



**CITY OF HUTCHINS
CITY COUNCIL MEETING
AGENDA**

**Monday, November 17, 2025 at 6:30 PM
City Hall - Council Chamber, 400 N. JJ Lemmon Road**

Pursuant to Section 551 of the Texas Government Code, notice is hereby given of a Regular Meeting of the Hutchins City Council to be held on Monday, November 17, 2025, at 6:30 p.m. at Hutchins City Hall Council Chambers, 400 N. JJ Lemmon Rd., Hutchins, Texas, at which time the following items will be discussed and considered.

City Council Members

Mayor Mario Vasquez
Mayor Pro Tem Steve Nichols
Councilmember Brenda Campbell
Councilmember Raymond Elmore
Councilmember Demarcus Odom
Councilmember America Rodriguez

A. CALL TO ORDER AND ANNOUNCE A QUORUM PRESENT

B. INVOCATION AND PLEDGE OF ALLEGIANCE

C. CITIZEN COMMENTS - *This agenda item provides an opportunity for citizens to address the City Council on any matter that is not posted on the agenda. Anyone wishing to address the City Council should complete a Citizen Comments Form and submit it to the City Secretary prior to the start of the City Council meeting. There is a three (3) minute time limit for each citizen to speak. However, in accordance with the Texas Open Meetings Act, the City Council cannot discuss issues raised or make any decision at this time.*

D. PRESENTATIONS

1. Annual Financial Audit Report. Presented by: Maria Joyner, Director of Finance
2. City Signage. Presented by: Steve Perry, Police Chief

E. REGULAR AGENDA - *As authorized by Section 551.071 of the Texas Government Code, the City Council reserves the right to convene in Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item listed herein.*

3. Discuss and consider a Resolution of the Hutchins City Council APPROVING AND ADOPTING FINANCIAL MANAGEMENT POLICIES FOR THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE. Presented by: Maria Joyner, Director of Finance
Resolution R2025-11-1302

4. Discuss and consider Resolution OF THE CITY COUNCIL OF THE CITY OF HUTCHINS, TEXAS, ADOPTING THE CITY OF HUTCHINS INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT "A". Presented by: Maria Joyner, Director of Finance
Resolution R2025-11-1303
5. Discuss and consider a Resolution OF THE CITY COUNCIL OF THE CITY OF HUTCHINS, TEXAS, ADOPTING THE CITY OF HUTCHINS TRAVEL POLICY ATTACHED HERETO AS EXHIBIT "A". Presented by: Karen Steward, Human Resource Director
Resolution R2025-11-1304

F. ITEMS OF COMMUNITY INTEREST

6. Parks and Recreation Board Meeting, Tuesday, December 4, 2025, 6:30 p.m., Hutchins City Hall - Council Chamber, 400 N. JJ Lemmon Rd., Hutchins.

Keep Hutchins Beautiful Board Meeting, Tuesday, December 9, 2025, 6:00 p.m., Hutchins City Hall - Council Chamber, 400 N. JJ Lemmon Rd., Hutchins.

Hutchins Christmas Parade, Saturday, December 13, 2025. Parade begins at 12 noon at Wilmer-Hutchins Elementary School Early Childhood Center, 7475 JJ Lemmond Rd., and end at Campbell Park, 200 S. Denton St. For more information go to www.cityofhutchinstx.gov.

City Council Meeting, Monday, December 15, 2025, 6:30 p.m., Hutchins City Hall - Council Chamber, 400 N JJ Lemmon Rd., Hutchins.

G. ADJOURN

CERTIFICATION

I certify that a copy of the Monday, November 17, 2025, agenda of items to be considered by the Hutchins City Council was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website www.cityofhutchinstx.gov, in accordance with Chapter 551 of the Texas Government Code. Posted on Tuesday, November 11, 2025.

Cynthia Olguin

Cynthia Olguin
City Secretary



ACCESSIBILITY STATEMENT

The meeting location is wheelchair accessible from the front door. Request for special services must be received at least 48 hours in advance of scheduled meeting. For assistance, please call the office of the City Secretary at 972-225-6121 or email the City Secretary at colguin@cityofhutchinstx.gov



STAFF REPORT

MEETING DATE:	November 17, 2025
MEETING TYPE:	City Council
SUBMITTED BY:	Maria Joyner
AGENDA CAPTION:	Annual Financial Audit Report Presented by: Maria Joyner, Director of Finance

Background Information

The Annual Financial Audit presentation summarizes the city's financial health. The objective of the audit is to express an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles, are free from material misstatement, and to report on the fairness of supplementary information when considered in relation to the basic financial statements as a whole. In addition, the City Staff has carefully examined the audit report, financial statements, and management letter. A representative from the Certified Public Accounting Firm, BrooksWatson and Company, PLLC will present the report to City Council. A hard copy of the report will be distributed during the City Council meeting.

Staff Recommendation

There is no action required.



STAFF REPORT

MEETING DATE:	November 17, 2025
MEETING TYPE:	Regular Council meeting
SUBMITTED BY:	Steve Perry (Police Chief)
AGENDA CAPTION:	[City Signage] Presented by: (Steve Perry, Police Chief)

Background Information

Pan handling and Loitering signs are not enforceable by State Law or City Ordinance. The intentional placement of these signs are a proactive approach to discouraging loitering activity and panhandling.

Two types of views on pan handlers: Sympathetic view and unsympathetic view.

The sympathetic view, commonly but not unanimously held by homeless advocates, is that panhandling is essential to destitute people's survival, and should not be regulated by police.

Some even view panhandling as a poignant expression of the plight of the needy, and an opportunity for the more fortunate to help.

The unsympathetic view is that panhandling is a blight that contributes to further community disorder and crime.

A university student in the State of Oregon spent time as a panhandler. In his experience on the streets of Oregon City represented a quest for knowledge, not money.

The researcher conducting this study double-majored in economics and political science and is an economic assistant with the United States Bureau of Labor Statistics, Portland office. His panhandling career was brief – just 12 days

His experience showed that, as a panhandler, he could make \$11.10 an hour – more than Oregon's minimum wage, then at \$8.95 an hour. The Texas minimum wage is \$ 7.25 per hr. \$ 3.85 raise over the TX minimum wage.

His panhandling project produced a variety of findings: donations ranged from four cents to a \$100 bill. He averaged \$5.13 per hour his worst day (the first) and \$24.63 per hour on his best.

One of every 59 people driving by gave money. Middle-aged people (between 25-49) gave much more than older or younger people.

Some offered jobs or rides; others gave him sports drinks, gift cards, bottled water, beef jerky or homeless care packages.

In an Arizona State University study:

Police must be concerned with the welfare of panhandlers who are vulnerable to physical and verbal assault by other panhandlers, street robbers or passersby who react violently to being panhandled. Panhandlers often claim certain spots as their own territory, and disputes and fights over territory are not uncommon.

