



## CITY COUNCIL REGULAR MEETING

Monday, August 08, 2022 at 6:30 PM  
City Council Chambers | 202 N. Virginia Street, Port Lavaca TX 77979

### PUBLIC NOTICE OF MEETING

**The following item will be addressed at this or any other meeting of the city council upon the request of the mayor, any member(s) of council and/or the city attorney:**

*Announcement by the mayor that council will retire into closed session for consultation with city attorney on matters in which the duty of the attorney to the city council under the Texas disciplinary rules of professional conduct of the state bar of Texas clearly conflicts with the open meetings act (title 5, chapter 551, section 551.071(2) of the Texas government code).*

**(All matters listed under the consent agenda item are routine by the city council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.)**

### AGENDA

*Council will consider/discuss the following items and take any action deemed necessary.*

#### COVID-19 MEETING PROCEDURE

*Public notice is hereby given that the City Council of the City of Port Lavaca, Texas, will hold a regular meeting Monday, August 08, 2022 beginning at 6:30 p.m., at the regular meeting place in Council Chambers at City Hall, 202 North Virginia Street, Port Lavaca, Texas to consider the following items of business:*

*Due to COVID-19 concerns, social distancing guidelines will be encouraged for in-person attendance. The meeting will also be available via the video conferencing application "ZOOM".*

*Join Zoom Meeting*

*<https://us02web.zoom.us/j/82582736896?pwd=NnYyQ093YjEraC9nQTl1K2FqOVd0QT09>*

*Meeting ID: 825 8273 6896*

*Passcode: 939953*

*One tap mobile*

*+13462487799,,82582736896#,,, \*939953# US (Houston)*

*Dial by your location*

*+1 346 248 7799 US (Houston)*

**I. ROLL CALL**

**II. CALL TO ORDER**

**III. INVOCATION****IV. PLEDGE OF ALLEGIANCE****V. PRESENTATION(S)****VI. COMMENTS FROM THE PUBLIC** - *Limited to 3 minutes per individual unless permission to speak longer is received in advance. You may make public comments as you would at a meeting on Zoom by logging on with your computer and/or smart phone as described in the zoom invitation below or on Facebook Live through the comment section, which will be monitored and answered. As appropriate.***VII. CONSENT AGENDA** - *Council will consider/discuss the following items and take any action deemed necessary*

- A. Minutes of July 11, 2022 Regular Meeting
- B. Minutes of July 25, 2022 Special and Workshop
- C. Review of the Credit Card Statement
- D. Receive monthly Financial Highlight Report

**VIII. ACTION ITEMS** - *Council will consider/discuss the following items and take any action deemed necessary*

1. Present proposed City Budget for 2022-2023 fiscal year. Presenter is Jody Weaver
2. Receive quarterly report from the Police Department for the newly formed Mental Health Peace Officer position. Presenter is Clinton Wooldridge
3. Consider request of the United Way of Calhoun County for use of the Bayfront Peninsula Park for their annual family day on Saturday, September 17, 2022 and waiver of any fees associated with the event. Presenter is Tania French
4. Consider request of Port Lavaca Main Street, Inc. (PLMS) for use of the Faye Bauer Sterling Park to hold a Chuck Wagon Dinner in conjunction with an evening performance in the theatre on Saturday, September 24, 2022 and waiver of any fees associated with the event. Presenter is Tania French
5. Consider award of a construction contract for the 5th Street Drainage Improvements Project. Presenter is Jody Weaver
6. Consider award of bid for the 2022 Seal Coat program. Presenter is Wayne Shaffer
7. Consider award of contract to remove various materials at the Harbor of Refuge. Presenter is Jody Weaver
8. Consider Budget Amendment GF-008 for 2022 Fiscal Year and authorize the purchase of materials for the "Porter Road Reconstruction" Project. Presenter is Jody Weaver
9. Consider appointment/reappointment of member(s) to Planning Board to fill a vacancy and/or start a new term. Presenter is Jody Weaver
10. Consider approving a Letter of Intent to enter into negotiations to contract with Victoria Economic Development Corporation (VEDC) for Economic Development Services. Presenter is Jody Weaver



11. Consider First Reading of an Ordinance (G-6-22) of the City of Port Lavaca amending the Code of Ordinances Chapter 32, Parks and Recreation, Article III. Park Designations and Article IV. Park Regulations, Section 32-73 Skate Park and Section 32-74 Splashpad Rules Established; providing for severability; providing a repealing clause; and providing an effective date. Presenter is Jody Weaver
12. Consider Resolution No. R-080822-1 of the City of Port Lavaca – City Hall Master Plan Phase 2: Entry, Patio & Exterior Renovations for Construction Procurement Method. Presenter is Jody Weaver
13. Consider Resolution No. R-080822-2 of the City of Port Lavaca – City Hall Master Plan Phase 2: Entry, Patio & Exterior Renovations for Prevailing Wage Rate. Presenter is Jody Weaver
14. Consider Resolution No. R-080822-3 of the City of Port Lavaca – City Hall Master Plan Phase 2: Entry, Patio & Exterior Renovations for Delegation of Authority. Presenter is Jody Weaver
15. Consider Resolution No. R-080822-4 of the City of Port Lavaca – City Hall Master Plan Phase 2: Entry, Patio & Exterior Renovations for Selection Committee and Proposal Ranking Criteria. Presenter is Jody Weaver
16. Consider Resolution No. R-080822-5 of the City of Port Lavaca amending the City's Budgetary and Financial Management Policies. Presenter is Susan Lang
17. Consider proposed changes to the City of Port Lavaca's Purchasing Policy and Procedures. Presenter is Susan Lang
18. Consider recommendation of the Port Commission for an annual lease rate adjustment to the Lease with Helena Agri-Enterprises, LLC (HAE) pursuant to the increase in the Municipal Cost Index published prior to August 1, 2022. Presenter is Jody Weaver
19. Announcement by Mayor that City Council will retire into closed session:
  - For consultation with City Attorney on matters in which the duty of the Attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act (Title 5, Chapter 551, Section 551.071(2) of the Texas Government Code). Presenter is Mayor Whitlow
20. Return to Open Session and take any action deemed necessary with regard to matters in closed session. Presenter is Mayor Whitlow

## **IX. ADJOURNMENT**

**CERTIFICATION OF POSTING NOTICE**

This is to certify that the above notice of a regular meeting of The City Council of The City of Port Lavaca, scheduled for **Monday, August 08, 2022**, beginning at 6:30 p.m., was posted at city hall, easily accessible to the public, as of **5:00 p.m. Thursday, August 04, 2022**.

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**Mandy Grant**, *City Secretary*

**ADA NOTICE**

The Port Lavaca City Hall and Council Chambers are wheelchair accessible. Access to the building is available at the primary north entrance facing Mahan Street. Special parking spaces are located in the Mahan Street parking area. In compliance with the Americans with Disabilities Act, the City of Port Lavaca will provide for reasonable accommodations for persons attending meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact City Secretary Mandy Grant at (361) 552-9793 Ext. 230 for assistance.

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# COMMUNICATION

SUBJECT: Minutes of July 11, 2022 Regular Meeting

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## INFORMATION:



## CITY COUNCIL REGULAR MEETING

Monday, July 11, 2022 at 6:30 PM

City Council Chambers | 202 N. Virginia Street, Port Lavaca TX 77979

### MINUTES

STATE OF TEXAS §  
COUNTY OF CALHOUN §  
CITY OF PORT LAVACA §

On this the 11<sup>th</sup> day of July, 2022, the City Council of the City of Port Lavaca, Texas, convened in a regular session at 6:30 p.m. at the regular meeting place in Council Chambers at City Hall, 202 North Virginia Street, Port Lavaca, Texas, with the following members in attendance:

#### I. ROLL CALL

Jack Whitlow	Mayor
Jerry Smith	Councilman, District 1
Tim Dent	Councilman, District 2
Allen Tippet	Councilman, District 3
Rosie G. Padron	Councilwoman, District 4, Mayor Pro Tem
Jim Ward	Councilman, District 5
Ken Barr	Councilman, District 6

And with the following absent: None

Constituting a quorum for the transaction of business, at which time the following business was transacted:

#### II. CALL TO ORDER

- Mayor Whitlow called the meeting to order at 6:31 p.m. and presided.

#### III. INVOCATION

- Councilman Ward gave the invocation.

#### IV. PLEDGE OF ALLEGIANCE

- Mayor Whitlow – Pledge of Allegiance.

#### V. PRESENTATION(S)

**VI. COMMENTS FROM THE PUBLIC** - Limited to 3 minutes per individual unless permission to speak longer is received in advance. You may make public comments as you would at a meeting on Zoom by logging on with your computer and/or smart phone as described in the zoom invitation below or on Facebook Live through the comment section, which will be monitored and answered. As appropriate.

- Mayor asked for comments from the public and there were none.

**VII. CONSENT AGENDA** - Council will consider/discuss the following items and take any action deemed necessary

- A. Minutes of June 13, 2022 Regular Meeting
- B. Minutes of June 27, 2022 Special and Workshop
- C. Review of the Credit Card Statement
- D. Receive monthly Financial Highlight Report
- E. Receive Investment Report for Quarter ending June 30, 2022

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves all consent agenda items as listed:

Seconded by Councilman District 6 Barr

Voting Yea:

Councilman District 1 Smith, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

**VIII. ACTION ITEMS** - (Council will consider/discuss the following items and take any action deemed necessary)

1. Consider cancellation of the order approved by City Council on March 28, 2022 for the purchase of a 2022 Air Burner, Model S220E from Air Burners, Inc., Palm City, FL, in the amount of \$160,591.61 per GSA quote reference # S220E032210. Presenter is Jody Weaver

Interim City Manager Weaver reminded Council that staff has been working toward a long-range alternative to storing and chipping brush at the Harbor of Refuge for some time. As reported in March, staff has been working with the County on plans to develop a “one-stop-shop” at the County's Precinct 2 recycle center for citizens of the City and County to bring their solid waste, including brush for disposal and recycling. Understanding that there was over a 6-month lead time, in March Council authorized to place an order for an air burner at a cost of \$160,591.61 that would be located at the County's recycle center for burning brush. Staff was told that they could cancel the order within 4 weeks of its scheduled delivery without any cost or penalty to the City.

Recently a new opportunity has presented itself that would negate the need for an air burner for at least 5 years. Kevin Riggs and Ben Boone with Alcoa approached staff with interest in hauling the chips and using them on their bauxite piles for dust control, etc. To verify that these chips will serve the purpose they have in mind, Alcoa has recently hauled away all of the chips that we have been storing at the Harbor of Refuge, over 7,000 cubic yards. Alcoa was satisfied with the chips and is offering the following agreement for consideration:

For the following time period of June 2022 to June 2027 (5-year window and then review if activities will be continued).

- Alcoa would like to work with the City of Port Lavaca and provide a mechanism for wood mulch removal.
- Alcoa will haul chipped wood mulch from the City of Port Lavaca (two locations: Harbor of Refuge Site and future County recycle center off of Hwy 87) at Alcoa's expense and at no charge to the City of Port Lavaca.
- The mulch removal can be performed on an as needed basis with the expectation that the frequency will be on an annual basis.
- Alcoa will coordinate with the City of Port Lavaca prior to annual chipping to arrange transport of the mulch; Alcoa agrees to haul the mulch within 3 months of the annual chipping operation.
- Alcoa can only accept the material if it is free of plastics and trash.

Alcoa is sourcing mulch from surrounding cities for the same beneficial reuse application and same operational expectation.

In light of this beneficial reuse opportunity, staff is recommending cancelling the order for the air burner at this time. Staff has confirmed with Air Burners, Inc. that there will be no cost to the City if the order is cancelled at this time. They have many customers in line for this type of burner. By working with Alcoa on the beneficial reuse of these chips, the city will no longer need to bring 3-phase power to the Hwy 87 site at a cost of \$100,000.00.

The County is still interested in collaborating with staff on the "one-stop-shop" bulk/brush/recycling. Staff is recommending that following the annual chipping in a couple of months, that Republic does as part of their contract (that Alcoa will haul off within 3 months after that), that the city continue to utilize the Harbor of Refuge site to collect brush for at least one more year. During this time staff will work with the County to fine-tune details of an agreement and make necessary site improvements to utilize their land to store and chip brush. If at any time in the future this arrangement with Alcoa is no longer mutually beneficial, the city can reconsider the option to purchase an Air burner to burn the brush.

