CCN.

#### **Within the City's CCN:**

Future growth in the CCN should be a consideration when determining the size and capacity of utility infrastructure. Infrastructure should be built to a regional standard/capacity in a manner consistent with the City's comprehensive plan and utility master plans.

Items that may need to be considered in the design of the SPD utility network may include, but not be limited to wastewater interceptors and lift stations, water lines, treatment plants and stormwater infrastructure.

The City may enter into discussions on cost-sharing of off-site improvements where system wide improvements are necessary and will benefit multiple properties.

To ensure utility infrastructure is constructed to an appropriate standard, the following should take place:

- Plans for all utility infrastructure should be prepared, reviewed and approved in accordance with City design standards.
- The City should inspect all utility infrastructure, at the SPD developers cost, to ensure compliance with approved infrastructure plans.
- The City and SPD may by agreement determine whether the SPD or City is the owner of the utility infrastructure.
- If an SPD within the City's CCN wishes to receive utility services from another source, prior written approval from City Council shall be required unless otherwise allowed by state law.

### **Outside the City's CCN:**

Plans for all utility infrastructure should be prepared, reviewed and approved in accordance with the City, County, and/or the applicable utility district(s) design standards.

Where the long-term maintenance of the utility system is the responsibility of the SPD, a maintenance plan should be submitted to the city and the County for review.

### **VOLUNTARY ANNEXATION**

Should the proposed SPD desire future annexation into City limits, the proposed SPD may enter into discussion with the City to set annexation parameters at the time the proposed SPD is seeking consent from the City. Agreed upon terms will be outlined in a development agreement between the City and SPD so that there is clarity for the future annexation

- The SPD should be developed in a manner consistent with this policy and other applicable City policies, so that future annexation is not impaired in any way.
- Annexation should not occur until 100% of the original bonds for the creation and operation of the district have been repaid. The City does reserve the right to annex any SPD as allowed by state law, regardless of whether it has any outstanding debt, if it is deemed to be in the best interest of the City.
- If there is a limited purpose annexation, the SPD and City should enter into a strategic partnership agreement (or similar) with the City to facilitate annexation.
- Annexation should be based on fiscal impact, taking into consideration all public facilities and services, and whether adequate public facilities exist.
- If public infrastructure is transferred to the City, all associated warranties should be transferred to the City.

## CITY OF BURLESON

### PUBLIC IMPROVEMENT DISTRICT POLICY

#### OVERVIEW

Pursuant to the Texas Local Government Code Chapter 372 (the “PID Act”), Public Improvement Districts (“PIDs”) provide the City of Burleson (the “City”) an economic development tool that permits the financing of qualified public improvement costs that confer a special benefit on a definable part of the City, including both its corporate limits and its extra-territorial jurisdiction (ETJ). A PID can finance capital costs and fund supplemental services to meet community needs which could not otherwise be constructed or provided. The costs of the capital improvements and/or supplemental services are paid entirely by property owners within the Public Improvement District that receive special benefits from the capital improvements or services. A PID may only be used to pay for qualified public improvements under the PID Act.

A PID is a defined area of properties, whose owners have petitioned the City to form a PID. The City Council establishes a PID by adoption of a resolution after a public hearing. The public hearing is publicized per the PID Act and written notification of the hearing is mailed to all property owners in the proposed PID. By petition, the owners pledge to pay an assessment in order to receive a special benefit, enhanced services and/or improvements within the PID.

#### PURPOSE AND INTENT

The purpose and intent of this Policy is to provide the policy guidelines for establishment and use of PIDs within the City or its ETJ. The City Council supports the use of PIDs to create sustainable developments with a higher level of public amenities and improvements than exists in a development that meets the City’s minimum standards. Within the City, PIDs should be self-supporting, should not place administrative burdens on the City nor involve management or oversight by the City for their daily activities. This Policy is intended to provide guidance to developers and City Staff in the creation of a PID and outline pertinent matters including but not limited to petition requirements, qualified costs, financing criteria, information disclosures to property owners, and the determination of annual plans of services, budgets and assessments. The City Council, upon City Staff recommendation, shall have the authority to establish PIDs that vary from this policy as long as they are in accordance with State law.

#### PID OBJECTIVES

The Texas Local Government Code allows for PID funds to be used, among others, in the construction of roadways, water, wastewater, drainage, landscaping, parks, and expenses incurred in the establishment, administration and operation of the PID. Generally, PID amenities are public in nature, however PIDs can potentially be used to offset the cost of public infrastructure if it results in a development that meets one or more of the components below.:

1. Meet or preferably enhance the City’s master plan, thoroughfare plan, water and wastewater plans;
2. Advance the City’s trail and park plans;
3. Meet the City’s requirements for design, building standards, amenities and landscaping;
4. May be of mixed residential and commercial use;

5. Accomplish a particular housing objective or goal established by City Council;
6. Are master-planned residential communities;
7. Are within the ETJ that meet the above qualifications provided the property owners agree to submit a petition for voluntary annexation into the City, if the City desires such annexation.

The City Council, upon City Staff recommendation, shall have the authority to consider other projects that may be different from those listed above in accordance with the applicable State law.

#### **GENERAL**

1. A PID may be created and utilized to construct qualified public improvements and/or reimburse a developer's actual, documented costs above and beyond the costs for standard infrastructure required to serve the development. Such incremental costs shall be associated with the construction of qualified public improvements.
2. PIDs must be self-sufficient and not require the City to incur any costs associated with the formation of the PID, bond issuance costs, PID administration or the construction of PID improvements.
3. PID petition signatures should reflect that a reasonable attempt was made to obtain the full support of the PID by the majority of the property owners located within the proposed PID. Priority will be given to PIDs with the support of 100% of the landowners within a PID.
4. Priority will be given to developments seeking the creation of a PID:
  - a. In support of development that will generate greater economic development benefits to the City beyond the project;
  - b. That provide enhanced aesthetic features (e.g., entryways, landscaping, fountains, specialty lighting, art, decorative and landscaped streets and sidewalks, bike lanes, multi-use trails, signage); and,
  - c. That provide enhanced amenities for the public and/or residents of the development .
5. A PID's budget shall include sufficient funds to pay for all additional costs incurred by the City above its normal operational costs, including additional administrative and/or operational costs.
6. If it is proposed that debt obligations secured by and payable from assessments are to be issued to reimburse for authorized improvements that a developer would ordinarily fund at its own costs, the petition must demonstrate how creation of the PID and financing of the infrastructure provides a special benefit to the property that, but for the PID, would not occur. Examples of "special benefits" under which the City is willing to consider a PID include, but are not limited to, the following: accelerated development of neighborhood amenities, high quality development (i.e. amenities, sustainability, etc.) or furtherance of a major City Policy objective.



## **ESTABLISHMENT OF PID**

Following is a summary of the major steps involved in the establishment of a PID. Detailed steps are included in Attachment A.