Panhandling intimidates some people, even causing some to avoid areas where they believe they will be panhandled.

Among the contextual factors that influence how intimidating panhandling is are:

- The time of day (nighttime panhandling is usually more intimidating than daytime panhandling)
- The ease with which people can avoid panhandlers (panhandling is more likely to intimidate motorists stuck in traffic than it is those who can drive away)
- The degree to which people feel especially vulnerable (for example, being panhandled near an ATM makes some people feel more vulnerable to being robbed)
- The presence of other passersby (most people feel safer when there are other people around)
- The physical appearance of the panhandler (panhandlers who appear to be mentally ill, intoxicated or otherwise disoriented are most likely to frighten passersby because their conduct seems particularly unpredictable)
- The reputation of the panhandler (pan handlers known to be aggressive or erratic are more intimidating than those not known to be)
- The characteristics of the person being solicited (the elderly tend to be more intimidated by panhandlers because they are less sure of their ability to defend themselves from attack)
- The number of panhandlers (multiple panhandlers working together are more intimidating than a lone panhandler)
- The volume of panhandling (the more panhandlers present in an area, the more intimidating and bothersome panhandling will seem).

- In San Francisco a community survey was conducted. People said they gave money to panhandlers because they felt pressured and avoided certain areas because of panhandling; nearly 40 percent expressed concern for their safety around panhandlers.
- In the City of Dallas, an article was published stating that Dallas officials are seeing an increased number of complaints in Aggressive Pan handling.

Challenges with Enforcing Pan handling:

- In recent court rulings some courts have ruled that Panhandling is constitutionally protected.
- Same with Loitering, courts have ruled Loitering ordinances are too broad.
- Passersby continue to contribute to the problem by giving money to panhandlers.
- It's become socially acceptable, from the sympathetic person

Why we may need to discourage pan handling:

- Can be a public Safety concerns
- In studies conducted business owners worry that the presence panhandlers will affect their business.
- **Texas Transportation Code - TRANSP § 552.007. Solicitation by Pedestrians**

(a) A person may not stand in a roadway to solicit a ride, contribution, employment, or business from an occupant of a vehicle, except that a person may stand in a roadway to solicit a charitable contribution if authorized to do so by the local authority having jurisdiction over the roadway.

(c) In this section, "charitable contribution" means a contribution to an organization defined as charitable by the standards of the United States Internal Revenue Service.

Budget Implications

Cost of signs

Operational Impact

Reduce panhandling in the City of Hutchins

Legal Review

Yes

Staff Recommendation

Consider approving the use of signage to reduce pan handling.

Supporting Documentation and Attachments

Photos of Signage









STAFF REPORT

MEETING DATE: November 17, 2025

MEETING TYPE: City Council

SUBMITTED BY: Maria Joyner

AGENDA CAPTION: Discuss and consider Resolution R2025-_____ OF THE CITY COUNCIL OF THE CITY OF HUTCHINS, TEXAS, APPROVING AND ADOPTING FINANCIAL MANAGEMENT POLICIES FOR THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE. Presented by: Maria Joyner, Director of Finance

Background Information

The attached financial policies give written guidelines for management and staff to follow regarding the City's finances. Adopting these policies strengthened internal control and has a positive effect on the City's credit rating. These policies will be reviewed each year as part of the annual budget process and any significant changes will be presented to City Council.

Staff Recommendation

Staff recommends that Council approves Resolution R2025_____ to adopt the City's Financial Policy.

Supporting Documentation and Attachments

R2025_____ RESOLUTION FOR FINANCIAL POLICY ANNUAL REVIEW

**CITY OF HUTCHINS
RESOLUTION NO. R 2025-11-1302**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUTCHINS, TEXAS, APPROVING AND ADOPTING FINANCIAL MANAGEMENT POLICIES FOR THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, written financial policies give management and staff guidelines to follow regarding the City’s finances and strengthen internal control over financial management which increases the City’s credit worthiness; and

WHEREAS, the Financial Management Policies shall be reviewed each year as part of the annual budget process and any significant changes will be brought to the City Council for review and adoption; and

WHEREAS, upon full review and consideration of the Financial Management Policies, and all matters related thereto, the City Council is of the opinion and finds that the Financial Management Policies should be approved and adopted.

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

SECTION 1. The Financial Management Policies which are attached as Exhibit “A”, are approved and adopted.

SECTION 2. This Resolution shall become effective immediately upon its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Hutchins, Texas, this the 17th day of November 2025.

CITY OF HUTCHINS, TEXAS

Mario Vasquez, Mayor

ATTEST:

Cynthia Olguin, City Secretary

EXHIBIT "A"
Financial Management Policies

EXHIBIT A
CITY OF HUTCHINS FINANCIAL POLICIES



Financial Management Policies

November 17, 2025

Prepared by the Finance Department

TABLE OF CONTENTS

	Page
I. PURPOSE STATEMENT	1
II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING	1
A. Accounting	
B. Funds	
C. External Auditing	
D. External Financial Reporting	
E. Internal Financial Reporting	
III. INTERNAL CONTROLS	2
A. Written Procedures	
B. Department Directors' Responsibilities	
C. Cash Management	
D. Capital Assets	
IV. FISCAL BUDGETING	2
A. Operating Budget	
B. Balanced Budgets	
C. Planning	
D. Budgetary Control	
V. CAPITAL PROGRAMS	3
A. Capital Improvement Programs	
B. Capital Budgets	
C. Alternate Resources	
VI. REVENUE MANAGEMENT	3
A. Diversification and Stability	
B. Unpredictable Revenue	
C. Revenue Monitoring	
D. Revenue Collections	
E. Write-Offs of Uncollectible Accounts (Excluding Property Taxes)	
F. Fees and Charges	
G. One-Time Revenue	
H. Restricted Revenues	
I. Sufficiency	
J. Utility Rates	
VII. EXPENDITURE CONTROL	4
A. Appropriations	
B. Encumbrances	
C. Purchasing	

- D. Prompt Payment
- E. Department Directors' Responsibilities
- VIII. **DEBT MANAGEMENT** 5
 - A. Debt Service Requirements
 - B. Self-Supporting Debt
 - C. Debt Covenants
 - D. Debt Capacity and Issuance
- IX. **FUND BALANCE** 5
 - A. Purpose
 - B. Definitions
 - C. City Policy
- X. **FINANCIAL CONDITIONS AND RESERVES** 7
 - A. Minimum Unassigned Fund Balance
 - B. Replenishment of Minimum Fund Balance Reserves
 - C. Order of Expenditure of Fund Balances
 - D. Appropriation of Unassigned Fund Balance
 - E. Monitoring and Reporting
- XI. **GRANTS** 8
 - A. Solicitation
 - B. Authority
 - C. Budgeting
 - D. Applicable Laws
 - E. Supplement Not Supplant (Federal Grants)
 - F. Procurement
 - G. Compliance
 - H. Management
- XII. **REVIEW AND REPORTING** 9
 - A. Annual Review
 - B. Reporting

I. PURPOSE STATEMENT

The policies set forth below provide guidelines to enable the City staff to achieve long-term, stable financial conditions while conducting daily operations and providing services to the community.