Motion made by Councilman District 6 Barr

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves cancellation of the order approved by City Council on March 28, 2022, for the purchase of a 2022 Air Burner, Model S220E from Air Burners, Inc., Palm City, FL, in the amount of \$160,591.61 per GSA quote reference # S220E032210.

Seconded by Councilman District 5 Ward

Voting Yea:

Councilman District 1 Smith, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

2. **Consider Second and Final Reading of an Ordinance (G-5-22) amending the ordinance codified and described in the City of Port Lavaca Code of Ordinances as Part II, Appendix A – Fees, Rates and Charges (Chapter 12 – Buildings and Building Regulations, Sec. 12-22(e) Mechanical Contractors – Registration Fee) and providing an effective date. Presenter is Jody Weaver**

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves the Second and Final Reading of an Ordinance (G-5-22) amending the ordinance codified and described in the City of Port Lavaca Code of Ordinances as Part II, Appendix A – Fees, Rates and Charges (Chapter 12 – Buildings and Building Regulations, Sec. 12-22(e) Mechanical Contractors – Registration Fee).

Seconded by Councilman District 3 Tippit

Voting Yea:

Councilman District 1 Smith, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

3. **Consider Budget Amendment No. GF-008 for 2021-2022 Fiscal Year and authorizing the Purchase of Materials for the Reconstruction of Seadrift Street. Presenter is Susan Lang**

Finance Director Lang advised Council that the City has the opportunity to partner with Calhoun County Precinct No. 1 and 2 for the reconstruction of Seadrift Street from the Bus Barn to FM 1090, where the County will utilize their labor and equipment, and the City will only need to purchase the materials. The Public Works Department has solicited bids for the various materials and quantities necessary to furnish to the County at a total cost of \$77,409.00.

Three separate solicitations for road base materials of Limestone, PB4, and Flyash were requested from Midtex Materials, Vulcan Materials and Quality Hot Mix. The PB4 was the only material that was firmly quoted by two vendors, another vendor refused to quote. All three items were available and at the least cost from Midtex Materials for a total cost of \$60,855.00.

Additionally, the City solicited quotations for primer oil and RC250 for the same road project partnership with the County. Only quotations received were from Martin Asphalt and Cleveland Asphalt. Martin Asphalt provided the lowest price and availability at a total cost of \$16,554.00. This is above the normal scope provided in the repair and maintenance budget for the Street Department. Additionally, due to a budget mishap, funds of \$200,000.00 were not re-appropriated during the 2022 fiscal year budget process for major capital street projects, which would have covered this cost.



Furthermore, it is no longer necessary to purchase the Air Curtain Burner as previously approved, therefore, we recommend the reversal of Budget Amendment GF-005 in order to accurately reflect the remaining unreserved fund balance available for this request. Accepting this opportunity to work with the County on this project under our MOU agreement will require the City to fund \$77,409.00 for materials, which was not budgeted. Staff recommends approval of Budget Amendment number GF-008 for the reconstruction of Seadrift Street and authorizing the City Manager to execute purchase orders to Midtex Materials for \$60,855.00 and Martin Asphalt in the amount of \$16,554.00.

Motion made by Councilman District 6 Barr

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves Budget Amendment No. GF-008 for the reconstruction of Seadrift Street and authorizing the Interim City Manager to execute purchase orders to Midtex Materials for \$60,855.00 and Martin Asphalt in the amount of \$16,554.00, as presented.

Seconded by Councilman District 5 Ward

Voting Yea:

Councilman District 1 Smith, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

4. **Consider Resolution No. R-071122-1 of the City of Port Lavaca Transferring Ownership of Fire Truck to the City of Point Comfort, Texas. Presenter is Joe Reyes**

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, the City declares the 2002 Ford F550 rescue truck as surplus property and the City Manager is authorized to sign all documents to transfer ownership to the City of Point Comfort, Texas, for use in its mutual aid "AS IS" AND "WITH ALL FAULTS" including any potential inspections and approvals it may need to get for use of the vehicle.

Seconded by Councilwoman District 4 (Mayor Pro Tem) Padron

Councilman Dent pointed out that the resolution should be amended to reflect that the donation was being made to the Point Comfort Volunteer Fire Department and not to the City of Point Comfort, Texas.

Councilman Ward amended prior motion to the following:

Motion made by Councilman District 5 Ward

WHEREAS, on July 11, 2022, during a regular City Council meeting, the City Council of the City of Port Lavaca discussed and approved transferring ownership of the 2002 Ford F550 rescue truck to the Point Comfort Volunteer Fire Department for use in its mutual aid with the City of Port Lavaca; and

WHEREAS, it is noted that Calhoun County, Texas and the incorporated cities of Port Lavaca, Point Comfort and Seadrift are original parties of the Interjurisdictional Mutual Aid Agreement dated June 21, 2007; and

WHEREAS, in said Agreement, the parties have determined that it is in the best interest of themselves and their citizens to create a plan to foster communications and the sharing of resources, personnel and equipment; and

WHEREAS, the City of Port Lavaca has recently placed the 2002 Ford F550 rescue truck out of service due to inspections and approvals it would need for recertification and desires to designate the same as surplus; and

WHEREAS, the Point Comfort Volunteer Fire Department has expressed interest in the ownership of the 2002 Ford F550 rescue truck and would assume ownership "AS IS" AND "WITH ALL FAULTS" including any potential inspections and approvals it may need to get for use of the vehicle.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, the City declares the 2002 Ford F550 rescue truck as surplus property and the City Manager is authorized to sign all documents to transfer ownership to the Point Comfort Volunteer Fire Department for use in its mutual aid "AS IS" AND "WITH ALL FAULTS" including any potential inspections and approvals it may need to get for use of the vehicle.

Seconded by Councilman District 3 Tippit

Voting Yea:

Councilman District 1 Smith, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

5. **Announcement by Mayor that City Council will retire into closed session:**

- **For consultation with City Attorney on matters in which the duty of the Attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act (Title 5, Chapter 551, Section 551.071(2) of the Texas Government Code). Presenter is Mayor Whitlow**

Mayor announced there would be no closed session.

6. **Return to Open Session and take any action deemed necessary with regard to matters in closed session. Presenter is Mayor Whitlow**

There was no closed session.

**IX. ADJOURNMENT**

Mayor asked for motion to adjourn.

Motion made by Councilman District 2 Dent, Seconded by Councilwoman District 4 (Mayor Pro Tem) Padron

Voting Yea:

Councilman District 1 Smith, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

Meeting adjourned at 6:43 p.m.

These minutes were approved on August 08, 2022.

ATTEST:

\_\_\_\_\_  
Jack Whitlow, Mayor

\_\_\_\_\_  
Mandy Grant, City Secretary

# COMMUNICATION

SUBJECT: Minutes of July 25, 2022 Special and Workshop

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## INFORMATION:



## CITY COUNCIL SPECIAL/WORKSHOP MEETING

Monday, July 25, 2022 at 4:00 PM

City Council Chambers | 202 N. Virginia Street, Port Lavaca TX 77979

### MINUTES

STATE OF TEXAS §  
COUNTY OF CALHOUN §  
CITY OF PORT LAVACA §

On this the 25<sup>th</sup> day of July, 2022, the City Council of the City of Port Lavaca, Texas, convened in a special and workshop session at 4:00 p.m. at the regular meeting place in Council Chambers at City Hall, 202 North Virginia Street, Port Lavaca, Texas, with the following members in attendance:

#### I. ROLL CALL

Jack Whitlow	Mayor
Jerry Smith	Councilman, District 1
Tim Dent	Councilman, District 2
Allen Tippit*	Councilman, District 3
Rosie G. Padron	Councilwoman, District 4, Mayor Pro Tem
Jim Ward	Councilman, District 5
Ken Barr	Councilman, District 6

And with the following absent: None

\*Councilman Tippit arrived at 4:44 p.m. during the Workshop.

Constituting a quorum for the transaction of business, at which time the following business was transacted:

### CITY COUNCIL SPECIAL MEETING

#### II. CALL TO ORDER

- Mayor Whitlow called the meeting to order at 4:08 P.M. and presided with the following announcement:

#### III. COMMENTS FROM THE PUBLIC – *Comments will be limited to three (3) Minutes per individual unless permission to speak longer is received in advance.*

- Mayor Pro Tem asked for comments from the public and there were none.

#### IV. ACTION ITEMS - *Council will consider/discuss the following items and take any action deemed necessary.*

**1. Consider request of Adore Me Studio Salon and Texas Made Fades Barber Shop for closure of Colorado Street between Main and Live Oak Streets for their Back-to-School hair cut nonprofit event on Sunday, August 07, 2022 from 7:00 am to 7:00 pm. Presenter is Mandy Grant**

Mr. A. J. Piña of Texas Made Fades Barber Shop, Ms. Monica Villarreal of Adore Me Studio Salon and Mr. Bobby Medina of Hydration Hut, all local businesses in Port Lavaca, advised Council they were requesting closure of Colorado Street between Main and Live Oak Streets, on Sunday, August 07, 2022 from 7:00 a.m. to 7:00 p.m. for a non-profit Back-to-School Free Haircut Event put on by them for the community. This will be their second event and last year was met with great success. They all said this was their way to give back to the community in Port Lavaca.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves the request of Mr. A. J. Piña of Texas Made Fades Barber Shop, Ms. Monica Villarreal of Adore Me Studio Salon and Mr. Bobby Medina of Hydration Hut, all local businesses in Port Lavaca, for closure of Colorado Street between Main and Live Oak Streets, on Sunday, August 07, 2022 from 7:00 a.m. to 7:00 p.m. for a non-profit Back-to-School Free Haircut Event and also waives all fees associated with this event.

Seconded by Councilman District 6 Barr

Voting Yea:

Councilman District 1 Smith, Councilman District 2 Dent, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

Absent: Councilman District 3 Tippit (arrived at 4:44 p.m. during workshop)

**V. ADJOURN SPECIAL MEETING**

Mayor Whitlow asked for motion to adjourn.

Motion made by Councilman District 5 Ward

Seconded by Councilwoman District 4 (Mayor Pro Tem) Padron

Voting Yea:

Councilman District 1 Smith, Councilman District 2 Dent, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

Absent: Councilman District 3 Tippit (arrived at 4:44 p.m. during Workshop)

Special Meeting adjourned at 4:12 P.M.

**WORKSHOP SESSION****VI. CALL TO ORDER**

- Mayor Whitlow called the meeting to order at 4:12 P.M. and presided with the following announcement:

**VII. COMMENTS FROM THE PUBLIC** - *Comments will be limited to three (3) Minutes per individual unless permission to speak longer is received in advance*

- No Comments from the Public.

**VIII. ITEMS FOR DISCUSSION** - *Council will discuss the following items***1. Discuss 2022-2023 Capital Improvement Plan (CIP). Presenter is Jody Weaver**

Council discussed this agenda item.

No action necessary and none taken.

**IX. ADJOURN WORKSHOP**

Mayor Whitlow asked for motion to adjourn.

Motion made by Councilman District 2 Dent

Seconded by Councilwoman District 4 (Mayor Pro Tem) Padron

Voting Yea:

Councilman District 1 Smith, Councilman District 2 Dent, Councilman District 3 Tippet, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

Workshop adjourned at 7:20 P.M.

These minutes were approved on August 08, 2022.

ATTEST:

\_\_\_\_\_  
Jack Whitlow, Mayor

\_\_\_\_\_  
Mandy Grant, City Secretary



# COMMUNICATION

SUBJECT: Review of the Credit Card Statement

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## INFORMATION:



Section VII. Item #C.

CITY OF

Account Number: XXXX XXXX XXXX 0305

**Billing Questions:**

800-367-7576

**Website:**

www.cardaccount.net

**Send Billing Inquiries To:**

Card Service Center, PO Box 569120, Dallas, TX 75356

**FIRST NATIONAL BANK IN PORT LAVACA Credit Card Account Statement**  
June 8, 2022 to July 8, 2022**SUMMARY OF ACCOUNT ACTIVITY**

Previous Balance	\$11,197.07
- Payments	\$11,197.07
- Other Credits	\$251.52
+ Purchases	\$7,865.26
+ Cash Advances	\$0.00
+ Fees Charged	\$0.00
+ Interest Charged	\$0.00
= New Balance	\$7,613.74

Account Number	XXXX XXXX XXXX 0305
Credit Limit	\$26,500.00
Available Credit	\$18,638.00
Statement Closing Date	July 8, 2022
Days in Billing Cycle	31

**PAYMENT INFORMATION**

New Balance:	\$7,613.74
Minimum Payment Due:	\$228.42
Payment Due Date:	August 2, 2022

**MESSAGES****GREAT NEWS!**

We have upgraded the Card Service Center website and online access to your account information. It is better than ever!