### **Professional Services Reimbursement Agreement**

If the City determines it is in its best interest to establish a PID, a Professional Services Agreement (PSA) will be entered into with the developer (template attached as Attachment B). The PSA will require the developer to initially deposit funds to pay for third-party consultants including, but not limited to, Bond Counsel, Financial Advisor, PID Administrator, Appraiser, and Market Study Analysis. Additional deposits will be required when the deposit balance meets a minimum threshold as described below. Funds that have been expended for payment to the City's consultants are non-refundable. The unused balance will be rolled into the PID admin costs for the creation of the PID, or refunded to Developer depending on circumstances.

- Initial Amount is \$7,500 with additional \$10,000 increments when deposit balance reaches \$2,500.

### **Assessment**

The Council should weigh the cost of the proposed assessment against the amenities being provided to the residents of the development and the city overall.

### **Disclosure to Homeowners**

To satisfy disclosure to homeowners, the City will require the petitioner to comply with the following:

- Landowner's Agreement to be recorded in the Official Public Records of the applicable County.
- Signage at major entryways and exits as approved by City Staff. All signage shall be clearly visible to all motorists entering and exiting the PID.
- Signage and information flyers for use at sales offices and model homes as provided by City's PID Administrator.
- Homebuyer disclosure documents in accordance with Section 5.014 of the Texas Property Code to be signed both at contract signing and at closing with such agreements maintained on file by each homebuilder and available for inspection by the City.
- Requirement to provide notice of the PID to builders in addendum to contracts and to disclose the PID on any MLS listing.

### **PID Administration**

1. The City may contract with a qualified third-party company to manage and administer the PID, subject to oversight by City Staff.
2. The PID Administrator will coordinate the annual development of the budget, which will be submitted to the City Council for consideration in accordance with the PID Act.

### **Collection of Assessments**

The City will enter into an agreement, as applicable, with the appropriate tax collecting entity (i.e. the entity collecting the City ad valorem taxes) to include the annual assessments on the appropriate property tax bill. If such agreement is not feasible, the City will pursue other available alternatives for collecting the assessments and annual installments.

### **Other Financing Considerations**

1. PID Bonds may be issued in advance of construction as a whole or on a phase-by-phase basis subject to compliance with the applicable standards.
2. General Obligation or Certificates of Obligation will not be utilized by the City to fund or support the PID Bonds.
3. All proposed initial and subsequent PID Bond issues for a project, if any, will be subject to approval by the City Council.
4. The City shall not be obligated to provide funds for any improvement except from the proceeds of the PID Bonds and assessments.
5. Each PID Bond Indenture will contain language explicitly precluding the City from making any debt service payments for the PID Bonds other than from available assessment revenues. There will be no tax pledge from the City to support PID Bonds.

### **Developer Reimbursement**

1. The Developer will submit expenses for reimbursements in accordance with the requirements of the applicable financing agreement.
2. The City's appointed designee(s) will verify the eligibility and validity of such reimbursement requests in accordance with the applicable agreements and/or PID documents.
3. Once expenses have been verified, payment will be processed within the timeframe stipulated in the applicable agreements and/or PID documents.

### **Assessment Term/Bond Term**

The maximum term of a Capital PID assessment is not to exceed 30 years and the assessment term must equal the bond term. This does not apply to O&M PIDs.

### **Miscellaneous**

1. Severability: If any section, subsection, sentence, clause, phrase, or word of this Policy is declared unconstitutional or invalid for any purpose, the remainder of this Policy shall not be affected.
2. Any exceptions or waivers to this Policy must be approved by the City Council.
3. The City shall, upon reasonable prior written notice to the Developer and during normal business hours, have the right to audit and inspect the Developer's records, books, and all other relevant records related to reimbursements through the PID. All parties agree to maintain the appropriate

confidentiality of such records, unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, State Law, municipal ordinance, or at the direction of the Office of the Texas Attorney General.

**ATTACHMENT A**  
**Public Improvement District (PID)**  
**Process**

<b>TASK</b>	<b>PARTY RESPONSIBLE</b>
<b>PRELIMINARY PHASE</b>	
Developer to meet with City staff to discuss proposed development and PID elements	CS/DEV/DE potential
City staff will coordinate with PID Administrator to determine PID	CS/MC feasibility
Developer executes Professional Services Agreement	CS/MC/DEV
Developer pays initial PID Administration costs to the City	CS/DEV
<b>PHASE I PLAN OF FINANCE</b>	
<b>Preparation of PID bond projections and feasibility analysis:</b>	
Prepare and distribute draft PID projections	MC
Conference call to discuss projections	MC/DEV
Prepare and distribute updated PID projections	MC
Conference call to discuss projections	MC/DEV
Revise and distribute final PID projections	MC
<b>Preparation of Preliminary Service and Assessment Plan (SAP):</b>	
Draft assessment methodology	MC
Conference call to discuss assessment methodology	MC/DEV
Revise assessment methodology and prepare assessment roll	MC
Conference call to finalize content of Preliminary SAP	MC/DEV
<b>PHASE II GOVERNMENT APPROVAL<sup>1</sup></b>	
<b>Public Improvement District (PID)</b>	
Draft Development Agreement	DC
Conference call to discuss Development Agreement	DC/CA
Finalize Development Agreement	DC/CA

Adopt Development Agreement	CS/City Council
Draft PID creation petition	DC/MC
File PID creation petition	Developer
Hold public hearing on PID creation	City Council
Draft resolution creating PID	DC/CA
Adopt resolution creating PID	City Council
Generate Opinion of Probable Costs	DEV/DE
Draft Service and Assessment Plan (SAP) and prepare assessment roll	MC
Public hearing on resolution determining Opinion of Probable Costs with Preliminary SAP & sets levy and assessments hearing date	CS/City Council
Filing of proposed Assessment Roll	DC/City Secretary
Publish Notice of Levy and Assessment Hearing in newspaper	City
Mail Notice of Levy and Assessment Hearing to all property owners in the proposed PID	City
Considers adoption of resolution approving the distribution of the Preliminary Official Statement	CS/City Council/CA/BC
Public hearing on proposed Levy and Assessment	CS/City Council
Discussion on, and adoption of, the Construction, Funding and Acquisition Agreements	CS/City Council/CA/BC
Discussion of, and adoption of, Bond Ordinances and Final Offering Statements	CS/City Council/CA/BC
Posting of Final Official Statements	UW

#### **Tax Increment Reinvestment Zone (TIRZ) (as applicable)**

Draft resolution setting public hearing to create a TIRZ	CA
Adopt resolution setting public hearing to create a TIRZ to encompass the PID property	City Council
Publish Notice for Hearing on TIRZ creation in newspaper	City
Public hearing on advisability of TIRZ creation	City Council
Draft TIRZ Preliminary Project and Finance Plan	MC
Draft ordinance creating TIRZ	CA/CS
Adopt ordinance creating TIRZ	City Council