The long-range policies regarding financial management are as follows:

1. Exercise a discipline which allows the City to retain a sound financial condition.
2. Give recognition to the community's needs and ability to pay.
3. Strive to retain the best possible rating on bonds.

The purpose of these policies is to provide guidelines for City staff in planning and directing the City's day-to-day financial affairs. The scope of these policies cover accounting, auditing, financial reporting, internal controls, fiscal budgeting, capital programs, revenue management, expenditure control, debt management, financial condition and fund reserves.

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

A. Accounting

The City's Finance Director is responsible for establishing the City's chart of accounts and for properly recording financial transactions.

B. Funds

Self-balancing groups of accounts are used to account for City financial transactions in accordance with generally accepting accounting principles (GAAP). Each fund is created for a specific purpose except the General Fund which is used to account for all transactions not accounted for in other funds. Funds are created by the Finance Director and approved by the City Administrator.

C. External Auditing

The City will be audited annually by outside independent accountants (auditors). The auditors must be a reputable CPA firm and must demonstrate experience in the field of local government auditing. They must conduct the City's audit in accordance with GAAP, governmental accounting and auditing standards (GAAS) and be knowledgeable in the Government Finance Officers Association (GFOA) Certificate of Achievement Program. The City will follow a five-year rotation of outside independent auditors. The audited financial statements should be prepared within 180 days after the close of the fiscal year.

D. External Financial Reporting

The City will prepare and publish externally an Annual Financial Report for each fiscal year which begins October 1st and ends September 30th.

E. Internal Financial Reporting

The Finance Department will prepare and issue timely financial reports on the City's current fiscal status. These reports include the following:

1. Quarterly budget status reports to the City Administrator, and all department heads
2. Quarterly budget status reports to the Mayor and City Council;
3. Quarterly cash and investment reports to the Mayor and City Council.
4. Annual budget amendments to the City Administrator, Mayor and City Council if deemed necessary

III. INTERNAL CONTROLS

A. Written Procedures

The Finance Director is responsible for developing written guidelines on accounting, cash handling and other financial matters which will be approved by the City Council. The Finance Department will assist Department Directors, as needed, in tailoring such guidelines to fit each department's requirements. Financial policies will be reviewed and approved by the City Council at least every two years.

B. Department Directors' Responsibilities

Department Directors are responsible for ensuring that proper internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented and that all independent auditor control recommendations are addressed.

C. Cash Management

The City's cash flow will be managed to maximize the investable cash in accordance with the City's investment policy.

D. Capital Assets

Capital assets classifications include buildings and improvements, machinery and equipment, vehicles, and infrastructure. Such assets will be reasonably safeguarded, properly accounted for and prudently used. Capital asset inventories will be updated at least annually.

1. Capital assets will be capitalized and depreciated over the useful life of the asset when the cost of the asset is \$5,000 or greater;
2. The capitalization threshold of \$5,000 will be applied to the individual items rather than to a group of similar items (i.e., desks, chairs, computers, etc.); and
3. To maintain control over high-risk items, such as electronic equipment and weapons, high-risk items costing \$250 - \$4,999 will be monitored tagged, and tracked as part of inventory.

IV. FISCAL BUDGETING

A. Operating Budget

The City's operating budgets are the City annual financial operating plans. The operating budgets' basis of accounting will be non-GAAP and will be converted to GAAP when presented in the Annual Financial Report. This method does not incorporate year-end accruals into the budget document when the annual budgets are prepared. Budgeted revenues and expenditures will be compared to actual revenues and expenditures for internal financial reporting purposes and converted to GAAP for external reporting purposes with reconciliations between the two basis.

B. Balanced Budgets

Currently available unassigned operating revenue shall be sufficient to support current operating expenditures. Temporary shortages or operating deficits can and do occur; however, they are not tolerated as extended trends. Measures should be developed to provide additional revenue and/or reduced expenditures to eliminate operating deficits when necessary.

C. Planning

The budget process will be coordinated to identify major policy issues for City Council consideration well in advance of the budget approval date for proper analysis and accurate decision making.

D. Budgetary Control

1. The City Administrator's level of budgetary control is at the fund level for all City funds. Changes in budgeted expenditure appropriations at the fund level require approval of the City Council.
2. Department Directors' level of budgetary control is at the department level. Modifications within and between a respective department's operating categories are allowed except for personnel costs and capital expenditures. Personnel costs and capital expenditure modifications require the approval of the City Administrator.
3. Budget amendments for appropriations at the fund level must be approved by the City Council for all City funds.

V. CAPITAL PROGRAMS

A. Capital Improvement Programs

Capital improvement programs will include plans for future years as well as future maintenance and operational costs. Capital improvement programs and planning should include a minimum of five (5) years. Capital project funds will be accounted for in multi-year funds that cross fiscal years and do not close until the project is completed.

B. Capital Budgets

Capital project budgets will include all capital project fund expenditures as well as all funding sources. Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project. Unspent bond proceeds will be transferred to the Debt Service Fund at the completion of the capital project.

C. Alternate Resources

Where applicable, assessments, impact fees and/or other user-based fees should be used to fund capital projects.

VI. REVENUE MANAGEMENT

A. Diversification and Stability

A diversified and stable revenue system will be maintained to shelter the City from short-run fluctuations in any one revenue source.

B. Unpredictable Revenue

The City will try to understand its revenue sources, and enact consistent collection policies so that assurances can be provided that the revenue base will materialize according to budgets and plans. Use of unpredictable revenue will depend upon management's determination whether the revenue is considered a one-time revenue or will recur annually.

C. Revenue Monitoring

Revenues actually received will be regularly compared to budgeted revenues. Significant variances will be investigated and reported in the appropriate reports.

D. Revenue Collections

The City shall maintain high collection rates for all revenues by monitoring monthly receivables. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent taxpayers and others overdue in payments to the City.

E. Write-Off of Uncollectible Accounts (Excluding Property Taxes)

Uncollectible accounts shall be written off annually at year end and upon approval of the City Administrator. The write-off of uncollectible accounts is a bookkeeping entry only and does not release the debtor from the debt owed to the City.

F. Fees and Charges

The City will maximize utilization of user charges in lieu of property taxes for services that can be individually identified and where the costs are directly related to the level of service. There will be periodic review of fees and charges to ensure that fees provide adequate coverage of costs of service.