Our enhanced site features easier-to-navigate pages, additional payment functionality, and new self-serve account update options. A **NEW MOBILE APP** is also available to manage your card on the go!

**The New Site and Mobile App are available NOW!** To take advantage of these exciting features go to [www.cardaccount.net](http://www.cardaccount.net) to download the mobile app or click "ACCOUNTS" and choose "CREDIT CARD ACCOUNTS" to log in now.

**TRANSACTIONS**

An amount followed by a minus sign (-) is a credit unless otherwise indicated.

Tran Date	Post Date	Reference Number	Transaction Description	Amount
06/22	06/22	F112700HX00CHGDDA	AUTOMATIC PAYMENT - THANK YOU	\$11,197.07-

Transactions continued on next page

FIRST NATIONAL BANK IN PORT LAVACA  
1550 N BROWN RD 150  
LAWRENCEVILLE GA 30043



All payments on the account must be made at the address shown on your monthly billing statement and are considered to have been made on the date received at that address.

Account Number: XXXX XXXX XXXX 0305  
New Balance: \$7,613.74  
Minimum Payment Due: \$228.42  
Payment Due Date: August 2, 2022

Amount Enclosed: \$



Make Check Payable to:

CARD SERVICE CENTER  
PO BOX 569100  
DALLAS TX 75356-9100

CITY OF PORT LAVACA  
202 N VIRGINIA ST  
PORT LAVACA TX 77979-3431

11273390700003050002284200007613745

**TRANSACTIONS (continued)**

An amount followed by a minus sign (-) is a credit unless otherwise indicated.

Tran Date	Post Date	Reference Number	Transaction Description	Amount
TOTAL XXXXXXXXXXXX0305				\$11,197.07-
07/01	07/03	7536943J6D5ZK652Q	HYATT PLACE SAN ANTONI SAN ANTONIO TX	\$563.56
		CHECK-IN 06/26/22	FOLIO #34697008	
07/01	07/04	7536943J8D9ZV9GJR	HYATT PLACE SAN ANTONI SAN ANTONIO TX	\$140.89
		CHECK-IN 06/26/22	FOLIO #34697008	
07/07	07/08	5531020JQ2E0E5VK7	AMAZON.COM*D41CQ78Q3 A AMZN.COM/BILL WA	\$466.92
COLIN RANGNOW				
TOTAL XXXXXXXXXXXX0727				\$1,171.37
06/07	06/08	5548077HF2MHPQ9F4	ACADEMY SPORTS #128 VICTORIA TX CREDIT	\$56.51-
06/21	06/22	0230537HW2X7TQ8N4	TST* SOUTH TEXAS DQ - ARANSAS PASS TX	\$34.37
06/22	06/22	0230537HXXHXN5VXH	TST* SOUTH TEXAS DQ - ARANSAS PASS TX	\$23.46
06/23	06/23	0230537HYEHY26Z6K	TST* SOUTH TEXAS DQ - ARANSAS PASS TX	\$23.16
06/25	06/26	0230537J0EJ03NR0S	TST* SOUTH TEXAS DQ - TIVOLI TX	\$33.29
ERIC SALES				
TOTAL XXXXXXXXXXXX0776				\$57.77
06/24	06/26	5543286HZ5V5L12NR	AMZN MKTP US*8M6188HW3 AMZN.COM/BILL WA	\$70.46
06/27	06/28	8514051J2S66MJELH	EXPRESS BADGING COCOA BEACH FL	\$185.25
07/05	07/06	0543684JBEHTLJR1L	DOMINO'S 6723 361-552-5678 TX	\$74.46
KAREN NEAL				
TOTAL XXXXXXXXXXXX0784				\$330.17
06/23	06/23	5543286HY5SJFFEB4	TEEX RETAIL 979-458- CREDIT	\$25.00-
06/14	06/16	8545093HNNWGR3T2VM	OSS ACADEMY SPRING TX	\$50.00
06/14	06/16	8545093HNNWGR3T2XY	OSS ACADEMY SPRING TX	\$50.00
06/14	06/16	8545093HNNWGR3T2X6	OSS ACADEMY SPRING TX	\$50.00
06/27	06/28	7536943J2QMW2PTAQ	HYATT PLACE SAN ANTONI SAN ANTONIO TX	\$704.45
		CHECK-IN 06/26/22	FOLIO #34697002	
07/04	07/05	8545093J9WGR3T2X3	OSS ACADEMY SPRING TX	\$50.00
07/06	07/07	5548872JQ2M4MMJXR	TCOLE EVENT REG 5129367725 TX	\$204.76
JAVIER RAMOS				
TOTAL XXXXXXXXXXXX0867				\$1,084.21
06/09	06/10	5548872HHBLYJGA3P	TEXAS COMM FIRE PROT 5129363842 TX	\$56.49
06/14	06/14	5543286HM5STGES4N	AMAZON.COM*S12L34OG3 AMZN.COM/BILL WA	\$150.22
JUAN LUNA				
TOTAL XXXXXXXXXXXX0941				\$206.71
06/07	06/08	5554650HE2DA2A6VA	SMARTSIGN 7187971900 NY	\$79.72
06/07	06/08	6518742HF0001Q3HD	TEXAS MUNICIPAL CLERKS 9405653488 TX	\$139.00
06/07	06/08	6518742HF0001Q3H5	TEXAS MUNICIPAL CLERKS 9405653488 TX	\$100.00
06/07	06/08	6518742HF0001Q3JN	TEXAS MUNICIPAL CLERKS 9405653488 TX	\$100.00
06/20	06/21	5550036HV2DJP7Y0D	WALMART.COM AA 8009666546 AR	\$94.92
07/01	07/03	8550039J6S66E4FSV	TEXAS MUNICIPAL COURTS 832-3804173 TX	\$75.00
MANDY GRANT				
TOTAL XXXXXXXXXXXX1238				\$588.64
06/21	06/22	5543286HW5S8RP12W	SQ *CPR VICTORIA VICTORIA TX CREDIT	\$170.01-
06/11	06/12	5543286HJ5SX3X600	APPLE.COM/BILL 866-712-7753 CA	\$2.99
06/16	06/17	5543286HP5SMHXPXA	SQ *CPR VICTORIA VICTORIA TX	\$265.00
06/24	06/26	5543286HZ5V4Q9W9V	AMZN MKTP US*006133MI3 AMZN.COM/BILL WA	\$294.12
06/30	06/30	5531020J52DYHEJEQ	AMZN MKTP US*7J1TM00H3 AMZN.COM/BILL WA	\$15.99
JESSICA CARPENTER				
TOTAL XXXXXXXXXXXX1329				\$408.09

Transactions continued on next page

**TRANSACTIONS (continued)**

An amount followed by a minus sign (-) is a credit unless otherwise indicated.

Tran Date	Post Date	Reference Number	Transaction Description	Amount
06/16	06/17	5543286HP5SJHBT2S	SQ *THE DONUT PALACE PORT LAVACA TX	\$48.60
06/20	06/21	0543684HWEHTNG846	DOMINO'S 6723 361-552-5678 TX	\$422.93
07/01	07/01	5543286J65V560EN4	AMZN MKTP US*BX0HV4EX3 AMZN.COM/BILL WA SUSAN LANG	\$85.87
TOTAL XXXXXXXXXXXX1345				\$557.40
06/14	06/15	5543286HM5SY9JB8H	AMZN MKTP US*MC93D53X3 AMZN.COM/BILL WA	\$139.77
06/15	06/16	5543286HN5SQ7E1SE	GOOGLE *GOOGLE STORAGE 650-253-0000 CA	\$2.12
06/16	06/17	5543286HP5SMN8X0P	J2 *EFAX CORPORATE SVC 323-817-1155 CA	\$202.54
06/26	06/26	5543286J15SJ4PLFT	AMZN MKTP US*G25E96Q33 AMZN.COM/BILL WA	\$447.96
07/01	07/03	5520739J7005DJNBX	AUTHORIZE.NET SAN FRANCISCO CA	\$30.00
07/07	07/07	5543286JQ5V0Q32JZ	AMTEK INFORMATION SERV 281-376-4577 TX JOANNA WEAVER	\$99.99
TOTAL XXXXXXXXXXXX0249				\$922.38
06/07	06/08	5270808HE609TE6KZ	TRAINING 5124593124 TX	\$495.00
06/07	06/09	5543286HF5V13J5JF	METAL MART #28 VICTORIA TX	\$53.26
06/09	06/10	5543286HG5SD1X6Z9	AMZN MKTP US*535MV8WP3 AMZN.COM/BILL WA	\$217.98
06/09	06/10	5531020HG2DZVAANV	AMZN MKTP US*B34D66BG3 AMZN.COM/BILL WA	\$48.98
06/09	06/10	7270088HGS66GAKHA	MAIN STREET SHIPPING C PORT LAVACA TX	\$84.34
06/15	06/16	5543286HN5SAZ7AJ7	AMZN MKTP US*5M9DK5513 AMZN.COM/BILL WA	\$313.18
06/26	06/26	5543286J15SJ2XA57	AMAZON.COM*X87WD5US3 AMZN.COM/BILL WA	\$242.70
06/28	06/28	5543286J35V4SLBA4	AMZN MKTP US*TF69F9KZ3 AMZN.COM/BILL WA	\$38.08
06/28	06/29	5543286J35SDTR9JE	AMZN MKTP US*CF1Q37LI3 AMZN.COM/BILL WA	\$33.45
06/30	07/01	5543286J55V1BKSMH	AMAZON.COM*PP0IE5D33 AMZN.COM/BILL WA	\$27.79
07/04	07/05	5543286J95SAZZ02L	AMZN MKTP US*VN3HG3C83 AMZN.COM/BILL WA	\$715.59
07/06	07/07	5531020JB2DLD9M5Z	AMZN MKTP US*TV1Y851F3 AMZN.COM/BILL WA CYNTHIA HEYSQUIERDO	\$16.65
TOTAL XXXXXXXXXXXX0264				\$2,287.00

**INTEREST CHARGE CALCULATION**

Your Annual Percentage Rate (APR) is the annual interest rate on your account

Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Days in Billing Cycle	Interest Charge
Purchases	15.74% (v)	\$0.00	31	\$0.00
Cash Advances	15.74% (v)	\$0.00	31	\$0.00

(v) - variable

To avoid additional interest charges, pay your New Balance in full on or before the Payment Due Date.

Exciting news! Go online today and check out the all-new enhancements to the Card Service Center website. E-statements, additional payment options, links to Preferred Points website, and other helpful sites. Visit us today at [www.cardaccount.net](http://www.cardaccount.net) to enroll your credit card account(s) on the newly enhanced website.

Thank you for the opportunity to serve your credit card needs. Should your future plans include travel, please contact us at 1-800-367-7576.

**CREDITING OF PAYMENTS**

All payments received by 5:00 PM during the Card issuer's normal business day at the address indicated on the reverse side of this statement will be credited to your account as of the date of receipt of the payment. If payment is made at any location other than that address, credit of the payment may be delayed up to 5 days.

**BILLING RIGHTS SUMMARY*****What to do if You Think You Find a Mistake on Your Statement***

If you think there is an error on your statement, write to us at BBCS, Attn: Dispute Department, 1550 North Brown Road, Suite 150, Lawrenceville, GA 30043 as soon as possible. In your letter, give us the following information: your name and account number; the dollar amount of the suspected error; and if you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement. You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount.
- While we do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

***Your Rights if You are Dissatisfied with Your Credit Card Purchases***

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase. To use this right, all of the following must be true:

- The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
- You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
- You must not yet have fully paid for the purchase. If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at: BBCS, Attn: Dispute Department, 1550 North Brown Road, Suite 150, Lawrenceville, GA 30043.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay we may report you as delinquent.

**EXPLANATION OF INTEREST CHARGES**

The Interest Charge shown on the front is the sum of the Interest Charges computed by applying the Periodic Rate(s) to the Average Daily Balance and adding any applicable transaction charge authorized in the Cardholder Agreement. The method for computing the balance subject to Interest Charge is an average daily balance (including new purchases) method.