#### **PHASE III ISSUANCE OF BONDS**

Prepare first draft of market study	MA
Meeting to discuss market study	MA, DD

Prepare second draft of market study	MA
Conference call to discuss second draft of market study	MA, DD
Prepare final market study	MA

#### *Opinion of Probable Cost*

Prepare opinion of probable cost	DE
----------------------------------	----

#### *Appraisal<sup>2</sup>*

Select appraiser	DEV/UW
Send letter of instructions to appraiser	UW
Prepare first draft of appraisal	APP
Meeting to discuss appraisal	APP, DD
Prepare second draft of appraisal	APP
Conference call to discuss second draft of appraisal	APP, DD
Prepare final appraisal	APP

#### *Assessed Value and Tax Increment Report*

Start preparation of report on assessed value and tax increment projections	MC
Prepare first draft of report	MC
Meeting to discuss report	MC, DD
Prepare second draft of report	MC
Conference call to discuss second draft of report	MC, DD
Prepare final report on assessed value and tax increment revenues	MC

#### **Preparation of bond documents**

Prepare first draft of trust indenture	BC
Conference call to review trust indenture	Team
Prepare second draft of trust indenture	BC
Prepare first draft of construction, acquisition, and funding agreement	DC/BC/CA
Meeting to review documents	Team
Select trustee	City/BC/UW
Prepare third draft of trust indenture and second draft of funding agreement	Team
Conference call to review documents	Team

Receive comments from trustee on trust indenture	Team
Prepare fourth draft of trust indenture and third draft of funding agreement	BC/DC
Prepare form of legal opinions and other documents	DC/BC/CA
Conference call to review documents	Team
Final revisions to documents	BC/DC

### **Marketing and closing of bond issue**

Prepare first draft of preliminary offering statement (POS)	UC
Conference call to review first draft of POS	Team
Prepare second draft of POS and first draft of bond purchase agreement	UC (BPA)
Conference call to review second draft of POS and BPA	Team
Send term sheet to potential investors and prepare short list of target investors	UW
Preparation of final POS and BPA	UC
Print POS	UW
Mail POS to potential investors	UW
Site visit with potential investors	Team/INV
Price bonds	UW
Levy Assessment	City Council
Prepare final offering statement	Team
Bond closing	Team

<sup>1</sup>PID and TIRZ governmental approval process can progress concurrently.

<sup>2</sup>Depending on quality of market section and underwriter, a market study may need to be prepared in addition to the appraisal.

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BC - Bond counsel

CA - City attorney

CS - City staff

DC - Developer's counsel

DEV - Developer

DE - Developer Engineer

DD - Due diligence sub-committee includes the underwriter, underwriter's counsel and others as needed.

ENG - Developer's engineer

INV - Investor

MA - Market consultant

MC - MuniCap

UW - Underwriter

UC - Underwriter's counsel



ATTACHMENT B  
PROFESSIONAL SERVICES AGREEMENT (PSA)  
[COMPANY LOGO]

Item C.

[Date]

[CONTACT]

**[DEVELOPER ENTITY]**

[STREET NUMBER & NAME]

[SUITE]

[CITY] [STATE] [ZIP]

**RE: Payment Structure for [CONSULTANT NAME] [CONSULTANT'S SERVICES]**

Dear [CONTACT]:

[CONSULTANT NAME] is the PID Administrator for the City of Burleson (the "City") for special assessment and tax increment reinvestment zone financing. The City has requested [CONSULTANT NAME] provide \_\_\_\_\_ (the "Developer") with assistance in preparing [CONSULTANT'S SERVICES] for a proposed Public Improvement District (PID) [*and/or Tax Increment Reinvestment Zone (TIRZ)\**] for evaluation by the City.

[CONSULTANT NAME] will not be able to work under contract with or represent the Developer, as it is already under contract with the City. The [CONSULTANT'S SERVICES] to be prepared by [CONSULTANT NAME] will evaluate the potential use of a PID [*and TIRZ\**] in conformance with the City's guidelines for special assessment and tax increment reinvestment zone financing.

The City's guidelines for special assessment [*and tax increment reinvestment zone\**] financing require that developers directly cover the costs of efforts related to a PID and TIRZ prior to the approval of the PID [*and TIRZ\**] by the City Council. Accordingly, the costs of [CONSULTANT NAME] efforts as provided for in this letter are to be paid by the Developer by providing the City with an initial deposit of \$7,500 to be held in an account and used to pay [CONSULTANT NAME] for services described in this letter. Funds will be replenished in accordance with the City's PID Policy as follows:

- Capital PIDs: additional \$10,000 increments will be deposited whenever the balance reaches \$2,500
- O&M PIDs: additional \$5,000 will be deposited whenever the balance reaches \$1,500

The City will pay [CONSULTANT NAME] for work provided in accordance with the Agreement for Administrative Services. All funds are non-refundable. In addition to the funds being used to pay [CONSULTANT NAME], they will also be used to pay any other city costs associated with the PID including, but not limited to, the City's Bond Counsel, Financial Advisor, PID Administrator, Appraiser, and Market Study Analysis. The funds may also be used to pay city staff time in excess of time which would be considered customary and usual for a typical development.

ATTACHMENT B  
PROFESSIONAL SERVICES AGREEMENT (PSA)  
[COMPANY LOGO]

Item C.

Work under this letter will only be performed at the request of and with the direction of the Developer. [CONSULTANT NAME] is providing these services under contract with the City of Burleson and, by contract, is obligated to serve the City's best interests. By signing below, Developer recognizes that the formation of the PID [*and/or TIRZ\**] is at the City's discretion. The payment of the deposit for administrative services or any other preliminary documentation does not obligate the City to the formation of a PID [*and/or TIRZ\**]. Developer is encouraged to read the City's PID Policy and Chapter 372 of the Texas Local Government Code (the "PID" Act) to become familiar with the policies, laws and procedures that will be used in the evaluation and creation of a PID [*and/or TIRZ\**].

**[CONSULTANT NAME]**

By: \_\_\_\_\_

[NAME]

[TITLE]

**[DEVELOPER ENTITY]**

By: \_\_\_\_\_

[CONTACT]

[TITLE]

\*Inclusion of TIRZ funding in the project will be evaluated and included at the discretion of the City.

ATTACHMENT B  
PROFESSIONAL SERVICES AGREEMENT (PSA)  
[COMPANY LOGO]

*Item C.*

**City of Burleson**

By: \_\_\_\_\_

Mandy Clark

Development Services Director

Attachment: Exhibit A

**ATTACHMENT C**  
**PETITION REQUIREMENTS**

In accordance with the PID Act, the petition must state:

1. The general nature of the proposed improvements;
2. The estimated cost of the improvements;
3. The boundaries of the proposed assessment district;
4. The proposed method of assessment, which may specify included or excluded classes of assessable property;
5. The proposed apportionment of costs between the PID and the municipality or county as a whole;
6. Whether the PID will be managed by the municipality or county, by the private sector, or by a partnership of the two;
7. That the persons signing the petition request or concur with the establishment of the PID; and
8. That an advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality or county.