G. One-time Revenues

One-time revenues will be used only for one-time expenditures and will not be used for ongoing operations. Care will be taken not to use these revenues for budget balancing purposes.

H. Restricted Revenues

When an expenditure is incurred for purposes for which both restricted and unrestricted revenues/fund balance is available, the City considers restricted funds to have been spent first.

I. Sufficiency

The benefits of revenue shall exceed the cost of producing the revenue.

J. Utility Rates

The City shall review and adopt utility rates that shall generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs.

VII. EXPENDITURE CONTROL

A. Appropriations

The City adopts annual appropriations at the fund level for all City funds. Any increase in budgeted appropriations at the fund level must be approved by the City Council.

B. Encumbrances

All appropriations lapse at fiscal year-end. Encumbrances shall be rolled to the next fiscal year and added to the current year's budgeted appropriations.

C. Purchasing

All purchases shall be in accordance with both the City's purchasing policy and State law. In the event that State law and City policy conflict, the strictest policy will be followed.

D. Prompt Payment

All invoices will be paid upon thirty (30) days of receipt in accordance with State law. Procedures will be used to take advantage of all cost effective purchase discounts. Payments will be processed to maximize the City’s investable cash.

E. Department Directors’ Responsibilities

Each Department Director is held accountable for meeting program objectives and monitoring the use of budget funds expended to ensure compliance with the annual appropriated budget approved by the City Council.

VIII. DEBT MANAGEMENT

A. Debt Service Requirements

The Finance Department will determine annual debt payment requirements as well as funding sources during the preparation of the annual budget for the Debt Service Fund and as per the City’s Debt Management Policy.

B. Self-Supporting Debt

When appropriate, self-supporting revenues will pay debt service in lieu of property taxes. The Debt Service Fund’s current fiscal year debt payment requirements shall not exceed debt service property tax, self-supporting revenue and balances carried forward from the prior year.

C. Debt Covenants

The Finance Department will diligently monitor the City’s compliance to its bond covenants. The Finance Department will maintain ongoing communications with bond rating agencies about the City’s financial condition and follow a policy of full disclosure on every financial report.

D. Debt Capacity and Issuance

The City has and will continue to retain a Financial Advisor in connection with any debt issuance.

IX. FUND BALANCE

A. Purpose

The purpose of this policy is to establish a key element of the financial stability of the City of Hutchins by setting guidelines for fund balance. Unassigned fund balance is an important measure of economic stability and it is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and other similar circumstances. This policy will ensure the City maintains adequate fund balances in the City’s various operating funds with the capacity to:

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

B. Definitions

Fund Equity

A fund's equity is generally the difference between its assets and its liabilities. Fund equity is affected by the results of each year's operations [revenues over (under) expenditures].

Fund Balance

The fund equity of a governmental fund for which an accounting distinction is made between the portions that are spendable and non-spendable. Fund balance is classified into five categories:

- 1) **Non-spendable fund balance** – includes the portion of net resources that cannot be spent because of their form (i.e. inventory, or prepaids) or because they must remain in-tact such as the principal of an endowment.
- 2) **Restricted fund balance** – includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include grant awards and bond proceeds.
- 3) **Committed fund balance** – includes the portion of net resources upon which the City Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be charged or lifted only by the Council taking the same formal action that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.
- 4) **Assigned fund balance** – includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund.
- 5) **Unassigned fund balance** – the amounts in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

C. City Policy

Committed Fund Balance

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at the City's Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may

be determined in the subsequent period (i.e. the Council may approve the calculation or formula for determining the amount to be committed).

Assigned Fund Balance

The City Council authorizes the City Administrator as the City Official responsible for the assignment of fund balance to a specific purpose as approved by this fund balance policy.

X. FINANCIAL CONDITIONS AND RESERVES

A. Minimum Unassigned Fund Balance

The City's *goal* is to achieve and maintain an unassigned fund balance in the General Fund equal to seventy-two (72) days of total expenditures (excluding capital expenditures and operating transfers); and in the Water/Sewer Fund a balance equal to seventy-two (72) days of total expenditures (excluding capital expenditures and operating transfers). The City considers a balance of less than seventy-two (72) days to be cause for concern, barring unusual or deliberate circumstances. In the event the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in the next fiscal year to restore the balance.

B. Replenishment of Minimum Fund Balance Reserves

If unassigned fund balances in either fund *unintentionally* falls below seventy-two (72) days, or if it is anticipated that at the completion of any fiscal year, the projected unassigned fund balance will be less than seventy-two (72) days, the City Administrator shall prepare and submit a plan to restore the minimum required level as soon as economic conditions allow or within a three (3) year period, whichever comes first. The plan shall detail the steps necessary for the replenishment of fund balances as well as an estimated timeline for achieving such. If restoration of the reserve cannot be accomplished within such a period without severe hardship to the City, then the Council shall establish an extended time line for attaining the minimum balance.

C. Order of Expenditure of Fund Balances

If an expenditure meets the criteria of multiple categories of fund balance, first spend the most restricted funds before moving down to the next most restrictive category with available funds.

D. Appropriation of Unassigned Fund Balance

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

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

E. Monitoring and Reporting

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

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

XI. GRANTS

A. Solicitation

It is the responsibility of City Departments to locate grant sources, determine the appropriateness of the grant, prepare council communications regarding grant applications and/or grant offers, and draft grant applications for submission for grants which would be cost beneficial and meet the City's objectives.

B. Authority

The City Council determines the goals and priorities of the City; therefore, all grant-funded activities/programs are assessed and all grant applications are approved by the City Council to assure that (1) the activity/program is consistent with these goals and priorities; (2) grant financial assistance is needed; and (3) grant proposals and budgets accurately reflect these goals and needs. Any potential grants shall be examined for matching requirements so that the source and availability of these funds may be determined before the grant application is made.

C. Budgeting

A comprehensive needs assessment is conducted and approved by the City Council during the annual budget process. This assessment will be used for developing all Federal and State grant budgets. Depending on the type and amount of grant, the budget process may be done during the writing of the grant or after amounts are awarded.

D. Applicable Laws

Federal grants are governed by, and the City shall adhere to, the Federal Register Title 2, Subtitle A, Chapter II, Part 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

State grants are governed by, and the City shall adhere to, Local Government Code Title 7, Chapter 783 – *Uniform Grants Management Standards* issued by the Governor's Office of Budget and Planning for the State of Texas.

E. Supplement Not Supplant (Federal Grants)

The City has implemented guidelines to ensure compliance with Federal fiscal requirement of supplement, not supplant. The purpose of these procedures is to ensure that the level of State and local support for programs remain at least constant and is not replaced by Federal funds. Federal funds are used to supplement (add to, enhance, to expand, create something new, increase) the funds available from non-Federal sources, and not to supplant (replace or take the place of) the existing non-Federal funds.