We figure the interest charge on your account by applying the periodic rate(s) to the "average daily balance" of your account (including in some instances current transactions). To get the "average daily balance", we take the beginning balance of your account each day, add any new cash advances and subtract any payments or credits and any unpaid interest charges. If you paid in full the Previous Balance shown on this statement by the payment due date shown on the previous statement, we subtract from each day's beginning balance the amount of such Previous Balance included in that beginning balance and also do not add in any new purchases. Otherwise the amount of the Previous Balance is not subtracted and we add in any new purchases. This gives us the daily balance. Then we add all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

**HOW TO AVOID INTEREST CHARGES:** You have until the payment due date shown on your periodic statement to repay your balance before an interest charge on purchases will be imposed.

**ANNUAL FEE DISCLOSURES**

If an annual fee is shown on the front of the statement, see the front for information about the following matters: the annual percentage rate for purchases, certain information regarding any variable rate feature, the amount of the annual fee, any minimum interest charge, and any transaction charges for purchases. The method for computing the balance subject to interest charge on your account is an Average Daily Balance (including new purchases) method and is explained above.

If you terminate your account within 30 days from the Closing Date shown on the front of this statement, you will not owe the annual fee (and have the right to have it credited to your account) and may use your card(s) during that 30 day period without becoming obligated for the annual fee. To terminate your account you should give us written notice sent to the address for billing inquiries as shown on the front of this statement. All cards should be cut in half and returned with your termination notice.

**CREDIT BALANCES**

Any credit balance on your account (indicated by a "-" on the front of this statement) is money we owe you. You can make charges against this amount or request and receive a full refund of this amount by writing us at: Card Service Center, PO Box 569120, Dallas, TX 75356-9120. Any amount not charged against or refunded upon request that is over \$1.00 (equal to or in excess of \$1.00 if you live in MA or any amount in NY) will be refunded automatically within six months after the credit balance was created (four billing cycles in MD).

O1AB5762 – 3 – 05/25/17

(PLEASE SHOW YOUR CORRECT NAME AND ADDRESS)

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 Name (if incorrect on reverse side)

---

 Street address

---

 City

---

 State

---

 Zip Code

---

 Effective Date: Month, Day, Year

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 Signature

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 Home Phone

---

 Work Phone

# COMMUNICATION

SUBJECT: Receive monthly Financial Highlight Report

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## INFORMATION:



CITY OF  
**PORT LAVACA**

202 N. Virginia, Port Lavaca, Texas 77979-0105 [www.portlavaca.org](http://www.portlavaca.org)  
Main Number: 361-552-9793 Main Facsimile: 361-552-6062

To: Mayor and Members of the City Council  
From: Susan Lang, Finance Director   
Subject: FY 21-22 Financial Highlights through **July 31, 2022**  
Date: August 2, 2022

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Below are the following reports for the period ending **July 31, 2022**, or **83.3%** of the year:

The major highlights of the Report are as follows:

*Property Tax* collections as reported by CCAD - are **\$4,712,742** for the year as of June. Collections in FY21-22 are 95.63% of total adjusted tax levy. Total current year Property Taxes Outstanding as of June is **\$214,166**.

In the General Fund, revenues through **7/31/22** are **90.8%** of budget. In addition:

1. *Current Property Tax* collections - are **\$4,341,049** for the year as of July. Collections in FY21-22 are 109.3% of budget.
2. *Sales Tax* collections through July were **\$2,794,264** or 84.9% of budget. Collections through July in FY 20-21 were **\$2,906,155**.
3. *Licenses & Permits* collections are **\$137,856** for the year, or 60.5% of budget. Collections through July in FY 20-21 were **\$142,343**.
4. *Bauer Center Rentals* through July are **\$51,900** or 103.8% of budget. Collections through July in FY 20-21 were **\$45,920**.
5. *Court Fines* are **\$73,777** for the year, or 61.4% of budget. Collections through July in FY 20-21 were **\$83,740**.

Expenditures in the General Fund for the year are **84%** of budget.



**Target: 83.3%**

In the Utility Fund, revenues as of **7/31/22** are **87.9%** of budget. In addition:

1. *Metered Water* sales through July are **\$1,713,455** or **85.2%** of budget.
2. *Residential Sewer* sales through July are **836,767** or **78.9%** of budget.
3. *Garbage Billings* through July are **\$643,075** or **92.5%** of budget.

Expenditures in the Utility Fund for the year are **73.4%** of budget.

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**Summary – FY 2021-2022 through 7/31/22**

<u>Fund</u>	<u>Revenues</u>	<u>% Budget</u>	<u>Expense</u>	<u>% Budget</u>	<u>Revenues Less Expense</u>
General	\$8,586,154	90.8%	\$10,329,408	84%	(\$1,743,254)
Utility	5,331,110	87.9%	4,387,746	73.4%	943,363
HOT	318,796	60.6%	669,624	74.0%	(350,829)
Beach	71,247	40.6%	79,460	82.6%	(8,213)
Port	548,420	83.3%	545,377	69.1%	3,043
Total					(1,155,890)

I will be at the City Council meeting, should you have any questions regarding the information provided.



**Port Lavaca**  
**PROPERTY TAX COLLECTION REPORT**  
**June 30, 2022**

<b>TAXES DUE AT CERTIFICATION</b>	4,726,568.66
Adjustments to Date	169,694.06
<b>TOTAL TAX LEVY</b>	4,896,262.72

**2021 Tax Collections**

	Base	Penalties & Interest	Total
October	2,264,571.55	0.00	2,264,571.55
November	345,300.03	0.00	345,300.03
December	603,580.74	0.00	603,580.74
January	845,808.24	0.00	845,808.24
February	335,113.44	7,472.12	342,585.56
March	109,525.79	8,909.30	118,435.09
April	47,775.33	4,365.25	52,140.58
May	87,791.74	3,931.21	91,722.95
June	42,629.38	5,967.53	48,596.91
July (Delinquent as of July 1, 2021)			0.00
August			0.00
September			0.00
<b>TOTAL</b>	4,682,096.24	30,645.41	4,712,741.65

	% Collected	95.63%	Last Year % Collected 96.50%
<b>TRANSFERRED TO DELINQUENT ROLL</b>			
July, Aug, and Sept Payments		0.00	

<b>2021 TAXES OUTSTANDING</b>	214,166.48
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% Current Outstanding 4.37%

**DELINQUENT COLLECTIONS**

	Base	Penalties & Interest	Total
October	6,452.35	3,130.88	9,583.23
November	9,728.40	3,612.99	13,341.39
December	7,907.93	3,020.62	10,928.55
January	4,786.11	1,973.51	6,759.62
February	9,004.61	2,815.81	11,820.42
March	902.45	2,803.54	3,705.99
April	6,188.63	2,609.83	8,798.46
May	3,068.26	2,285.43	5,353.69
June	5,085.71	5,288.14	10,373.85
July			0.00
August			0.00
September			0.00
<b>TOTAL</b>	53,124.45	27,540.75	80,665.20

<b>DELINQUENT TAXES OUTSTANDING</b>	355,394.93
<b>TOTAL TAXES OUTSTANDING</b>	569,561.41

*[Signature]* 7/25/22

## COMMUNICATION

**SUBJECT:** Present proposed City Budget for 2022-2023 fiscal year. Presenter is Jody Weaver

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## INFORMATION:



## COMMUNICATION

**SUBJECT:** Receive quarterly report from the Police Department for the newly formed Mental Health Peace Officer position. Presenter is Clinton Wooldridge

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## INFORMATION:



CITY OF  
**PORT LAVACA**  
POLICE DEPARTMENT

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To: City Secretary Mandy Grant

From: Chief Colin Rangnow

Date: August 2, 2022

Subject: Agenda Item

Receive quarterly report from the Police Department for the newly formed Mental Health Peace Officer position. Presented by Sgt. Clinton Wooldridge

Chief Colin Rangnow

Port Lavaca Police Department

## COMMUNICATION

**SUBJECT:** Consider request of the United Way of Calhoun County for use of the Bayfront Peninsula Park for their annual family day on Saturday, September 17, 2022 and waiver of any fees associated with the event. Presenter is Tania French

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## INFORMATION:



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**CITY OF PORT LAVACA**

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**CITY COUNCIL MEETING: AUGUST 8, 2022**

**DATE:** 08/02/2022

**TO:** JODY WEAVER, INTERIM CITY MANAGER  
HONORABLE MAYOR AND COUNCIL MEMBERS

**FROM:** TANIA FRENCH, EVENTS COORDINATOR

**SUBJECT:** ANNUAL UNITED WAY FAMILY DAY

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**BACKGROUND:**

The United Way of Calhoun County is requesting the use of the Bayfront Peninsula Park to hold its annual Family Day on Saturday, September 17. They are also requesting that the fees be waived for the use of the park. The event will be free of charge to the public.

**RECOMMENDATION:**

Staff recommends waiving the fees for the annual community event.

## COMMUNICATION

**SUBJECT:** Consider request of Port Lavaca Main Street, Inc. (PLMS) for use of the Faye Bauer Sterling Park to hold a Chuck Wagon Dinner in conjunction with an evening performance in the theatre on Saturday, September 24, 2022 and waiver of any fees associated with the event. Presenter is Tania French

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## INFORMATION:

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**CITY OF PORT LAVACA**

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**CITY COUNCIL MEETING: AUGUST 8, 2022**

**DATE:** 08/02/2022

**TO:** JODY WEAVER, INTERIM CITY MANAGER  
HONORABLE MAYOR AND COUNCIL MEMBERS

**FROM:** TANIA FRENCH, EVENTS COORDINATOR

**SUBJECT:** PORT LAVACA MAIN STREET USE OF  
FAYE BAUER STERLING PARK

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**BACKGROUND:**

Port Lavaca MainStreet, Inc. is requesting use of Faye Bauer Sterling Park, Saturday, Sept. 24, 2022 to hold a Chuck Wagon Dinner in conjunction with an evening performance in the theatre. The dinner will consist of steaks grilled onsite and various side dishes, along with limited beer and wine. Attendance will be limited. Additionally, PLMS would like to close and cone off one side of Main St curbside parking between Commerce and Colorado Street during the event.

**RECOMMENDATION:**

Staff recommends approving use of the park for this event.

## COMMUNICATION

**SUBJECT:** Consider award of a construction contract for the 5th Street Drainage Improvements Project. Presenter is Jody Weaver

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## INFORMATION:

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**CITY OF PORT LAVACA**

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**COUNCIL MEETING: AUGUST 8, 2022**

**DATE:** 8.01.2022

**TO:** HONORABLE MAYOR AND CITY COUNCIL MEMBERS

**FROM:** JODY WEAVER, INTERIM CITY MANAGER

**SUBJECT: 5<sup>TH</sup> STREET DRAINAGE IMPROVEMENTS CONSTRUCTION AWARD**

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Background:

The 2021/22 Capital Improvement Plan included \$300,000 to design and construct drainage improvements to the 5<sup>th</sup> Street drainage outfall which begins at Jackson Street and drains to the Harbor of Refuge ditch. This is the downstream drainage system for Alamo Heights Section II Subdivision.

In January Council approved an engineering contract with CivilCorp to prepare a bid package for this project. We recently advertised for construction bids and received two bids on July 21. A bid tabulation and a recommendation for award letter from CivilCorp is attached. The apparent Low Bidder is Lester Contracting with a Bid of \$514,626.75. In anticipation of this award, the draft 2022/23 CIP includes a budget of \$514,626.75 for this project.

Recommendation:

Staff concurs with CivilCorp and recommends a construction contract for this project be awarded to Lester Contracting in the amount of \$514,676.75. The work is to be completed within 180 days of the time that the contract begins.



July 22, 2022

Ms. Jody Weaver  
City Manager  
City of Port Lavaca

**Re: 2022 Capital Improvements Project – 5<sup>th</sup> Street Drainage Improvements**

Dear Jody:

We have reviewed the following two bids received for the 2022 Capital Improvements Project – 5<sup>th</sup> Street Drainage Improvements project on July 21, 2022:

<u>Contractor</u>	<u>Bid Amount</u>
Lester Contracting Inc.	\$514,626.75
KC Lease Service Inc.	\$836,727.00

Lester Contracting is the low bidder. The Engineer's Estimate was \$615,000.

The bid tabulation is attached to this letter.

There are 180 calendar days allowed for the project as stipulated in the bid documents.

I recommend awarding this project to Lester Contracting, Inc. in the amount of \$514,626.75. Please let me know if you have any questions or need me to provide any other information.