Additional requirements include:

1. PID petitions shall include this additional note: "With respect to community property, the City may accept the signature of a spouse as a representation of both spouses that they support the creation or renewal of the PID absent a separate property agreement. However, if City staff is made aware of any disagreement among owners of community property, those petitions will not be counted."
2. Signatures for PID petitions must be gathered not more than six months preceding submittal of the PID Application.

For a PID to be established, a petition shall include the following:

1. Evidence that the petition's signatures meet the state law requirements, or the petition must be accompanied by a reasonable fee to cover the City's costs of signature verification. If the proposed district is an expansion of an existing district, a petition for the new portion of the district must identify each subdivision, or portion thereof, within the proposed boundaries of the new district, and each subdivision or portion thereof, that is not currently in an existing PID shall individually satisfy the requirements for a petition under Section 372.005 of the PID Act. Subdivision has the meaning assigned by Section 232.021 of the Texas Local Government Code.
2. Map of the area, a legal description of the boundaries of the district for the legal notices and a "commonly known" description of the area to be included in the district.

3. Statement that the petitioners understand that the annual budget for the PID is subject to review by City staff with final approval by the City Council.

**ATTACHMENT D  
PETITION TEMPLATE**

**PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT WITHIN  
THE CITY OF \_\_\_\_\_, TEXAS FOR THE \_\_\_\_\_ PUBLIC  
IMPROVEMENT DISTRICT**

This petition ("Petition") is submitted and filed with the City Secretary of the City of \_\_\_\_\_, Texas ("City"), by \_\_\_\_\_, a \_\_\_\_\_, owner of a majority of the real property (the "Petitioner") located within the proposed boundaries of the District, as hereinafter defined. Acting pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the "Act"), the Petitioner requests that the City create a public improvement district (the "District"), to include property located within the City limits of the City (the "Property"), more particularly described by a metes and bounds description in **Exhibit A** and depicted in **Exhibit B**. In support of this Petition, the Petitioner would present the following:

**Section 1.** General Nature of the Authorized Improvements. The general nature of the proposed public improvements (collectively, the "Authorized Improvements") may include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the District; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (vii) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vii) above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property.

**Section 2.** Estimated Cost of the Authorized Improvements. The estimated cost to design, acquire, and construct the Authorized Improvements, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in the establishment, administration, and operation of the District is \$\_\_\_\_\_.00. The City will pay none of the costs of the proposed improvements from funds other than such assessments. The remaining costs of the proposed improvements will be paid from sources other than the City or assessments of property owners.

**Section 3.** Boundaries of the Proposed District. The District is proposed to include the Property as shown in Attachment A.

**Section 4.** Proposed Method of Assessment. The City shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments may be paid in full at any time (including interest and principal), and certain assessments may be paid in annual installments {including interest and principal). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessment, and must continue for a period necessary to retire the indebtedness of those Authorized Improvements (including interest).

**Section 5.** Proposed Apportionment of Costs between the District and the City. The City will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the District, and possible tax increment reinvestment zone revenue. No municipal property in the public improvement district shall be assessed. The Petitioner may also pay certain costs of the improvements from other funds available to the Petitioner.

**Section 6.** Management of the District. The Petitioner proposes that the District be managed by the City, with the assistance of a consultant, who shall, from time to time, advise the City regarding certain operations of the District.

**Section 7.** The Petitioner Requests Establishment of the District. The person signing this Petition requests the establishment of the District, is duly authorized, and has the corporate authority to execute and deliver the Petition.

**Section 8.** Advisory Board. The Petitioner proposes that the District be established and managed without the creation of an advisory board. If an advisory board is created, the Petitioner requests that a representative of the Petitioner be appointed to the advisory board.

**Section 9.** Landowner(s). This Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.

This Petition is hereby filed with the City Secretary of the City, or other officer performing the functions of the municipal secretary, in support of the creation of the District by the City Council of the City as herein provided. The undersigned request that the City Council of the City call a public hearing on the advisability of the Authorized Improvements, give notice thereof as provided by law and grant all matters requested in this Petition and grant such other relief, in law or in equity, to which Petitioner may show itself to be entitled.

RESPECTFULLY SUBMITTED, on this \_\_\_\_\_ day of November, 2017.

OWNER:

\_\_\_\_\_

, a Texas \_\_\_\_\_

By:    Company Name

*By*

Name:

Its:



**EXHIBIT A Metes  
and Bounds**

**EXHIBIT B**  
**Property Depiction**

## CITY OF BURLESON

### PUBLIC IMPROVEMENT DISTRICT POLICY

#### OVERVIEW

Pursuant to the Texas Local Government Code Chapter 372 (the “PID Act”), Public Improvement Districts (“PIDs”) provide the City of Burleson (the “City”) an economic development tool that permits the financing of qualified public improvement costs that confer a special benefit on a definable part of the City, including both its corporate limits and its extra-territorial jurisdiction (ETJ). A PID can finance capital costs and fund supplemental services to meet community needs which could not otherwise be constructed or provided. The costs of the capital improvements and/or supplemental services are paid entirely by property owners within the Public Improvement District that receive special benefits from the capital improvements or services. A PID may only be used to pay for qualified public improvements under the PID Act.

A PID is a defined area of properties, whose owners have petitioned the City to form a PID. The City Council establishes a PID by adoption of a resolution after a public hearing. The public hearing is publicized per the PID Act and written notification of the hearing is mailed to all property owners in the proposed PID. By petition, the owners pledge to pay an assessment in order to receive a special benefit, enhanced services and/or improvements within the PID.

#### PURPOSE AND INTENT

The purpose and intent of this Policy is to provide the policy parameters for establishment and use of PIDs within the City or its ETJ and to outline the issues to be addressed before the City Council can support the establishment of a PID. The City Council supports the use of PIDs to create sustainable developments with a higher level of public improvements (and maintenance of those improvements) than exists in a development that meets the City’s minimum standards. PIDs are a viable alternative for enhanced public open space and maintenance of enhanced public parks and trails. Within the City, PIDs should be self-supporting, should not place administrative burdens on the City nor involve management or oversight by the City for their daily activities. This Policy is intended to provide guidance to developers and City Staff in the creation of a PID and outline pertinent matters including but not limited to petition requirements, qualified costs, financing criteria, information disclosures to property owners, and the determination of annual plans of services, budgets and assessments. The City Council, upon City Staff recommendation, shall have the authority to establish PIDs that vary from this policy as long as they are in accordance with State law.