F. Procurement

In addition to City procurement policies and guidelines as outlined in the City's Purchasing Policy, all applicable procurement requirements of Federal and State grant fund regulations, other applicable laws and regulations, apply to the use of grant funds.

G. Compliance

The City shall comply with **specific** terms and conditions as set forth in Federal and State Grant Award Notices (GANs). GANs may also include **general** terms and conditions. Should there be any inconsistency between the (1) **specific** terms and conditions and (2) **general** terms and conditions, **specific** terms and conditions will govern.

If **general** and **specific** terms and conditions conflict with City policies and procedures, the most conservative term or condition will govern.

H. Management

Grant management lies within each Department of the City under the direction of the Department Director. Department Directors are accountable to the City Administrator, City Council, and Finance Department.

XII. REVIEW AND REPORTING

A. Annual Review

These financial management policies will be reviewed administratively by the City Administrator at least annually, prior to preparation of the annual budget and will be presented to the City Council for confirmation of any significant changes.

B. Reporting

The Finance Director will report annually to the City Council on compliance with these policies.



STAFF REPORT

MEETING DATE: November 17, 2025

MEETING TYPE: City Council

SUBMITTED BY: Maria Joyner

AGENDA CAPTION: Discuss and consider Resolution **R2025** OF THE CITY COUNCIL OF THE CITY OF HUTCHINS, TEXAS, ADOPTING THE CITY OF HUTCHINS INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT "A"; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE CITY AND THAT EXHIBIT "A" RECORDS ANY CHANGES TO EITHER THE INVESTMENT POLICY OR INVESTMENT STRATEGIES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE. Presented by: Maria Joyner, Director of Finance

Background Information

In accordance with the Public Funds Investment Act, Chapter 2256, of the Texas Government Code, the City must formally adopt an investment policy that must 1) be written, 2) primarily emphasize the safety of principal and liquidity, and 3) address investment diversification, yield, and maturity and the quality and capability of investment management.

The investment policy shall be reviewed and adopted at least annually by resolution of the City Council. The City’s Investment Policy may be revised by the Council consistent with changing laws, regulations, or the needs of the City. The policy is reviewed annually by the Director of Finance to determine if any changes or amendments are required.

Director of Finance, Maria Joyner, reviewed the current policy and determined no recommended changes were needed at this time.

Staff Recommendation

Staff recommends approval of the Resolution.

Supporting Documentation and Attachments

Resolution **R2025** Investment Policy Resolution
Exhibit A - Investment Policy 11-17-2025

**CITY OF HUTCHINS
RESOLUTION NO. R2025-11-1303**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUTCHINS, TEXAS, ADOPTING THE CITY OF HUTCHINS INVESTMENT ATTACHED HERETO AS EXHIBIT "A"; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE CITY AND THAT EXHIBIT "A" RECORDS ANY CHANGES TO EITHER THE INVESTMENT POLICY OR INVESTMENT STRATEGIES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, of the Texas Government Code, the City Council of City of Hutchins by resolution adopted an investment policy,

WHEREAS, Chapter 2256 of the Texas Government Code requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policy or investment strategies.

WHEREAS, upon full review and consideration of the City of Hutchins Investment Policy attached as Exhibit "A", the City Council finds that the Investment Policy attached as Exhibit "A" is hereby approved and adopted and shall govern the investment policies and investment strategies for the City, and shall define the authority of the investment official of the City from and after the effective date of this Resolution.

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

SECTION 1. The City Council of the City of Hutchins, Texas, has completed its review of the Investment Policy and investment strategies and any changes made to either are recorded in Exhibit "A".

SECTION 2. All provisions of the Resolutions of the City of Hutchins in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions of the Resolution be, and the same are hereby, repealed, and all other provisions of the resolutions of the City not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 3. Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this Resolution, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution, which shall remain in full force and effect.

SECTION 4. This Resolution shall become effective immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Hutchins, Texas,
this the 17th day of November 2025.

CITY OF HUTCHINS, TEXAS

Mario Vasquez, Mayor

ATTEST:

Cynthia Olguin, City Secretary

EXHIBIT "A"
Investment Policy

**CITY OF HUTCHINS
INVESTMENT POLICY
November 18, 2024**

I. PURPOSE

The purpose of this Investment Policy is to establish guidelines and policies controlling the investment of the funds for the City of Hutchins (the "City"). The Policy is designed to comply with Chapter 2256 of the Texas Government Code, the Public Funds Investment Act, (the "Act"), which requires the City to adopt a written Investment Policy regarding the investment of its funds and funds under its control. This Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

II. POLICY

It is the policy of the City that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to achieve reasonable interest earnings based on market conditions.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to City funds. The City's investment portfolio shall be designed and managed in a manner intended to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of:

1. Safety and preservation of principal
2. Maintenance of sufficient liquidity to meet operating needs
3. Diversification to minimize market risks
4. Public trust from prudent investment activities
5. Achievement of reasonable interest earnings

III. SCOPE

This Investment Policy applies to the investment activities of the City. All financial assets of the City, including the following fund types, shall be administered in accordance with the provisions of these policies.

- General Funds
- Enterprise Funds
- Capital Project Funds
- Debt Service Funds
- Debt Service Reserve Funds
- Special Revenue Funds
- Any new fund created by the City, unless specifically exempted from this Policy by law

IV. OBJECTIVES

The City shall manage and invest its cash with five objectives, listed in order of priority: safety, liquidity, diversification, public trust, and yield. The safety of the principal invested will always remain the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and local law.

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

1. Safety - The primary objective of the City's investment activity is the preservation and safety of principal. Each investment transaction shall seek to first avoid capital losses, whether they arise from issuer defaults or erosion of market value.
2. Liquidity - The City's investment portfolio will remain sufficiently liquid to meet operating requirements. Liquidity shall be achieved by matching investment maturities with estimated cash flow requirements, maintaining liquid reserves and by investing in instruments with active secondary markets.
3. Diversification - The portfolio will be diversified by investment type and maturity to avoid market risks and issuer default, as appropriate.
4. Public Trust - Investment Officers shall act responsibly as public trust custodians and shall avoid transactions which might impair public confidence in the City's ability to govern effectively.
5. Yield (Optimization of Interest Earnings) - The investment portfolio shall be designed with the objective of attaining a reasonable market yield at all times, taking into account the investment risk constraints and liquidity needs of the City. Return on investment is of lesser importance compared to the safety and liquidity objectives described above.

V. INVESTMENT STRATEGIES

The City's basic investment strategy for all financial assets is to preserve principal. In order to achieve that objective, the City shall invest in instruments with limited credit risk and invest in maturities that do not exceed anticipated cash flow requirements.