Sincerely,

Randy P. Janak, PE  
Vice President – Victoria Office

XC: Wayne Shaffer – City of Port Lavaca

Attachment

**Bid Tabulation**  
**2022 Capital Improvements Projects - 5th Street Drainage Improvements Project**

ITEM NO.	SPEC NO.	DESCRIPTION	QUANTITY PER UNIT	UNIT	K-C Lease Service Inc.		Lester Contracting Inc.	
					UNIT PRICE	AMOUNT BID (QTY. X UNIT PRICE)	UNIT PRICE	AMOUNT BID (QTY. X UNIT PRICE)
1	104	Remove Concrete (Driveway), Complete	13	SY	\$ 175.00	\$ 2,275.00	\$ 95.00	\$ 1,235.00
2	104	Remove Concrete (Curb & Gutter), Complete	115	LF	\$ 10.00	\$ 1,150.00	\$ 17.50	\$ 2,012.50
3	104	Remove Concrete (Riprap), Complete	17	SY	\$ 120.00	\$ 2,040.00	\$ 71.25	\$ 1,211.25
4	110	Excavation (Channel), Complete	1931	CY	\$ 50.00	\$ 96,550.00	\$ 20.50	\$ 39,585.50
5	162	Install Block Sodding, Complete in Place	34	SY	\$ 25.00	\$ 850.00	\$ 25.00	\$ 850.00
6	164	Cell Fiber Mulch Seeding	5556	SY	\$ 0.75	\$ 4,167.00	\$ 1.00	\$ 5,556.00
7	168	Vegetative Watering	94	MG	\$ 20.00	\$ 1,880.00	\$ 22.00	\$ 2,068.00
8	432	Concrete Riprap (Class B)(4 inch), Complete in Place	7	CY	\$ 2,000.00	\$ 14,000.00	\$ 810.00	\$ 5,670.00
9	4122	HDPE Dual Wall Pipe (42")(Traffic) Including Excavation,Pipe, Cement Stabilized Backfill, Cement Stabilized Flex Base, Prime and Two Course Surface Treatment, Complete in Place	254	LF	\$ 500.00	\$ 127,000.00	\$ 255.00	\$ 64,770.00
10	4122	HDPE Dual Wall Pipe (42")(Non-Traffic)(Including Excavation,Pipe, All Backfill, Topsoil and Seeding), Complete in Place	2116	LF	\$ 200.00	\$ 423,200.00	\$ 135.00	\$ 285,660.00
11	465	Junction Box (5'x5') (PB) w/ Manhole Riser (PRM), Complete in Place	2	EA	\$ 10,000.00	\$ 20,000.00	\$ 10,700.00	\$ 21,400.00
12	465	Junction Box (5'x3')(PB) w/ 3'x3' Riser (RC), Complete in Place	4	EA	\$ 10,000.00	\$ 40,000.00	\$ 9,500.00	\$ 38,000.00
13	466	Extend Exist Headwall, Complete in Place	1	EA	\$ 20,000.00	\$ 20,000.00	\$ 14,500.00	\$ 14,500.00
14	496	Remove Storm Sewer Pipe, Complete	13	LF	\$ 100.00	\$ 1,300.00	\$ 35.50	\$ 461.50
15	500	Mobilization	1	LS	\$ 55,000.00	\$ 55,000.00	\$ 10,500.00	\$ 10,500.00
16	502	Barricades, Signs and Traffic Handling	1	LS	\$ 2,500.00	\$ 2,500.00	\$ 1,000.00	\$ 1,000.00
17	506	Temporary Sediment Control Fence, Complete in Place	200	LF	\$ 3.50	\$ 700.00	\$ 3.25	\$ 650.00
18	506	Temporary Sediment Control Fence (Remove), Complete in Place	200	LF	\$ 1.00	\$ 200.00	\$ 1.00	\$ 200.00
19	529	Concrete Curb and Gutter (Ty I)(Reinforced), Complete in Place	117	LF	\$ 30.00	\$ 3,510.00	\$ 51.00	\$ 5,967.00
20	530	Concrete Driveways (4"), Complete in Place	13	SY	\$ 185.00	\$ 2,405.00	\$ 250.00	\$ 3,250.00
21	100	Prep ROW	1.8	AC	\$ 10,000.00	\$ 18,000.00	\$ 5,600.00	\$ 10,080.00
<b>TOTAL BASE BID</b>					<b>\$</b>	<b>836,727.00</b>	<b>\$</b>	<b>514,626.75</b>

## COMMUNICATION

**SUBJECT:** Consider award of bid for the 2022 Seal Coat program. Presenter is Wayne Shaffer

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## INFORMATION:



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**CITY OF PORT LAVACA**

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**COUNCIL MEETING: AUGUST 8, 2022**

**DATE:** 8.01.2022

**TO:** HONORABLE MAYOR AND CITY COUNCIL MEMBERS

**FROM:** WAYNE SHAFFER, DIRECTOR OF PUBLIC WORKS

**SUBJECT: CONSTRUCTION AWARD – SEALCOAT PROGRAM 2022**

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Background:

In continuation of the planned street remediation we recently advertised for the proposed 2022 Sealcoat plan. A map of the proposed areas as well as a breakdown of the total square yardage is attached.

We received two bids on July 28 from MCM and Sylva Construction. The apparent Low Bidder is Sylva Construction with a total bid of \$136,662.00, which includes \$128,800 for sealcoat and \$7,862.00 to remove and replace two valley gutters on Colorado Street. A bid tabulation is attached.

Recommendation:

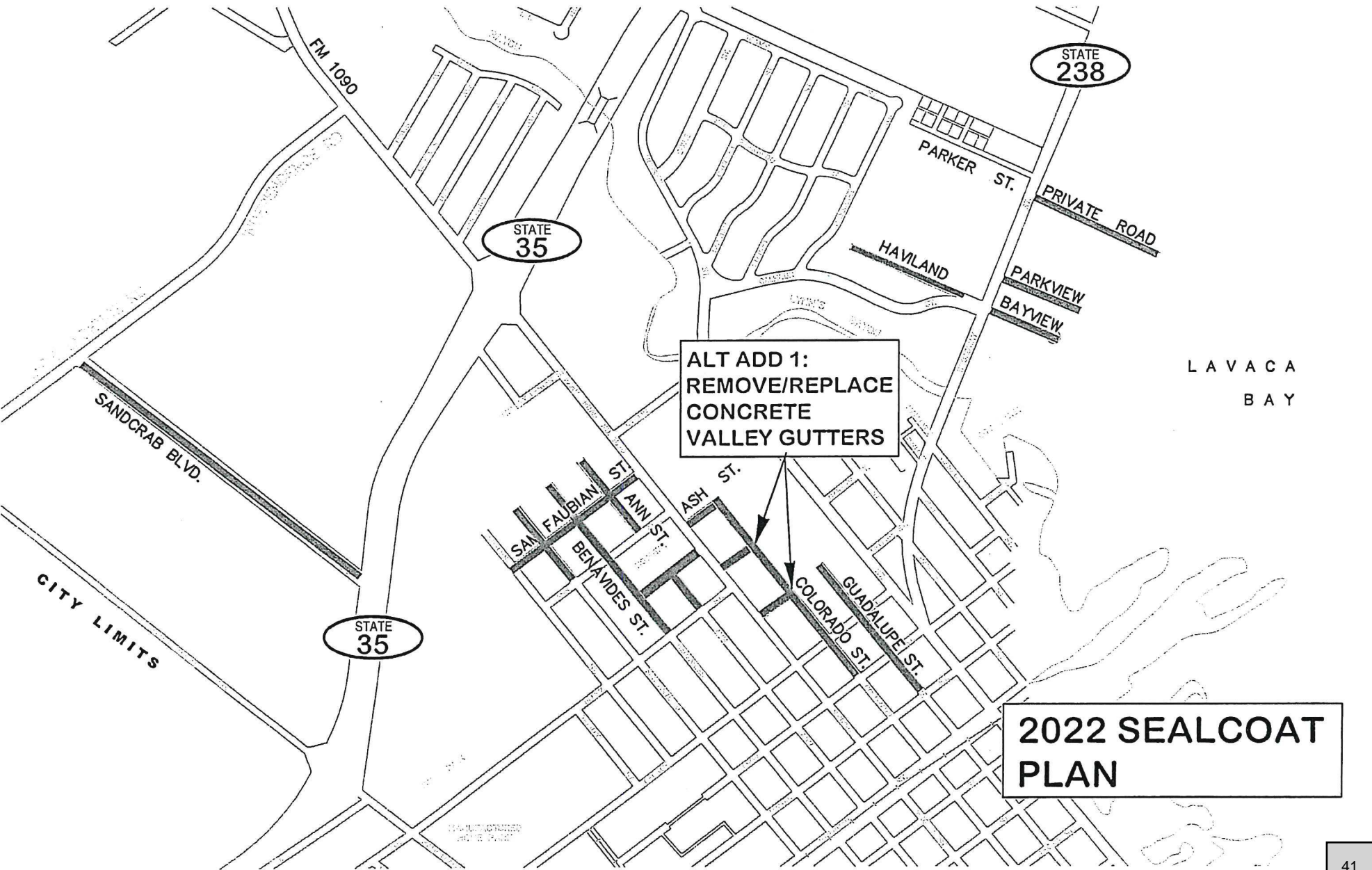
Staff recommends a construction contract for this project be awarded to Sylva Construction in the amount of \$136,662.00. The work is to be completed within 35 days of the time that the contract begins.

## 2022 SEALCOAT PROGRAM

City of Port Lavaca

Bid Opening: July 28, 2022 2:30 pm

Bidder:	K-C Lease Service, Inc. DBA Matagorda Construction & Materials	Sylva Construction, LLC
Bid Amount:	\$ 153,640.00	\$ 128,800.00
Add Alt #1	\$ 15,000.00	\$ 7,862.00
Greatest Amt Bid	\$ 168,640.00	\$ 136,662.00
Calendar days:	30	35
Bid Bond:	✓	✓



2021-2022 Proposed Sealcoat Streets	Length (ft)	width (ft)	Area (sy)
San Fabion-Nueces to Virginia	1145	21	2672
Benavides-Ash-Dead end	705	21	1645
Benavides-Tilley-Ash	705	28	2193
Ann St.-Ash-Dead end	675	21	1575
Ash-Virginia-Colorado	250	29	806
San Antonio: Ash to end	995	21	2322
Hospital: Benavides to Virginia	545	41	2483
Ann St: Tilley to Hospital	330	33	1210
Pine- Virginia-Colorado	248	23	634
Burton- Virginia-Colorado	257	25	714
Colorado- Wilson-Ash	1570	32	5582
Guadalupe: Mahan-George	665	32	2364
Guadalupe: George to North end	418	22	1022
Haviland- Broadway-Dead end	970	16	1724
Bayview-Broadway-Deadend	520	22	1271
Parkview- Broadway-end	530	22	1296
Private Dr.- Broadway-end	675	24	1800
Sandcrab Blvd. start of curb-Independence	830	26	2398
Sandcrab Blvd. start of curb-SH 35	1750	60	11667
PLUS intersection corners - ea	62	90	620
TOTAL SQ YDS			45997

## COMMUNICATION

**SUBJECT:** Consider award of contract to remove various materials at the Harbor of Refuge.  
Presenter is Jody Weaver

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## INFORMATION:

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**CITY OF PORT LAVACA**

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**COUNCIL MEETING: AUGUST 8, 2022**

**DATE:** 8.04.2022

**TO:** HONORABLE MAYOR AND CITY COUNCIL MEMBERS

**FROM:** JODY WEAVER, INTERIM CITY MANAGER

**SUBJECT: CONSTRUCTION AWARD – VARIOUS MATERIALS**

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Background:

When the former tenant of Tracts 16, 17, and 17A at the Harbor of Refuge vacated the lease at the end of 2021, they had worked to clean up the property by gathering debris into piles, but did not complete haul-off operations of these piles. There are three piles in question: one each of timber equipment mats, misc. plastic debris and misc. metal debris. These piles must be cleared in order for the current tenant to be able to fully utilize the property and to comply with TCEQ requirements to keep the site of this former landfill neat and clear of waste.

We began looking at options for cleanup last February and March. The total cost of course was dependent upon the quantity of debris that was actually needing removed. Using an estimate of 1,300 cy, the estimated disposal cost to use Republic roll-offs was about \$80,000 and we would still have to have public works load the boxes. We had also received a unit price cost from a metal recycling facility in Houston and that estimated for the same 1300 yards was about \$70,000 which included loading the boxes.