#### PID OBJECTIVES

The Texas Local Government Code allows for PID funds to be used, among others, in the construction of roadways, water, wastewater, drainage, landscaping, parks, and expenses incurred in the establishment, administration and operation of the PID. Generally, PID consideration may be granted for projects that:

1. Meet or preferably enhance the City’s master plan, thoroughfare plan, water and wastewater plans;
2. Advance the City’s trail and park plans;
3. Exceed the City’s requirements for design, building standards, amenities and landscaping;

4. Are of mixed residential and commercial use;
5. Accomplish a particular housing objective or goal established by City Council;
6. Are master-planned residential communities;
7. Are within the ETJ that meet the above qualifications provided the property owners agree to submit a petition for voluntary annexation into the City, if the City desires such annexation; or
8. Require public participation to materialize.

The City Council, upon City Staff recommendation, shall have the authority to consider other projects that may be different from those listed above in accordance with the applicable State law.

#### **TYPES OF PIDS:**

1. **Capital PIDs** are those that are established to construct infrastructure within a development. There are two types of Capital PIDs:
  - Reimbursement PID: The developer pays for the infrastructure up front and is reimbursed from assessments collected over time.
  - Bonded PID: The City issues special revenue bonds for the construction of improvements and/or reimbursement to the Developer and such bonds are repaid from assessments collected annually.

Capital PIDs have a termination date of either the maturity of the bonds for Bonded PID, or full repayment of the developer for Reimbursement PID.

The principal amount for a Capital PID may be paid in full or in part by the property owner at any time without any prepayment penalty.

2. **Operation and Maintenance PIDs** (O&M PIDs) are used to fund ongoing enhanced operation and maintenance for public improvements such as parks, public open space, trails and other public improvements.
  - There may be no termination date with an O&M PID until City Council decides otherwise.
  - The assessment is determined annually based on a budget to maintain and operate the PID.
  - Payment of the assessment is on an annual basis, and no pre-payment can occur since there is no principal amount.
  - The City may create advisory boards for Maintenance PIDs.

Projects may include both Capital PIDs and Maintenance PIDs.

#### **GENERAL**

1. A PID may be created and utilized to construct qualified public improvements and/or reimburse a developer's actual, documented costs above and beyond the costs for standard infrastructure required to serve the development. Such incremental costs shall be associated with the construction of qualified public improvements.
2. PIDs must be self-sufficient and not require the City to incur any costs associated with the formation of the PID, bond issuance costs, PID administration or the construction of PID improvements.

3. PID petition signatures should reflect that a reasonable attempt was made to obtain the full support of the PID by the majority of the property owners located within the proposed PID. Priority will be given to PIDs with the support of 100% of the landowners within a PID.
4. Priority will be given to PID improvements:
  - a. In support of development that will generate greater economic development benefits to the City beyond the project;
  - b. That provide enhanced aesthetic features (e.g., entryways, landscaping, fountains, specialty lighting, art, decorative and landscaped streets and sidewalks, bike lanes, multi-use trails, signage); and,
  - c. That meet specific community needs
5. A PID's budget shall include sufficient funds to pay for all additional costs incurred by the City above its normal operational costs, including additional administrative and/or operational costs.
6. A Landowner's Agreement must be recorded in the Official Public Records of the County in which the PID is located which, among other things, will notify any prospective owner of the existence or proposal of assessments on the property. All closing statements and sales contracts for lots must specify who is responsible for payment of any existing assessment or a pro rata share thereof.
7. The City Council reserves the right, on a case-by-case basis, to waive specific requirements listed in this Policy. Such waived requirements shall be noted in the approval of any petition together with a finding that the deviation from the Policy is in the best interest of the City. Additionally, the City Council maintains discretion to approve or disapprove the PID application.
8. No PIDs will be allowed to be created that overlap the boundaries of another PID.
9. The boundaries of existing PIDs can be modified during a renewal process (with updated map as part of the petition). However, a boundary change during the existing term of a PID may only be considered if a re-petition of the entire PID area (both current boundary and proposed modified areas) meets the minimum criteria for creation/renewal and application fee as described below is submitted.

#### **ESTABLISHMENT OF PID**

Following is a summary of the major steps involved in the establishment of a PID. Detailed steps are included in Attachment A.

#### **Professional Services Reimbursement Agreement**

If the City determines it is in its best interest to establish a PID, a Professional Services Agreement (PSA) will be entered into with the developer (template attached as Attachment B). The PSA will require the developer to initially deposit funds to pay for third-party consultants including, but not limited to, Bond Counsel, Financial Advisor, PID Administrator, Appraiser, and Market Study Analysis. Additional deposits will be required when the deposit balance meets a minimum threshold as described below. Funds that have been expended for payment to the City's consultants are non-refundable. The unused balance will be rolled into the PID admin costs for the creation of the PID, or refunded to Developer depending on circumstances.

- Capital PIDs: Initial Amount is \$7,500 with additional \$10,000 increments when deposit balance reaches \$2,500.
- Maintenance PIDs: Initial Amount is \$7,500 with additional \$5,000 increments if deposit balance reaches \$1,500
- Combined Capital/Maintenance PIDs will follow the Capital PID funding requirements.

A City Council briefing on the PID Petition is recommended prior to filing.

### **PID Petition**

Once it has been determined by the City Staff and City Council that a PID is appropriate for the project, a petition for the creation of the PID shall be submitted in accordance with the following:

1. The submittal of a petition letter that is signed by:
  - a. Owners of taxable real property representing more than 50% of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and,
  - b. Record owners of real property liable for assessment under the proposal who:
    - i. Constitute more than 50% of all record owners of property that is liable for assessment under the proposal; or
    - ii. Own taxable real property that constitutes more than 50% of the area of all taxable real property that is liable for assessment under the proposal.
2. The petition must be submitted using the form included as Attachment C. See the Petition Requirements attached herein for additional specific requirements.

### **Service and Assessment Plan**

The City will cause to be prepared a Preliminary Service and Assessment Plan ("SAP") based on an Engineer's opinion of probable costs of the public improvements to construct and complete the project. The parameters of the SAP will be based on the City Staff's direction regarding the amount to be reimbursed relative to the type of PID, the Policy objectives, and the recommendation of the City's consultants.