The objective of liquidity stems from the need of the City to maintain available cash balances sufficient to cover financial outlays. Since the timing and amount of some financial disbursements are not predictable, fund-type strategies shall adjust for the certainty of projected cash flows.

It is also the policy of the City to diversify its investment portfolios. Whenever practical and appropriate, assets held in the investment portfolio shall be diversified to minimize the risk of loss resulting from one concentration of assets in a specific maturity, a specific issuer, or a specific class of investment.

City funds shall seek to achieve a competitive yield appropriate for each fund-type. A comparably structured treasury security portfolio shall represent the minimum yield objective. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity.

1. General, or Business-type Funds

Suitability-Any investment eligible in the Investment Policy is suitable for General, Enterprise, or Operating-type funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity of each fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

Liquidity- General, Enterprise, or Operating-type Funds require the greatest short-term liquidity of any of the fund-types. Demand deposit accounts, money market accounts, short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability- Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

2. Capital Projects Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Capital Projects Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Projects Funds to not exceed the anticipated expenditure schedule, the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or three years.

Liquidity - Most capital projects programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Demand deposit accounts, money market accounts, short term investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in

the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability- Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then current market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy's risk constraints. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective for non-borrowed funds.

3. Debt Service Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Demand deposit accounts, money market accounts, short term investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

4. Debt Service Reserve Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or five years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and influence maturity extension.

Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then current market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

VI. RESPONSIBILITY AND CONTROL

Delegation of Authority

The Hutchins City Council shall designate the City of Hutchins City Administrator and Finance Director as the Investment Officers. The Investment Officers shall establish procedures for the operation of the investment program consistent with this Investment Policy. The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Investment Officers.

Training

In order to ensure the quality and capability of investment management, the Investment Officers shall attend investment training no less often than once every two years, aligned with the fiscal year end, and shall receive not less than 8 hours of total instruction relating to investment responsibilities. Newly appointed Investment Officers must attend investment training consisting of at least 10 hours of total instruction within twelve months of the date that he or she assumed the Officer's duties. The City approves the GFOA, GFOAT, GTOT, NTCOG, TCMA, TML, and UNT as independent sources for training.

Internal Controls

The Investment Officers are responsible for establishing and maintaining internal controls to protect the assets of the City from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Annual Audit

Accordingly, within the scope of the annual audit, the City shall establish a process for annual independent review by an external auditor to assure compliance with this Policy and supporting procedures.

Prudence

Investments shall be made with judgment and care under prevailing circumstances that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an Investment Officer has exercised prudence in the performance of their duty, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the City's control, over which the Officer had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written approved Investment Policy of the City.

The Investment Officer, if acting in accordance with written procedures and exercising due diligence, shall not be held personally liable for any specific investment's credit risk or market price changes, provided that these deviations are reported immediately, and the appropriate action is taken to control adverse developments.

Ethics and Conflict of Interest

The Investment Officers, and employees involved in the investment process, shall refrain from any personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions.

Investment Officers shall disclose any personal or business relationship involving material interests in financial institutions with which the City conducts business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officers shall refrain from undertaking personal investment transactions with the same individual or firm with which business is conducted on behalf of the City.

Any Investment Officer of the City who has a personal business relationship with an organization or is related with the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship, in accordance with the Act, with the Texas Ethics Commission and the City Council.

Reporting

The Investment Officers shall prepare for the City Council an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in detail and summary information. This reporting shall be made in accordance with the Act.

The quarterly investment report shall include a summary statement of investment activity during the period. This summary will be prepared in a manner that will allow the City Council to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will include the following at a minimum:

- A listing of individual investments held at the end of the reporting period.
- Average weighted yield to maturity of portfolio.
- Beginning and ending book and market value for the reporting period.
- Fully accrued interest for the reporting period and total earnings for the period.
- The percentage of the total portfolio by type of investment.
- Statement of compliance of the City's investment portfolio with State law and the investment strategy and Policy approved by the City Council.

Market values will be obtained from reputable and independent sources.

"Weighted average yield to maturity" shall be the standard on which investment performance is calculated.

In conjunction with the annual audit, an independent auditor will perform a formal annual review of the quarterly reports with the results reported to the City Council by that auditor.

VII. SUITABLE AND AUTHORIZED INVESTMENTS

City funds may be invested only in the instruments described below, all of which are authorized and further defined by the Act. Investment of City funds in any instrument or security not authorized for investment under the Act is prohibited. With respect to authorized investments, this Policy is more restrictive than the Public Funds Investment Act. The City will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

Authorized Investments

1. Obligations, including letters of credit, of the United States of America, its agencies and instrumentalities, including the Federal Home Loan Banks, but excluding those prohibited by the Act.
2. Certificates of Deposit and other evidences of deposit at a financial institution that
 - a. has its main office or a branch office in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor,
 - b. is secured by obligations in a manner and amount provided by law for deposits of the City, or
 - c. is placed in compliance with the requirements of the Act.
3. Fully collateralized repurchase agreements executed in compliance with the Act, under the terms of an executed Master Repurchase Agreement, and secured in accordance with this Policy.
4. SEC registered, no load money market mutual funds that comply with the requirements of State law and seek to maintain a stable \$1.0000 net asset value.
5. AAA-rated, Texas local government investment pools, which meet all the requirements of the Act. Participation in any pool must be authorized by resolution of the City Council.

Investment Instruments Not Authorized

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, or collateralized mortgage obligations with inverse floating interest rate coupons or a maturity date of over 10 years are strictly prohibited.

Competitive Environment

The City shall provide a competitive environment for individual investment transactions, and financial institution, money market mutual fund, and local government investment pool selections.

Maximum Maturity

The maximum dollar weighted maturity and state final maturity for each fund-type group is set forth in the investment strategies.

Delivery Versus Payment

Securities purchased by the City shall be settled into the City's safekeeping agent on a delivery versus payment (DVP) basis. DVP assures that City funds will not be released until the purchased security has been received. Securities will be held by an independent third-party safekeeping agent as evidenced by safekeeping receipts.

Loss of Required Rating

In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment.

VIII. COLLATERALIZATION AND SAFEKEEPING

All financial institution deposits shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards those deposits.

Collateralization

Financial institutions serving as City depositories will be required to sign a depository agreement with the City. The collateralized deposit portion of the agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement must be executed by the depository and the City contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the depository and a copy of the meeting minutes must be delivered to the City; and
- The agreement must be part of the depository's "official record" continuously since its execution.

The written agreement will specify the acceptable collateral, require independent safekeeping of the collateral, only allow substitution of collateral of equal or greater value than the collateral being substituted, require City approval before release of investment securities held as collateral, and provide for original safekeeping receipts and complete monthly reporting of collateral, including the valuation of securities.