Because the estimated cost exceeded \$50,000 we prepared a competitive bid package and advertised for bids for disposal, recycling and some other beneficial reuse of these 3 piles of debris.

A mandatory pre-bid was held on July 21 in order that all potential bidders fully understood the scope of what was and what was not scheduled for removal. The following five potential bidders were in attendance: Sylva Construction, Lester Contracting, White Trash Services, Gonzales Contracting, and Barefoot Construction.

Bids were due on July 28 and we received two bids. A Bid tabulation is attached.

Removal of each pile was a separate bid item with a provision for a deduction from the sum of the three bids should all three be awarded to the same contractor.

As you can see from the Bid Tabulation, the most advantageous award for the City is to award Bid Item 1 (plastic debris) to Lester Contracting in the amount of \$25,000 and award Bid Items 2 and 3 (wood and metal) to Barefoot Construction for a total award of \$64,975. The total cost would be \$89,975.00.

Recommendation:

Staff recommends two contracts for this project be awarded: Lester Contracting for Bid Item 1 in the amount of \$25,000 (90 days to compete) and Barefoot Construction for Bid Item 2 in the amount of \$64,975.00 (30 days to complete). These expenditures are no budgeted and are proposed to come out of Port Fund reserves.



## REMOVAL; OF VARIOUS MATERIALS

City of Port Lavaca

Bid Opening: July 28, 2022 3:00 pm

Bidder:	BAREFOOT CONSTRUCTION	LESTER CONTRACTING, INC.
BID ITEM 1 (plastic)	\$ 40,250.00	\$ 25,000.00
BID ITEM 2 (mats)	\$ 63,250.00	\$ 78,000.00
BID ITEM 3 (metal)	\$ 1,725.00	\$ 2,500.00
BID TEM 4 DEDUCT	\$ (1,725.00)	\$ (2,500.00)
Greatest Amt Bid	\$ 103,500.00	\$ 103,000.00
Calendar days:	30	90

If we award low bid of each item:

BID ITEM 1 (plastic)	\$ 25,000.00	LESTER CONTRACTING, INC.
BID ITEM 2 (mats)	\$ 63,250.00	BAREFOOT CONSTRUCTION
BID ITEM 3 (metal)	\$ 1,725.00	BAREFOOT CONSTRUCTION
Total cost	\$ 89,975.00	

## COMMUNICATION

**SUBJECT:** Consider Budget Amendment GF-008 for 2022 Fiscal Year and authorize the purchase of materials for the “Porter Road Reconstruction” Project. Presenter is Jody Weaver

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## INFORMATION:



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**CITY OF PORT LAVACA**

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**CITY COUNCIL MEETING:** August 8, 2022**AGENDA ITEM** \_\_\_\_\_**DATE:** August 2, 2022**TO:** THE HONORABLE MAYOR AND CITY COUNCIL MEMBERS**FROM:** SUSAN LANG, FINANCE DIRECTOR **SUBJECT:** **CONSIDER BUDGET AMENDMENT GF-008 FOR FY 2022 and authorizing the Purchase of Materials for the Reconstruction of Porter Road**

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**BACKGROUND:**

The City has the opportunity to partner with Calhoun County for the reconstruction of Porter Road, where the County will utilize their labor and equipment, and the City will only need to purchase the materials.

The Public Works Department has solicited bids for the various materials and quantities necessary to furnish to the County at a total cost of \$60,089.

Three separate solicitations for road base materials of Limestone, PB4, and Flyash were requested from Midtex Materials, Vulcan Materials and Quality Hot Mix. The PB4 was the only material that was firmly quoted by two vendors, another vendor refused to quote. All three items were available and at the least cost from Midtex Materials for a total cost of \$47,161.

Additionally, the City solicited quotations for primer oil and RC250 for the same road project partnership with the County. Quotations were only received from Martin Asphalt and Cleveland Asphalt, with Martin Asphalt providing the lowest price and availability at a total cost of \$12,928.

This is above the normal scope provided in the repair and maintenance budget for the Street Department. Additionally, due to a budget mishap, funds of \$200,000 were not re-appropriated during the FY2022 budget process for major capital street projects, which would have covered this cost.

Furthermore, it is no longer necessary to purchase the Air Curtain Burner as previously approved, therefore, we wish to re-appropriate the remaining savings to this project.

**FINANCIAL IMPLICATIONS:**

Accepting this opportunity to work with the County on this project under our MOU agreement will require the City to fund \$60,089 for materials, which was not budgeted.

**COMPREHENSIVE MASTER PLAN:**

Promoting Quality of Life and Protecting Investments

**RECOMMENDATION:**

Approve Budget Amendment number: GF-009 for the reconstruction of Porter Road, and authorizing the City Manager to execute purchase orders to Midtex Materials for \$47,161 and Martin Asphalt in the amount of \$12,928.

**ATTACHMENTS:** Budget Amendment #GF-009

**CITY OF PORT LAVACA**  
**Request For Approval of Budgetary Amendment**  
**Fiscal Year 2021-2022**

Amendment # GF-009**FUND:** GENERAL -001

Unreserved Fund Balance \$ 2,955,221  
 Net Increase/(Decrease) this Request (60,089)  
 Amended Unreserved Fund Balance \$ 2,895,132

Date Requested: 4/11/2022

Account No.					Original Budget	Increase/ (Decrease)	Amended Budget	Reason
Fund	Dept.	Line-item	DEPT	---- Description ----				
001	50410	563.05	Streets	CE - Infrastructure	377,409	60,089	\$ 437,498	Reconstruction of Porter Rd.
NET INCREASE/(DECREASE) TO UNRESERVED FUND BALANCE						<u>(60,089)</u>		

Approvals:  
 COUNCIL:

YES

X

NO

Entered:

Blake Buller

City Manager

Initials:

Director of Finance

Date:

**slang@portlavaca.org**

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**From:** Jody Weaver <jweaver@portlavaca.org>  
**Sent:** Wednesday, July 27, 2022 8:25 AM  
**To:** Susan Lang  
**Cc:** Wayne Shaffer  
**Subject:** FW: PORT LAVACA RE: Quote for Porter Rd. Project

These are the figures for Porter Road. We'll want to do a budget amendment and approval for this like we did for Seadrift St.

Jody

**From:** Cyndi Heysquierdo <caguirre@portlavaca.org>  
**Sent:** Wednesday, July 27, 2022 8:11 AM  
**To:** Jody Weaver <jweaver@portlavaca.org>  
**Subject:** Re: PORT LAVACA RE: Quote for Porter Rd. Project

Here is the quote with the updated prices:

**Midtex Materials**

Limestone	725 tons	39.97 \$	28,978.25
PB4	120 tons	90.07 \$	10,808.40
Fly Ash	50 tons	147.49 \$	7,374.50
			<b>\$ 47,161.15</b>

**Martin Asphalt**

RC250	2055 gallon	4.14 \$	8,507.70
AEP Primer Oil	1000 gallon	4.42 \$	4,420.00
			<b>\$ 12,927.70</b>

**Grand Total \$ 60,088.85**

On Thu, Jul 21, 2022 at 3:07 PM Jody Weaver <jweaver@portlavaca.org> wrote:

NO hurry. I don't need it until say August 1.

Jody

**From:** Cyndi Heysquierdo <caguirre@portlavaca.org>  
**Sent:** Thursday, July 21, 2022 9:09 AM  
**To:** Jody Weaver <jweaver@portlavaca.org>  
**Subject:** Re: PORT LAVACA RE: Quote for Porter Rd. Project

I am still waiting for Midtex to send me the current pricing on aggregate material. I can put something together right now using the pricing he sent for Seadrift, if you'd like. Just let me know. Thanks!

On Thu, Jul 21, 2022 at 8:37 AM Jody Weaver <[jweaver@portlavaca.org](mailto:jweaver@portlavaca.org)> wrote:

Cyndi, put together the total purchase similar to what we did for Seadrift. I won't be taking it to Council for authorization until August 8.

Jody

**From:** Cyndi Heysquierdo <[caguirre@portlavaca.org](mailto:caguirre@portlavaca.org)>

**Sent:** Thursday, July 21, 2022 8:16 AM

**To:** Jody Weaver <[jweaver@portlavaca.org](mailto:jweaver@portlavaca.org)>; Wayne Shaffer <[wshaffer@portlavaca.org](mailto:wshaffer@portlavaca.org)>; [david.hall@calhouncotx.org](mailto:david.hall@calhouncotx.org)

**Subject:** Fwd: PORT LAVACA RE: Quote for Porter Rd. Project

This is the quote for the oil needed for Porter. Please see below what she advised on transporting only 1000 gallons.

----- Forwarded message -----

**From:** Victoria Espino <[Victoria.Espino@martinmlp.com](mailto:Victoria.Espino@martinmlp.com)>

**Date:** Wed, Jul 20, 2022 at 12:09 PM

**Subject:** PORT LAVACA RE: Quote for Porter Rd. Project

**To:** Cyndi Heysquierdo <[caguirre@portlavaca.org](mailto:caguirre@portlavaca.org)>

**Cc:** Jordan Young <[Jordan.Young@martinmlp.com](mailto:Jordan.Young@martinmlp.com)>, Stephanie Aguirre <[Stephanie.Aguirre@martinmlp.com](mailto:Stephanie.Aguirre@martinmlp.com)>

Cyndi,

Your prices are as follows:

RC250 - 2055 gallons : \$4.14/gallon

AEP Primer - 1000 gallons : \$4.42/gallon

Please notice I changed the quantity to 1000 gallons on the AEP.



For emulsions we do not like to load less than 1000 gallons as the material can move around too much in the tanker and potentially break during transit.

As it is, we really do not feel comfortable sending only 1000, so we want you to be aware you are taking that risk ordering such a small quantity for delivery.

Please let me know if you have any questions.

## Victoria Espino

*Sales Representative*

## Martin Asphalt

*Office: 713.350.6852*

*Cell: 713.304.5114*

*Fax: 713.350.2801*

[Victoria.Espino@martinmlp.com](mailto:Victoria.Espino@martinmlp.com)

CUSTOMERS: Please begin sending all purchase orders to [ASPHALT.SALES@MARTINMLP.COM](mailto:ASPHALT.SALES@MARTINMLP.COM)

**From:** Cyndi Heysquierdo <[caguirre@portlavaca.org](mailto:caguirre@portlavaca.org)>

**Sent:** Wednesday, July 20, 2022 8:38 AM

**To:** Victoria Espino <[Victoria.Espino@martinmlp.com](mailto:Victoria.Espino@martinmlp.com)>

**Subject:** Quote for Porter Rd. Project

**CAUTION:** This email originated from outside the Martin organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. If you suspect this email is a Phish attempt, please click the "Phish Alert" button.

Can you please send me another quote for

RC250 - 2055 gallons

AEP Primer - 940 gallons

We would need a pump and hose, the delivery address is 305 Henry Barber Way, Port Lavaca, 77979. Thanks!

--

Cyndi Heysquierdo

Public Works

City of Port Lavaca

361-552-3347

--

Cyndi Heysquierdo

Public Works

City of Port Lavaca

361-552-3347

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Cyndi Heysquierdo

Public Works

City of Port Lavaca

361-552-3347

--  
Cyndi Heysquierdo  
Public Works  
City of Port Lavaca  
361-552-3347

## COMMUNICATION

**SUBJECT:** Consider appointment/reappointment of member(s) to Planning Board to fill a vacancy and/or start a new term. Presenter is Jody Weaver

---

### INFORMATION:



Gary Crone  
Planning Board Member  
August 3, 2022

City Council  
City of Port Lavaca  
202 N Virginia

Dear City Council:

My term as a member of the Planning Board expires September 4, 2022. I, Gary Crone, am submitting this letter as my intent to continue my membership on the Planning Board for the City of Port Lavaca.

I appreciate you considering this request and look forward to continuing being a valuable member of the Planning Board.

Sincerely,

Gary Crone

## COMMUNICATION

**SUBJECT:** Consider approving a Letter of Intent to enter into negotiations to contract with Victoria Economic Development Corporation (VEDC) for Economic Development Services.  
Presenter is Jody Weaver

---

## INFORMATION:



**CITY OF**  
**PORT LAVACA**

Section VIII. Item #10.