### **Maximum Assessment**

The maximum assessment per \$100 valuation, when added to the total (City, County, School, etc.) tax rate, may not exceed the highest total tax rate in effect for any property in the City. For example, in 2020-21, the highest total tax rate is \$2.868 per \$100 valuation. See table below:

	Johnson			Tarrant	
	BISD	JISD	AISD	BISD	CISD
City	\$0.7111	\$0.7111	\$0.7111	\$0.7111	\$0.7111
ISD	\$1.5383	\$1.3960	\$1.4664	\$1.5383	\$1.5398
County	\$0.3847	\$0.3847	\$0.3847	\$0.2340	\$0.234
JC Lateral Rd	\$0.0403	\$0.0403	\$0.0403		
Hill College		\$0.0500	\$0.0500		
Tarrant College				\$0.130	\$0.130
Tarrant Hospital				\$0.2244	\$0.2244
TC Regional Water				\$0.0287	\$0.0287
<b>Total</b>	<b>\$2.6744</b>	<b>\$2.5821</b>	<b>\$2.6525</b>	<b>\$2.8666</b>	<b>\$2.8680</b>

The above tax rates are from 2020 and are subject to change annually. City staff may update the applicable maximum tax rates each year and such annual updates may not require formal amendment to this policy.

#### **Disclosure to Homeowners**

To satisfy disclosure to homeowners, the City will require the petitioner to comply with the following:

- Landowner's Agreement to be recorded in the Official Public Records of the applicable County.
- Signage at major entryways and exits as approved by City Staff. All signage shall be clearly visible to all motorists entering and exiting the PID.
- Signage and information flyers for use at sales offices and model homes as provided by City's PID Administrator.
- Homebuyer disclosure documents in accordance with Section 5.014 of the Texas Property Code to be signed both at contract signing and at closing with such agreements maintained on file by each homebuilder and available for inspection by the City.
- Requirement to provide notice of the PID to builders in addendum to contracts and to disclose the PID on any MLS listing.

#### **PID Administration**

1. The City may contract with a qualified third-party company to manage and administer the PID, subject to oversight by City Staff.
2. The PID Administrator will coordinate the annual development of the budget, which will be submitted to the City Council for consideration in accordance with the PID Act.

#### **Collection of Assessments**

The City will enter into an agreement, as applicable, with the appropriate tax collecting entity (i.e. the entity collecting the City ad valorem taxes) to include the annual assessments on the appropriate property

tax bill. If such agreement is not feasible, the City will pursue other available alternatives for collecting the assessments and annual installments.

## **CAPITAL PIDS**

If it is proposed that debt obligations secured by and payable from assessments are to be issued to reimburse for authorized improvements that a developer would ordinarily fund at its own costs, the petition must demonstrate how creation of the PID and financing of the infrastructure provides a special benefit to the property that, but for the PID, would not occur. Examples of “special benefits” under which the City is willing to consider a PID include, but are not limited to, the following: accelerated development of neighborhood amenities, high quality development (i.e. amenities, sustainability, etc.) or furtherance of a major City Policy objective.

### **Specifics of Bonded PID**

If the PID issues bonds for the developer to construct the improvements and the debt is repaid through the collected property assessments, the following must be met:

- Minimum value to lien ratio of 3:1 based on third party appraisals approved by the City.
- To the extent feasible, preliminary design and engineering work for public improvements to be funded with PID Bonds shall be undertaken prior to the levy of assessment.
- Developer is required to demonstrate committed capital in the form of cash deposit, proof of bank financing and/or equity capital, or letter of credit, which represents the difference between budgeted cost to complete the public improvements assumed to be complete in the appraisal and the net proceeds of the PID Bonds. The form of committed capital (cash deposit or letter of credit) will be determined by the City (in consultation with its financial advisors, consultants and participating underwriters) on a case-by-case basis. Terms of the letter of credit will include: (i) an irrevocable and unconditional letter of credit issued by one or more banks satisfactory to the City and on terms and conditions satisfactory to the City to provide a funding source for the agreed upon cost of infrastructure improvements that will be constructed with funds other than bond proceeds, or (ii) any such letter of credit must name the City as the beneficiary and must be able to be drawn upon by the City to fund any obligation of the Developer to pay for a portion of the costs to the infrastructure improvements that are not being funded with the proceeds of any bonds issued by the City upon the presentation to the letter of credit provider of a properly executed draft request. An acceptable letter of credit provider will need to have a long-term rating by a nationally recognized ratings service of at least the City’s credit rating or better.

### **Other Financing Considerations**

1. PID Bonds may be issued in advance of construction as a whole or on a phase-by-phase basis subject to compliance with the applicable standards.
2. General Obligation or Certificates of Obligation will not be utilized by the City to fund or support the PID Bonds.



3. All proposed initial and subsequent PID Bond issues for a project, if any, will be subject to approval by the City Council.
4. The City shall not be obligated to provide funds for any improvement except from the proceeds of the PID Bonds and assessments.
5. Each PID Bond Indenture will contain language explicitly precluding the City from making any debt service payments for the PID Bonds other than from available assessment revenues. There will be no tax pledge from the City to support PID Bonds.

#### **Developer Reimbursement**

1. The Developer will submit expenses for reimbursements in accordance with the requirements of the applicable financing agreement.
2. The City's appointed designee(s) will verify the eligibility and validity of such reimbursement requests in accordance with the applicable agreements and/or PID documents.
3. Once expenses have been verified, payment will be processed within the timeframe stipulated in the applicable agreements and/or PID documents.

#### **Assessment Term/Bond Term**

The maximum term of a Capital PID assessment is not to exceed 30 years and the assessment term must equal the bond term. This does not apply to O&M PIDs.

#### **Miscellaneous**

1. Severability: If any section, subsection, sentence, clause, phrase, or word of this Policy is declared unconstitutional or invalid for any purpose, the remainder of this Policy shall not be affected.
2. Any exceptions or waivers to this Policy must be approved by the City Council.
3. The City shall, upon reasonable prior written notice to the Developer and during normal business hours, have the right to audit and inspect the Developer's records, books, and all other relevant records related to reimbursements through the PID. All parties agree to maintain the appropriate confidentiality of such records, unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, State Law, municipal ordinance, or at the direction of the Office of the Texas Attorney General.

#### **Attachments:**

Attachment A: Process

Attachment B: Profession Services Agreement

Attachment C: PID Petition Requirements

Attachment D: Petition Template

The Development Services Director may make minor revisions to the attachments from time to time as the process is refined. No changes to the policy or significant changes to the attachments will be made without Council consideration.