A clearly marked evidence of pledge must be supplied to the City and retained by the Investment Officers. A monthly collateral report provided by the custodian shall be reviewed by the Investment Officers to assure that the market value of the pledged securities is adequate.

Collateral Levels

For financial institution deposits, the market value of securities pledged as collateral for deposits must at all times be equal to or greater than 102% of the par value of the deposit plus accrued interest less the amount insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF), or their successors. The depository shall be liable for monitoring and maintaining the collateral and collateral margins at all times. Letters of credit pledged as collateral shall

at all times be equal to the total value of the deposits plus accrued interest less the applicable level of FDIC/NCUSIF insurance.

If the value of the securities pledged falls below the required collateral level, the financial institution must pledge additional securities no later than the end of the next succeeding business day.

Safekeeping

The City shall contract with a bank or banks for the safekeeping of securities owned by the City as part of its investment portfolio. The securities will be held in an account in the City's name as evidenced by safekeeping receipts of the institution with which the securities are deposited.

IX. PRIMARY DEPOSITORIES, BROKER/DEALERS AND ADVISORS

Financial Institution Deposits

Primary depositories shall be selected through the City's banking services procurement process, which shall include a formal Request for Applications (RFA) issued in compliance with applicable State law. This contract can be extended as per the RFA specifications.

Authorized Broker/Dealers

City Council shall, at least annually, review, revise and adopt a list of qualified broker/dealers that are authorized to engage in investment transactions with the City. Broker/dealers eligible to transact investment business with the City shall be presented a written copy of this Investment Policy.

Certification of Business Organizations

Additionally, the registered principal of any investment pool or discretionary investment manager seeking to transact investment business with the City shall execute a written instrument substantially to the effect that the registered principal has:

- received and reviewed this Investment Policy, and
- acknowledged that the organization has implemented reasonable procedures and controls to preclude imprudent investment activities with the City.

The City shall not enter into an investment transaction with a pool or discretionary investment manager prior to receiving the written instrument described above.

Investment Advisors

The City may select an Investment Advisor to advise the City in the investment of City funds and other responsibilities including but not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 or with the Texas State Securities Board.

An appointed Investment Advisor shall act solely in an advisory and administrative capacity within the guidelines of this Investment Policy and without any discretionary authority to transact business on behalf of the City.

X. INVESTMENT POLICY ADOPTION

The City's Investment Policy shall be reviewed and adopted at least annually by resolution of the City Council. It is the City's intent to comply with State laws and regulations. The City's Investment Policy may be revised by Council consistent with changing laws, regulations, or the needs of the City. The City Council shall review and approve the Policy and investment strategies annually, approving any changes or modifications, at a legally scheduled meeting.



STAFF REPORT

MEETING DATE: November 17, 2025

MEETING TYPE: City Council

SUBMITTED BY: Karen Steward

AGENDA CAPTION: Discuss and consider Resolution **R2025** OF THE CITY COUNCIL OF THE CITY OF HUTCHINS, TEXAS, ADOPTING THE CITY OF HUTCHINS TRAVEL POLICY ATTACHED HERETO AS EXHIBIT "A"; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.
Presented by: Karen Steward, Human Resource Director

Background

Information

The purpose of this item is to update the Travel Policy and to adopt **Resolution No. 2025-** updating the per diem, meals (subsistence) and mileage rates consistent with the City of Hutchins and Government Service Administration (GSA) standards.

It is the policy of the City of Hutchins to reimburse employees and other persons who are authorized to represent the City at various conferences, meetings, conventions, seminars, and functions as well as employees who must travel to attend required otherwise approved training programs. The city recognizes that the public interest requires employees to travel at times to conduct City business. The city also recognizes that the public interest is served by the advancement of training and professional development of employees. Travel for City business is to be arranged to utilize the most economical means available. This policy is applicable to all City employees and elected officials and applies to all travel on City business of 50 miles or more or requiring an overnight stay and to all travel reimbursements, subject to budget limitations and authenticated expenses.

Staff Recommendation

Staff recommends that Council approves **Resolution R2025** to adopt the City's Travel Policy.

Supporting Documentation and Attachments

Resolution **R2025**
Travel Policy

**CITY OF HUTCHINS
RESOLUTION NO. R2025-11-1304**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUTCHINS, TEXAS, AMENDING THE CITY OF HUTCHINS PERSONNEL MANUAL BY AMENDING CHAPTER 7, TITLED “WORK ENVIRONMENT”, BY AMENDING SECTION 7.06 TITLED “TRAVEL” AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Hutchins (the “City) recognizes the need to maintain clear, consistent, and current policies governing employee travel for official business; and

WHEREAS, the existing travel section of the Personnel Manual has not been updated since January 6, 2020, and does not adequately reflect current practices, reimbursement rates, and procedural requirements; and

WHEREAS, it is the intent of the Council to promote fiscal responsibility, ensure employee safety, and provide equitable reimbursement for authorized travel expenses; then

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

SECTION 1. That the City Council hereby approves amending the City of Hutchins Personnel Manual, by amending Chapter 7, titled “Work Environment”, by amending Section 7.06 titled “Travel” with the revised policy attached as Exhibit “A”, and providing for an effective date.

SECTION 2. This Resolution shall become effective immediately upon its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Hutchins, Texas on the 17th day of November 2025.

CITY OF HUTCHINS, TEXAS

Mario Vasquez, Mayor

ATTEST:

Cynthia Olguin, City Secretary

7.01 Travel

Effective Date: 03-19-2018 (revised 01-06-2020)
Revision Date: 11-17-2025

A. Applicability of Travel Policy

It is the policy of the City of Hutchins to reimburse employees and elected officials who are authorized to represent the City at various conferences, meetings, conventions, seminars, and functions as well as employees who must travel to attend required otherwise approved training programs.

The city recognizes that the public interest requires employees to travel at times to conduct City business. The city also recognizes that the public interest is served by the advancement of training and professional development of employees.

Travel for City business is to be arranged to utilize the most economical means available. This policy is applicable to all City employees and elected officials and applies to all travel on City business of 50 miles or more or requiring an overnight stay and to all travel reimbursements, subject to budget limitations and authenticated expenses.

B. Responsibility

Department Head

Responsible for communicating and administering the provisions of this policy to employees and approving all travel requests within their department. Also, we should strive to be proactive in planning for the department's travel needs in the annual budgeting process. It is the responsibility of the Department Head to ensure all travel expenses are accounted for within five (5) business days from the date of return and the Travel Expense Report forwarded to the Finance Department.

Employee

Responsible for all pertinent information on the Travel Expense Report, indicating purpose of travel, location, type of transportation, departure date, return date, estimated expenditure and advanced funds.