202 N. Virginia, Port Lavaca, Texas 77979 [www.portlavaca.org](http://www.portlavaca.org)  
Main Number: (361)-552-9793 Ext. 222 Main Facsimile: (361)-552-6062

August 8, 2022

Victoria Economic Development Corporation  
Jonas Titus  
101 W. Goodwin Ave., Suite 322  
Victoria, Texas 77901

Richard Meyer, Calhoun County Judge  
211 S. Ann Street, Suite 301  
Port Lavaca, Texas 77979

Re: Letter of Intent to enter into negotiations to contract services

Gentlemen,

We are pleased to submit this Letter of Intent (LOI) to begin negotiations to contract services with Victoria Economic Development Corporation (VEDC), Calhoun County, and other County stakeholders to pursue and promote economic development in Calhoun County, the City of Port Lavaca, and the crossroads region.

The City Council has authorized Interim City Manager Jody Weaver to negotiate and enter into a contract for these economic development services, with a limit of not to exceed \$25,000 annual cost to the City, without further authorization from Council.

Best Regards,

Jack Whitlow  
Mayor

## COMMUNICATION

**SUBJECT:** Consider First Reading of an Ordinance (G-6-22) of the City of Port Lavaca amending the Code of Ordinances Chapter 32, Parks and Recreation, Article III. Park Designations and Article IV. Park Regulations, Section 32-73 Skate Park and Section 32-74 Splashpad Rules Established; providing for severability; providing a repealing clause; and providing an effective date. Presenter is Jody Weaver

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## INFORMATION:

**ORDINANCE #G-6-22**

AN ORDINANCE OF THE CITY OF PORT LAVACA AMENDING THE CODE OF ORDINANCES CHAPTER 32, PARKS AND RECREATION, ARTICLE III. PARK DESIGNATIONS AND ARTICLE IV. PARK REGULATIONS, SECTION 32-73 SKATE PARK AND SECTION 32-74 SPLASHPAD RULES ESTABLISHED; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

**Section 1. Purpose.**

The following amendments are to be made to the following Section of Chapter 32 of the Code of Ordinances. All insertions are made with colored letters and all deletions are shown as bold text-strikethroughs.

**Chapter 32 – PARKS AND RECREATION****ARTICLE III. – PARK DESIGNATIONS**

Sec. 32-44 – City parks enumerated.

**(8) Sultan Park**

Sec. 32-47 – Legal description of city parks.

**(8) Sultan Park. Port Lavaca Original Townsite Block 80, Lot 2 thru 7**

**ARTICLE IV. – PARK REGULATIONS**

**Sec. 32-73 – Alcohol and illegal drugs prohibited.**

**Sec. 32-74 – Penalty.**

**Sec. 32-73 – Skate Park rules established.**

**For the conduct of persons using the City's Skate Park located within Wilson Sports Complex City Park, the following rules and regulations are hereby established and are to be observed and enforced within said park.**

**The Skate Park will be open to the public daily from 6:00 a.m. to dark, unless the Skate Park has lighting, at which time it will close at 11:00 p.m.**

- (1) It is recommended that all skaters wear protective gear including helmets, proper shoes, knee and elbow pads.
- (2) No Skating during rain or if the surface is wet. The Skate Park will be closed as such times.
- (3) No personal ramps or rails are allowed.
- (4) No fighting or foul language.
- (5) No gum, food or drinks on the Skate Park surface.
- (6) No graffiti allowed. The Skate Park may be closed until graffiti is removed.
- (7) All other rules of Sec. 32-72 apply

#### **Sec. 32-74 – Splashpad rules established.**

- (1) Non-service animals are prohibited.
- (2) Changing diapers within 6 feet of the Water Feature is prohibited.
- (3) Use of the Water feature if ill with a contagious disease is prohibited.
- (4) Do Not drink water from the Water Feature.
- (5) Use of the Water Feature when ill with diarrhea is prohibited.
- (6) Climbing or standing on the Water Feature is Prohibited.
- (7) All other rules of Sec. 32-72 apply.

#### **RESERVED: Sec. 32-75 to Sec. 32-78**

#### **Sec. 32-79 Alcohol and illegal drugs prohibited.**

#### **Sec. 32-80 Penalty.**

#### Section 2. Severability.

It is specifically declared to be the intention of the City Council that sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable and if phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional or invalid by the valid judgment of decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any unconstitutional or invalid phrase, clause, sentence, paragraph or sections.

#### Section 3. Effective Date

THAT this ordinance shall become effective on the date of its passage.

First Reading this the 8<sup>th</sup> day of August, 2022.

\_\_\_\_\_  
Jack Whitlow, Mayor

Second Reading this the 12<sup>th</sup> day of September, 2022.

\_\_\_\_\_  
Jack Whitlow, Mayor

**PASSED AND APPROVED** this the 12<sup>th</sup> day of September, 2022.

\_\_\_\_\_  
Jack Whitlow, Mayor

ATTEST:

\_\_\_\_\_  
Mandy Grant, City Secretary

APPROVED AS TO FORM AND CONTENT:

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

**RECORD OF VOTE**

	First Reading	Second Reading	Approved/ Adopted
Councilman Smith			
Councilman Dent			
Councilman Tippit			
Councilwoman Padron			
Councilman Ward			
Councilman Barr			

Record of approval by City Council: City Council Minute Records, Volume 3H, Page \_\_\_\_.

## COMMUNICATION

**SUBJECT:** Consider Resolution No. R-080822-1 of the City of Port Lavaca – City Hall  
Master Plan Phase 2: Entry, Patio & Exterior Renovations for Construction Procurement  
Method. Presenter is Jody Weaver

---

## INFORMATION:



**RESOLUTION NO. R-080822-1**  
**CONSTRUCTION PROCUREMENT METHOD**  
**CITY OF PORT LAVACA – CITY HALL MASTER PLAN –**  
**PHASE 2: ENTRY, PATIO & EXTERIOR RENOVATIONS**

**WHEREAS**, Section 2269.056(a), of the Texas Government Code states that the governing body of a governmental entity that considers a construction contract using a method authorized by this chapter other than competitive bidding must, before advertising, determine which method provides the best value for the governmental entity, and

**WHEREAS**, the City of Port Lavaca City Council has determined that the construction procurement method specified under SUBCHAPTER D. COMPETITIVE SEALED PROPOSAL METHOD of CHAPTER 2269. CONTRACTING AND DELIVERY PROCEDURES FOR CONSTRUCTION PROJECTS of the Texas Government Code provides the best value for the City of Port Lavaca for the construction project titled “City Hall Master Plan – Phase 2: Entry, Patio, & Exterior Renovations”

**THEREFORE LET IT BE RESOLVED** by the City of Port Lavaca City Council that the Council has decided to use the Competitive Sealed Proposal process as specified under SUBCHAPTER D. COMPETITIVE SEALED PROPOSAL METHOD of CHAPTER 2269. CONTRACTING AND DELIVERY PROCEDURES FOR CONSTRUCTION PROJECTS of the Texas Government Code for the construction project titled “City Hall Master Plan – Phase 2: Entry, Patio, & Exterior Renovations”.

**PASSED AND ADOPTED** on this **8th day of August 2022**.

\_\_\_\_\_  
 Jack Whitlow, Mayor

ATTEST:

\_\_\_\_\_  
 Mandy Grant, City Secretary

## COMMUNICATION

**SUBJECT:** Consider Resolution No. R-080822-2 of the City of Port Lavaca – City Hall Master Plan Phase 2: Entry, Patio & Exterior Renovations for Prevailing Wage Rate. Presenter is Jody Weaver

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## INFORMATION:

**RESOLUTION NO. R-080822-2**  
**PREVAILING WAGE RATE**  
**CITY OF PORT LAVACA – CITY HALL MASTER PLAN –**  
**PHASE 2: ENTRY, PATIO & EXTERIOR RENOVATIONS**

**WHEREAS**, Section 2258.022(a), of the Texas Government Code states: For a contract for a public work awarded by a political subdivision of the state, the public body shall determine the general prevailing rate of per diem wages in the locality in which the public work is to be performed for each craft or type of worker needed to execute the contract and the prevailing rate for legal holiday and overtime work, and

**WHEREAS**, Section 2258.022(a) of the Texas Government Code Subsections (1) and (2) go on to state the public body's options in fulfilling its statutory responsibility of determining prevailing wage rates as being: (1) conducting a survey of the wages received by classes of workers employed on projects of a character similar to the contract work in the political subdivision of the state in which the public work is to be performed; or (2) using the prevailing wage rate as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.), and its subsequent amendments;

**NOW THEREFORE BE IT RESOLVED** that the City of Port Lavaca City Council hereby selects Section 2258.022(a), Subsection (2) of the Texas Government Code as its option in determining the general prevailing rate of per diem wages in the locality in which the public work is to be performed for each craft or type of worker needed to execute the contract and the prevailing rate for legal holiday and overtime work as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.), and its subsequent amendments as can be found on the following web site ([www.wdol.gov/dba.aspx#0](http://www.wdol.gov/dba.aspx#0)), for the construction project titled "City Hall Master Plan – Phase 2: Entry, Patio, & Exterior Renovations".

**PASSED AND ADOPTED** on this **8th day of August 2022**.

\_\_\_\_\_  
 Jack Whitlow, Mayor

ATTEST:

\_\_\_\_\_  
 Mandy Grant, City Secretary

## COMMUNICATION

**SUBJECT:** Consider Resolution No. R-080822-3 of the City of Port Lavaca – City Hall Master Plan Phase 2: Entry, Patio & Exterior Renovations for Delegation of Authority. Presenter is Jody Weaver

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## INFORMATION:

**RESOLUTION NO. R-080822-3**  
**DELEGATION OF AUTHORITY**  
**CITY OF PORT LAVACA – CITY HALL MASTER PLAN –**  
**PHASE 2: ENTRY, PATIO & EXTERIOR RENOVATIONS**

**WHEREAS**, Section 2269.053(a), of the Texas Government Code provides that the governing body of a governmental entity may delegate its authority under this chapter regarding an action authorized or required by this chapter to a designated representative, committee, or other, and

**WHEREAS**, The City of Port Lavaca City Council wishes to delegate its authority under SUBCHAPTER D. COMPETITIVE SEALED PROPOSAL METHOD of CHAPTER 2269; CONTRACTING AND DELIVERY PROCEDURES FOR CONSTRUCTION PROJECTS, SECTION 2269.155, SELECTION OF OFFEROR, of the Texas Government Code to the designated person of Jody Weaver, Interim City Manager, as authorized by Section 2269.053(a), of the Texas Government Code as it relates to the selection of an Offeror as prescribed under Section 2269.155 of the Texas Government Code for the construction project titled “City Hall Master Plan – Phase 2: Entry, Patio, & Exterior Renovations”;

**NOW THEREFORE BE IT RESOLVED** that the City of Port Lavaca City Council hereby delegates its authority under SUBCHAPTER D. COMPETITIVE SEALED PROPOSAL METHOD of CHAPTER 2269; CONTRACTING AND DELIVERY PROCEDURES FOR CONSTRUCTION PROJECTS, SECTION 2269.155, SELECTION OF OFFEROR, of the Texas Government Code to the designated person of Jody Weaver, Interim City Manager, as authorized by Section 2269.053(a), of the Texas Government Code as it relates to the selection of an Offeror as prescribed under SECTION 2269.155, SELECTION OF OFFEROR of the Texas Government Code for the construction project titled “City Hall Master Plan – Phase 2: Entry, Patio, & Exterior Renovations”, and

**THEREFORE LET IT BE FURTHER RESOLVED** by the City of Port Lavaca City Council that it desires for Jody Weaver, Interim City Manager, within the scope of the authority delegated to her under Section 2269.155, SELECTION OF OFFEROR of the Texas Government Code for the construction project titled “City Hall Master Plan – Phase 2: Entry, Patio, & Exterior Renovations” to form a committee of her choosing, which may, but not necessarily, include some members of the City Council of the City of Port Lavaca in numbers not establishing a quorum of the Council, to advise her in the selection process for Construction Services for the selection of an Offeror as prescribed under Section 2269.155 of the Texas Government Code for said construction project and bring her recommended selection to the City of Port Lavaca City Council for final approval.