**ATTACHMENT A**  
**Public Improvement District (PID)**  
**Process**

<b>TASK</b>	<b>PARTY RESPONSIBLE</b>
<b>PRELIMINARY PHASE</b>	
Developer to meet with City staff to discuss proposed development and potential PID elements	CS/DEV/DE
City staff will coordinate with PID Administrator to determine PID feasibility	CS/MC
Developer executes Professional Services Agreement	CS/MC/DEV
Developer pays initial PID Administration costs to the City	CS/DEV
<b>PHASE I PLAN OF FINANCE</b>	
<b>Preparation of PID bond projections and feasibility analysis:</b>	
Prepare and distribute draft PID projections	MC
Conference call to discuss projections	MC/DEV
Prepare and distribute updated PID projections	MC
Conference call to discuss projections	MC/DEV
Revise and distribute final PID projections	MC
<b>Preparation of Preliminary Service and Assessment Plan (SAP):</b>	
Draft assessment methodology	MC
Conference call to discuss assessment methodology	MC/DEV
Revise assessment methodology and prepare assessment roll	MC
Conference call to finalize content of Preliminary SAP	MC/DEV
<b>PHASE II GOVERNMENT APPROVAL<sup>1</sup></b>	
<b>Public Improvement District (PID)</b>	
Draft Development Agreement	DC
Conference call to discuss Development Agreement	DC/CA
Finalize Development Agreement	DC/CA
Adopt Development Agreement	CS/City Council
Draft PID creation petition	DC/MC
File PID creation petition	Developer

Hold public hearing on PID creation	City Council
Draft resolution creating PID	DC/CA
Adopt resolution creating PID	City Council
Generate Opinion of Probable Costs	DEV/DE
Draft Service and Assessment Plan (SAP) and prepare assessment roll	MC
Public hearing on resolution determining Opinion of Probable Costs with Preliminary SAP & sets levy and assessments hearing date	CS/City Council
Filing of proposed Assessment Roll	DC/City Secretary
Publish Notice of Levy and Assessment Hearing in newspaper	City
Mail Notice of Levy and Assessment Hearing to all property owners in the proposed PID	City
Considers adoption of resolution approving the distribution of the Preliminary Official Statement	CS/City Council/CA/BC
Public hearing on proposed Levy and Assessment	CS/City Council
Discussion on, and adoption of, the Construction, Funding and Acquisition Agreements	CS/City Council/CA/BC
Discussion of, and adoption of, Bond Ordinances and Final Offering Statements	CS/City Council/CA/BC
Posting of Final Official Statements	UW

#### **Tax Increment Reinvestment Zone (TIRZ) (as applicable)**

Draft resolution setting public hearing to create a TIRZ	CA
Adopt resolution setting public hearing to create a TIRZ to encompass the PID property	City Council
Publish Notice for Hearing on TIRZ creation in newspaper	City
Public hearing on advisability of TIRZ creation	City Council
Draft TIRZ Preliminary Project and Finance Plan	MC
Draft ordinance creating TIRZ	CA/CS
Adopt ordinance creating TIRZ	City Council

#### **PHASE III ISSUANCE OF BONDS**

Prepare first draft of market study	MA
Meeting to discuss market study	MA, DD
Prepare second draft of market study	MA
Conference call to discuss second draft of market study	MA, DD
Prepare final market study	MA

*Opinion of Probable Cost*

Prepare opinion of probable cost	DE
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*Appraisal<sup>2</sup>*

Select appraiser	DEV/UW
Send letter of instructions to appraiser	UW
Prepare first draft of appraisal	APP
Meeting to discuss appraisal	APP, DD
Prepare second draft of appraisal	APP
Conference call to discuss second draft of appraisal	APP, DD
Prepare final appraisal	APP

*Assessed Value and Tax Increment Report*

Start preparation of report on assessed value and tax increment projections	MC
Prepare first draft of report	MC
Meeting to discuss report	MC, DD
Prepare second draft of report	MC
Conference call to discuss second draft of report	MC, DD
Prepare final report on assessed value and tax increment revenues	MC

**Preparation of bond documents**

Prepare first draft of trust indenture	BC
Conference call to review trust indenture	Team
Prepare second draft of trust indenture	BC
Prepare first draft of construction, acquisition, and funding agreement	DC/BC/CA
Meeting to review documents	Team
Select trustee	City/BC/UW
Prepare third draft of trust indenture and second draft of funding agreement	Team
Conference call to review documents	Team
Receive comments from trustee on trust indenture	Team
Prepare fourth draft of trust indenture and third draft of funding agreement	BC/DC
Prepare form of legal opinions and other documents	DC/BC/CA
Conference call to review documents	Team
Final revisions to documents	BC/DC

**Marketing and closing of bond issue**

Prepare first draft of preliminary offering statement (POS)	UC
Conference call to review first draft of POS	Team
Prepare second draft of POS and first draft of bond purchase agreement (BPA)	UC
Conference call to review second draft of POS and BPA	Team
Send term sheet to potential investors and prepare short list of target investors	UW
Preparation of final POS and BPA	UC
Print POS	UW
Mail POS to potential investors	UW
Site visit with potential investors	Team/INV
Price bonds	UW
Levy Assessment	City Council
Prepare final offering statement	Team
Bond closing	Team

<sup>1</sup>PID and TIRZ governmental approval process can progress concurrently.

<sup>2</sup>Depending on quality of market section and underwriter, a market study may need to be prepared in addition to the appraisal.

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BC - Bond counsel

CA - City attorney

CS - City staff

DC - Developer's counsel

DEV - Developer

DE - Developer Engineer

DD - Due diligence sub-committee includes the underwriter, underwriter's counsel and others as needed.

ENG - Developer's engineer

INV - Investor

MA - Market consultant

MC - MuniCap

UW - Underwriter

UC - Underwriter's counsel

ATTACHMENT B  
PROFESSIONAL SERVICES AGREEMENT (PSA)  
[COMPANY LOGO]

Item C.

[Date]

[CONTACT]  
[DEVELOPER ENTITY]  
[STREET NUMBER & NAME]  
[SUITE]  
[CITY] [STATE] [ZIP]

**RE: Payment Structure for [CONSULTANT NAME] [CONSULTANT'S SERVICES]**

Dear [CONTACT]:

[CONSULTANT NAME] is the PID Administrator for the City of Burleson (the "City") for special assessment and tax increment reinvestment zone financing. The City has requested [CONSULTANT NAME] provide \_\_\_\_\_ (the "Developer") with assistance in preparing [CONSULTANT'S SERVICES] for a proposed Public Improvement District (PID) [*and/or Tax Increment Reinvestment Zone (TIRZ)\**] for evaluation by the City.

[CONSULTANT NAME] will not be able to work under contract with or represent the Developer, as it is already under contract with the City. The [CONSULTANT'S SERVICES] to be prepared by [CONSULTANT NAME] will evaluate the potential use of a PID [*and TIRZ\**] in conformance with the City's guidelines for special assessment and tax increment reinvestment zone financing.

The City's guidelines for special assessment [*and tax increment reinvestment zone\**] financing require that developers directly cover the costs of efforts related to a PID and TIRZ prior to the approval of the PID [*and TIRZ\**] by the City Council. Accordingly, the costs of [CONSULTANT NAME] efforts as provided for in this letter are to be paid by the Developer by providing the City with an initial deposit of \$7,500 to be held in an account and used to pay [CONSULTANT NAME] for services described in this letter. Funds will be replenished in accordance with the City's PID Policy as follows:

- Capital PIDs: additional \$10,000 increments will be deposited whenever the balance reaches \$2,500
- O&M PIDs: additional \$5,000 will be deposited whenever the balance reaches \$1,500

The City will pay [CONSULTANT NAME] for work provided in accordance with the Agreement for Administrative Services. All funds are non-refundable. In addition to the funds being used to pay [CONSULTANT NAME], they will also be used to pay any other city costs associated with the PID including, but not limited to, the City's Bond Counsel, Financial Advisor, PID Administrator, Appraiser, and Market Study Analysis. The funds may also be used to pay city staff time in excess of time which would be considered customary and usual for a typical development.