Finance Department

Responsible for distributing travel funds in compliance with established policies and guidelines. The Finance Department should take into consideration the departmental travel budget and calculate the amount spent to date and forward the Travel Expense Report to the City Administrator for approval.

City Administrator

Responsible for either approving or denying the request. If the request is denied, the Travel Expense Report will be sent back to the Department Head. If the request is approved, the Travel Expense Report will be forwarded to the Finance Department for processing. The City Administrator or his/her designee must review and approve all expenses incurred in the Travel Expense Report after travel is completed.

C. Authorization Required

All travel requests must be approved by the City Administrator or designee *prior* to their occurrence.

All employees traveling on official City business shall communicate with their supervisor as to where they can be reached while out of the City. All travel requests must be submitted on forms provided for that purpose.

D. Allowable Expenses

1. Registration

The City will cover actual expenses incurred by registering for a conference, seminar, or meeting. An original receipt must be furnished for reimbursement purposes. The city encourages advance payment of fees to take advantage of any discounts available. Recreation expenses included in the registration (i.e., golf, tennis, runs, etc.) will not be covered by the city.

The Department Head will be expected to select the mode of transportation that is most economical to the city considering cost and time consumed.

- i. Normally, when travel is required for City business, a city vehicle or personal car may be used when such travel distance is within a two hundred and fifty (250) mile radius.
- ii. For travel beyond a two hundred and fifty (250) mile radius of the city, air transportation may be approved if more cost-effective.
- iii. Approved travel expenses will be reimbursed as follows:
 - a. When employees use their personal vehicles, all travel mileage will be paid at the most recent IRS rate per mile.
 - b. When city vehicles are used, all expenses incidental to the use of such vehicles (parking, gasoline, oil, repairs, etc.) shall be reimbursed. Receipts will be required.
 - c. The city will pay mileage from the Hutchins City Hall to the address of the facility at which the training, conference or business meeting occurs as depicted in MapQuest.
 - d. When air travel is authorized, employees will book their flight as far in advance as possible.
 - i. Air travel reimbursement shall be limited to “coach” fares.
 - ii. Luggage reimbursement is limited to one (1) checked bag and excludes any excess fees (i.e., overweight).
 - iii. Special consideration is given for fees on necessary city equipment.
 - iv. Flight insurance, express check-in or early boarding charges and in-flight entertainment are excluded.
 - v. Airport parking will be reimbursed. Receipts will be required.
- iv. Travel Pay advances to support official travel:
 - a. Must be greater than \$100.
 - b. Must be requested at least ten (10) business days in advance.
 - c. Must be approved by the Department Head.
 - d. Will not be accepted for more than the anticipated out-of-pocket allowable

- expenses the employee expects to incur.
- e. Unused advances must be returned to Finance with the expense report within five (5) business days after travel is concluded.
- v. Reimbursement will be made for the use of rental cars, taxi or bus fares, etc., provided such necessary expenses are necessary, reasonable, and receipts are provided.
 - a. Approval to rent a car should be obtained prior to the trip.
 - b. Employees are expected to obtain the lowest possible rates for a rental car and shall sign and accept the liability/collision insurance agreement on the contract.
- vi. Alternate routes, which are desirable because of the personal affairs of the traveler, can be used, but only on the traveler's time and with the traveler bearing the additional costs of the alternate route. Mileage and expenses incurred on alternate routes must be shown on the expense account this is turned in for reimbursement or for advancement of funds requested.

2. Meals

Employees will be compensated for meals when the business trip is more than fifty (50) miles *and* requires the employee to stay overnight. The city provides a per diem allowance for meals and incidental expenses while on travel status.

- i. Per diem rates are based on the U.S. General Services Administration (GSA) domestic per diem schedule.
- ii. Per diem covers breakfast, lunch, dinner, and incidental expenses (tips, minor personal items).
- iii. If meals are included in conference registration or provided by hosts, the corresponding per diem will be reduced.
- iv. No receipts are required for meals when per diem is used.

3. Lodging

Employees are expected to make lodging reservations well in advance whenever possible and to take other actions to ensure lodging is secured at a moderate rate.

- i. Whenever possible, a city credit card should be used in making hotel reservations and paying hotel bills related to city travel.
- ii. Reimbursement of lodging shall be limited to single rates unless two or more employees occupy a single room or are otherwise approved by the City Administrator.
- iii. It shall be the policy of the city to reimburse for only lodging that is economical and practical. Exceptions to this may be granted when the least expensive hotel rooms are unavailable or where conferences are held in or near the hotel.
- iv. Receipts for lodging must be provided to obtain reimbursement.
- v. Reimbursement will not be made for alcoholic beverages, entertainment expenses, or other sundry items not relevant to the public purpose of the trip, except as provided in Section E below.

4. Dependent Expenses

There are no objections to a spouse/family member accompanying an employee on an out-of-

town business trip, however, the city will not be financially responsible for the spouse/family member of the employee. Any additional expenses incurred such as travel, lodging, meals, or any other miscellaneous expenses will be the sole responsibility of the employee. The city will not reimburse the additional expenses.

Exceptions to allowable expenses may be approved by the City Administrator.

E. Travel Expense Report Procedures

Prior to Trip/Travel

1. A travel expense form shall be filled out for all travel. Meeting information and/or brochures shall be attached providing an overview of the meeting/event.
2. The employee will fill out all information pertinent to the request, indicating the purpose of travel, location, type of transportation, departure date, return date, estimated expenditures, and funds required in advance. The report shall then be forwarded to the Department Head for approval.
3. The Department Head will review the request and sign off if the trip is approved. The Department Head shall attach a copy of the page indicating the approved trip and training request for the budget document and note the approved trip.
4. Upon Department Head approval, the request will be forwarded to the Finance Department and budget information will be indicated.
5. Finance will note the department travel budget and how much has been spent to date. Finance will only forward to City Administrator for approval if budgeted funds are available. If budgeted funds are available, the report will then be forwarded to the City Administrator for approval.
6. The City Administrator will note approval or disapproval of the request. If the request is disapproved, it will be sent back to the Department Head. If the request is approved, it will be forwarded to Finance for processing the advance or payment required. Finance will then return the approved form to the employee.
7. Employee travel will be approved by the City Administrator and Finance Department. Department Head travel must be approved by the City Administrator.

Upon Completion of Trip/Travel

1. The employee will fill out all the pertinent expenditure information within five (5) days after returning from the trip. Expenditure reports shall be submitted on forms provided for that purpose.
2. All meeting/event expenses will be indicated on the expense form. All applicable receipts must be included with the report, including registration and airfare.
3. The employee will certify that the expenses are correct and will sign off on the report. The report will be forwarded to their Department Head for approval.
4. The Department Head will review the report, sign off and forward the Travel Expense Form to the City Administrator for approval.
5. The City Administrator will review the report, sign off and forward it to Finance for processing and filing.