Work under this letter will only be performed at the request of and with the direction of the Developer. [CONSULTANT NAME] is providing these services under contract with the City of Burleson and, by contract, is obligated to serve the City's best interests. By signing below, Developer recognizes that the formation of the PID [*and/or TIRZ\**] is at the City's discretion. The payment of the deposit for

ATTACHMENT B  
PROFESSIONAL SERVICES AGREEMENT (PSA)  
[COMPANY LOGO]

Item C.

administrative services or any other preliminary documentation does not obligate the City to the formation of a PID [*and/or TIRZ\**]. Developer is encouraged to read the City’s PID Policy and Chapter 372 of the Texas Local Government Code (the “PID” Act) to become familiar with the policies, laws and procedures that will be used in the evaluation and creation of a PID [*and/or TIRZ\**].

**[CONSULTANT NAME]**

By: \_\_\_\_\_  
[NAME]  
[TITLE]

**[DEVELOPER ENTITY]**

By: \_\_\_\_\_  
[CONTACT]  
[TITLE]

\*Inclusion of TIRZ funding in the project will be evaluated and included at the discretion of the City.



ATTACHMENT B  
PROFESSIONAL SERVICES AGREEMENT (PSA)  
[COMPANY LOGO]

**City of Burleson**

By: \_\_\_\_\_  
Mandy Clark  
Development Services Director

Attachment: Exhibit A

**PETITION REQUIREMENTS**

In accordance with the PID Act, the petition must state:

1. The general nature of the proposed improvements;
2. The estimated cost of the improvements;
3. The boundaries of the proposed assessment district;
4. The proposed method of assessment, which may specify included or excluded classes of assessable property;
5. The proposed apportionment of costs between the PID and the municipality or county as a whole;
6. Whether the PID will be managed by the municipality or county, by the private sector, or by a partnership of the two;
7. That the persons signing the petition request or concur with the establishment of the PID; and
8. That an advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality or county.

Additional requirements include:

1. PID petitions shall include this additional note: "With respect to community property, the City may accept the signature of a spouse as a representation of both spouses that they support the creation or renewal of the PID absent a separate property agreement. However, if City staff is made aware of any disagreement among owners of community property, those petitions will not be counted."
2. Signatures for PID petitions must be gathered not more than six months preceding submittal of the PID Application.

For a PID to be established, a petition shall include the following:

1. Evidence that the petition's signatures meet the state law requirements, or the petition must be accompanied by a reasonable fee to cover the City's costs of signature verification. If the proposed district is an expansion of an existing district, a petition for the new portion of the district must identify each subdivision, or portion thereof, within the proposed boundaries of the new district, and each subdivision or portion thereof, that is not currently in an existing PID shall individually satisfy the requirements for a petition under Section 372.005 of the PID Act. Subdivision has the meaning assigned by Section 232.021 of the Texas Local Government Code.
2. Map of the area, a legal description of the boundaries of the district for the legal notices and a "commonly known" description of the area to be included in the district.
3. Statement that the petitioners understand that the annual budget for the PID is subject to review by City staff with final approval by the City Council.

**ATTACHMENT D  
PETITION TEMPLATE**

Item C.

**PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT WITHIN  
THE CITY OF \_\_\_\_\_, TEXAS FOR THE \_\_\_\_\_ PUBLIC  
IMPROVEMENT DISTRICT**

This petition ("Petition") is submitted and filed with the City Secretary of the City of \_\_\_\_\_, Texas ("City"), by \_\_\_\_\_, a \_\_\_\_\_, owner of a majority of the real property (the "Petitioner") located within the proposed boundaries of the District, as hereinafter defined. Acting pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the "Act"), the Petitioner requests that the City create a public improvement district (the "District"), to include property located within the City limits of the City (the "Property"), more particularly described by a metes and bounds description in **Exhibit A** and depicted in **Exhibit B**. In support of this Petition, the Petitioner would present the following:

**Section 1.** General Nature of the Authorized Improvements. The general nature of the proposed public improvements (collectively, the "Authorized Improvements") may include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the District; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (vii) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vii) above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property.

**Section 2.** Estimated Cost of the Authorized Improvements. The estimated cost to design, acquire, and construct the Authorized Improvements, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in the establishment, administration, and operation of the District is \$\_\_\_\_\_.00. The City will pay none of the costs of the proposed improvements from funds other than such assessments. The remaining costs of the proposed improvements will be paid from sources other than the City or assessments of property owners.

**Section 3.** Boundaries of the Proposed District. The District is proposed to include the Property as shown in Attachment A.

**Section 4. Proposed Method of Assessment.** The City shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments may be paid in full at any time (including interest and principal), and certain assessments may be paid in annual installments {including interest and principal). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessment, and must continue for a period necessary to retire the indebtedness of those Authorized Improvements (including interest).

**Section 5. Proposed Apportionment of Costs between the District and the City.** The City will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the District, and possible tax increment reinvestment zone revenue. No municipal property in the public improvement district shall be assessed. The Petitioner may also pay certain costs of the improvements from other funds available to the Petitioner.

**Section 6. Management of the District.** The Petitioner proposes that the District be managed by the City, with the assistance of a consultant, who shall, from time to time, advise the City regarding certain operations of the District.

**Section 7. The Petitioner Requests Establishment of the District.** The person signing this Petition requests the establishment of the District, is duly authorized, and has the corporate authority to execute and deliver the Petition.

**Section 8. Advisory Board.** The Petitioner proposes that the District be established and managed without the creation of an advisory board. If an advisory board is created, the Petitioner requests that a representative of the Petitioner be appointed to the advisory board.

**Section 9. Landowner(s).** This Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.

This Petition is hereby filed with the City Secretary of the City, or other officer performing the functions of the municipal secretary, in support of the creation of the District by the City Council of the City as herein provided. The undersigned request that the City Council of the City call a public hearing on the advisability of the Authorized Improvements, give notice thereof as provided by law and grant all matters requested in this Petition and grant such other relief, in law or in equity, to which Petitioner may show itself to be entitled.

RESPECTFULLY SUBMITTED, on this \_\_\_\_\_ day of November, 2017.

OWNER:

\_\_\_\_\_

, a Texas \_\_\_\_\_

By:    Company Name

*By*

Name:

Its:

**EXHIBIT A**  
**Metes and Bounds**

**EXHIBIT B**  
**Property Depiction**