**PASSED AND ADOPTED** on this **8th day of August 2022**.

\_\_\_\_\_  
 Jack Whitlow, Mayor

ATTEST:

\_\_\_\_\_  
 Mandy Grant, City Secretary

## COMMUNICATION

**SUBJECT:** Consider Resolution No. R-080822-4 of the City of Port Lavaca – City Hall Master Plan Phase 2: Entry, Patio & Exterior Renovations for Selection Committee and Proposal Ranking Criteria. Presenter is Jody Weaver

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## INFORMATION:



**RESOLUTION NO. R-080822-4**  
**SELECTION COMMITTEE & PROPOSAL RANKING CRITERIA**  
**CITY OF PORT LAVACA – CITY HALL MASTER PLAN –**  
**PHASE 2: ENTRY, PATIO & EXTERIOR RENOVATIONS**

**WHEREAS**, Section 2269.053(a), of the Texas Government Code provides that the governing body of a governmental entity may delegate its authority under this chapter regarding an action authorized or required by this chapter to a designated representative, committee, or other, and

**WHEREAS**, the City of Port Lavaca City Council by resolution adopted on July 25<sup>th</sup> 2022 did delegate its authority under SUBCHAPTER D. COMPETITIVE SEALED PROPOSAL METHOD of CHAPTER 2269; CONTRACTING AND DELIVERY PROCEDURES FOR CONSTRUCTION PROJECTS, SECTION 2269.155, SELECTION OF OFFEROR, of the Texas Government Code to the designated person of Jody Weaver, Interim City Manager as authorized by Section 2269.053(a), of the Texas Government Code as it relates to the selection of an Offeror as prescribed under Section 2269.155 of the Texas Government Code for the construction project titled “City Hall Master Plan – Phase 2: Entry, Patio, & Exterior Renovations”;

**AND WHEREAS** the City of Port Lavaca City Council stated in that resolution that its desire was for Jody Weaver, Interim City Manager within the scope of the authority delegated to her under Section 2269.155, SELECTION OF OFFEROR of the Texas Government Code for the construction project titled “City Hall Master Plan – Phase 2: Entry, Patio, & Exterior Renovations” to form a committee of her choosing, including but not limited to some members of the City Council of the City of Port Lavaca, to advise her in the selection process for Construction Services for the selection of an Offeror as prescribed under Section 2269.155 of the Texas Government Code for said construction project and bring her recommended selection to the City Council of the City of Port Lavaca for final approval.

**NOW THEREFORE BE IT RESOLVED** by Jody Weaver, Interim City Manager, that she hereby appoints the following committee to advise her in the selection process for Construction Services for the selection of an Offeror as prescribed under Section 2269.155 of the Texas Government Code and as directed by the City Council of the City of Port Lavaca:

Jody Weaver	Interim City Manager
Mandy Grant	City Secretary
Derrick Smith	Director of Development Services
Tim Dent	Councilman
Brian Parker	Architect’s Project Manager

**NOW THEREFORE LET IT BE FURTHER RESOLVED** by Jody Weaver, Interim City Manager, that she has chosen the following criteria for the committee as a corporate body to consider in the selection of an Offeror submitting a proposal on this project along with the stated weighting of each of the criteria:

Price	50%
Offeror's Qualifications	40%
Time	10%

**PRESENTED FOR THE RECORD** to the City Council of the City of Port Lavaca by Jody Weaver, City Manager, on this 8<sup>th</sup> **day of August 2022**.

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Jack Whitlow, Mayor

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Jody Weaver,  
Interim City Manager

ATTEST:

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Mandy Grant, City Secretary



## COMMUNICATION

**SUBJECT:** Consider Resolution No. R-080822-5 of the City of Port Lavaca amending the City's Budgetary and Financial Management Policies. Presenter is Susan Lang

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## INFORMATION:

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**CITY OF PORT LAVACA**

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**CITY COUNCIL MEETING:** August 8, 2022**AGENDA ITEM** \_\_\_\_\_**DATE:** August 2, 2022**TO:** THE HONORABLE MAYOR AND CITY COUNCIL MEMBERS**FROM:** SUSAN LANG, FINANCE DIRECTOR **SUBJECT:** CONSIDER AND APPROVE PROPOSED CHANGES TO THE BUDGETARY & FINANCIAL MANAGEMENT POLICIES

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**BACKGROUND:**

We were made aware by one of the City's grant consultants, KSBR, LLC, that additional changes were recommended to the City's Budgetary & Financial Management Policies by adding a new section Federal and State Grant Funds and referencing 2 CFR 200 Sections 302, 303, 323, 403, and 305.

We have provided a red-lined version of the recommended policy changes proposed by the grant administrator.

**FINANCIAL IMPLICATIONS:**

Accepting the changes will provide guidance for city funds which will safeguard the use of Federal and State grant funds.

**COMPREHENSIVE MASTER PLAN:**

Promoting Quality of Life and Protecting Investments

**RECOMMENDATION:**

Approve the proposed changes to the City's Budgetary & Financial Management Policies.

**ATTACHMENTS:**

Budgetary & Financial Management Policies mark-up showing proposed changes.



**Resolution of the City of Port Lavaca, Texas  
No. R- 080822-5**

**Budgetary & Financial Management Policies**

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

**General Budgetary Policies**

**Budget Preparation**

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

**Government Finance Officer Association Distinguished Budget Program**

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

**Balanced Budget**

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

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

Upon completion of the City Manager's Proposed Budget to Council, the City holds public hearings in accordance with the Local Government Code. A copy of the Proposed Budget is made available in the City Secretary's Office or on the City's website. These hearings provide the Citizens of Port Lavaca a chance to ask questions as well as an opportunity for Council to hear any recommendations before final approval of the budget.

**Cost Center Accounting and Budgeting**

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

### **Bond Ratings**

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

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

### **Administrative Overhead Fee to Enterprise Funds**

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

### **Budget Projections for Revenues and Expenditures**

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

### **Maintenance of Plant and Equipment**

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

## Financial Management Policies

### Fund Balance Policy

#### Purpose

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

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

#### Definitions

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

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

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

- 1) **Non-spendable fund balance** – includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain in-tact such as the principal of an endowment.
- 2) **Restricted fund balance** – includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include impact fees and bond proceeds.
- 3) **Committed fund balance** – includes the portion of net resources upon which the Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a *formal action* of the council. Commitments may be changed or lifted only by the Council taking the same *formal action* that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.

- 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.

*Authority to Assign* - The City Council delegates the responsibility to assign funds not to exceed \$25,000 to the City Manager or their designee to be used for specific purposes. City Council shall have the authority to assign any amount of funds to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. The assignments may occur subsequent to fiscal year-end.

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

#### ***Minimum Unassigned Fund Balance***

*General Fund* - Being a City on the Gulf Coast, it shall be the goal of the City to maintain a fund balance in the General Fund equal to 180 days of the operating expenditures and a policy to maintain an **unassigned** fund balance of no less than 120 days of operating expenditures as to provide operating liquidity and contingency funding for non-specific unscheduled expenditures such as natural disasters or major unexpected expenditures. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

*Hotel/Motel Tax Fund* – Since the City's Convention Center (Bauer Center) qualifies for use of Hotel/Tax, it shall be the goal of the City to maintain a fund balance in the Hotel/Motel Fund to support the annual cost for improvements and maintenance of the Bauer Center. The proper level of this unassigned fund balance will be based on the most recent three-year average cost of maintenance and operations of the Bauer Center or \$250,000 whichever is greater.

#### ***Committed Fund Balances***

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

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

If unassigned fund balance unintentionally falls below 120 days or if it is anticipated that at the completion of any fiscal year the projected unassigned fund balance will be less than the minimum requirement, the City Manager shall prepare and submit a plan to restore the minimum required level as soon as economic conditions allow. The plan shall detail the steps necessary for the replenishment of fund balance as well as an estimated timeline for achieving such.

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

### ***Order of Expenditure of Funds***

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

### ***Appropriation of Unassigned Fund Balance***

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

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

### ***Monitoring and Reporting***

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

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

## Revenue Management Policy

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

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

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

The City will use non-recurring revenues and excess fund balance for capital expenditures or for non-recurring expenditures. These non-recurring revenues will not be used to fund recurring type maintenance and operating costs.

### Property Tax Revenue

All real and business personal property located within the City shall be valued at 100% of the fair market value based on the appraisal supplied by the Calhoun County Appraisal District. Reappraisal and reassessment are as provided by the Appraisal District. A ninety-six percent (96%) collection rate based upon historical trends and current economic conditions shall serve each year as a goal for tax collections and the budgeted revenue projection shall be based on the average collection rate calculated by the Calhoun County Appraisal District. Property tax rates shall be maintained at a rate adequate to fund an acceptable service level. Based upon taxable values, rates will be adjusted to fund this service level. Collection services shall be contracted out with a central collection agency, currently the Calhoun County Appraisal District.



### **Interest Income**

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

### **User Based Fees and Service Charges**

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

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

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

### **Intergovernmental Revenues/Grants/Special Revenues**

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

### **Collection of Charges**

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

### **Revenue Monitoring**

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

## **Expenditure Control Policy**

### **Appropriations**

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

### **Amendments to the Budget**

In accordance with the City Charter, under Article 8.03 (Transfer of Appropriations) provides, with approval of the City Council, the City Manager may transfer any unencumbered appropriated balance within any office, department, or agency at any time. At the request of the City Manager, and within the last three months of the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from an office, department or agency, to another.

### **Central Control**

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

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

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

### **Purchasing**

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

### **Prompt Payment**

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

## **Long-Term Debt Policy**

### **Revenue Bond Sinking Account**

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

### **General Obligation Bond Debt Service Account**

It shall be the policy of the City to always be in strict compliance with the requirements of the ordinance that created the General Obligation Bond Interest and Sinking Fund Account. Taxes, as applicable shall be distributed to this account monthly as received. Utility Revenues transferred to the Interest and Sinking fund Account shall occur, as needed prior to the semi-annual payment dates. The balance in the account must be adequate to cover semi-annual payments as they become due.

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

The City will develop a multi-year plan to present to Council each year for approval. The City will provide a list of proposed capital improvements, funding recommendations, and prospective timing of projects. CIP projects shall be for infrastructure over \$100,000 and facilities over \$50,000. Any maintenance and operational cost shall be disclosed that could impact future operating budgets.

## Debt Policy Guidelines

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

## Other Fund Use Information

### Governmental Funds

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

### Federal and State Grant Funds

The City will have the necessary controls in place and follow all applicable federal and state financial grant requirements, including 2 CFR 200.302(b)(6) on advanced payments, and 2 CFR 200.303 on internal controls for all grant funding, § 200.323 on contract cost and price, CFR 200 Part E on cost Principles and advance payment requirements, specifically § 200.403 Factors affecting allowability of costs and § 200.404 Reasonable costs as both allowable and reasonable, and § 200.305 on federal payment.

For payments received from Federal grant sources, the City will track interest earned on those payments in accordance with § 200.305 Federal payment. The City will maintain advance payments of Federal awards in interest-bearing accounts and monitor that account would not be expected to earn in excess of \$500 per year on Federal cash balances or any additional interest earned on Federal advance payments deposited in interest bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS).

### **Proprietary Funds**

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

***Working Capital Position*** - the goal shall be to maintain a working capital position equal to 120 days of the operating budget and a policy to maintain a working capital position no less than 90 days of the operating budget. The City shall designate a portion of the reserve for fixed asset replacement equal to one year's depreciation of all assets.

### **Public Utility Fund**

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

The City shall establish a project fund that will be funded by unanticipated revenues or revenue surpluses. This fund shall be used to fund unanticipated projects or to retire debt early.

### **Beach and Port Revenue Operating Fund**

It will be the general policy of the City that the fees collected will be spent on maintenance of the facilities grounds, and other structures. The general fund tax dollars will not be used for this purpose.

**WITNESS MY HAND and SEAL** this 8<sup>th</sup> day of August, 2022.

**PASSED AND APPROVED** this 8<sup>th</sup> day of August, 2022.

\_\_\_\_\_  
Jack Whitlow, Mayor

ATTEST:

\_\_\_\_\_  
Mandy Grant, City Secretary

## COMMUNICATION

**SUBJECT:** Consider proposed changes to the City of Port Lavaca's Purchasing Policy and Procedures. Presenter is Susan Lang

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## INFORMATION:

**CITY COUNCIL MEETING:** August 8, 2022

**AGENDA ITEM** \_\_\_\_\_

**DATE:** August 2, 2022

**TO:** THE HONORABLE MAYOR AND CITY COUNCIL MEMBERS

**FROM:** SUSAN LANG, FINANCE DIRECTOR 

**SUBJECT:** CONSIDER AND APPROVE PROPOSED CHANGES TO THE PURCHASING POLICY AND PROCEDURES

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**BACKGROUND:**

We were made aware by one of the City's grant consultants, KSBR, LLC, that additional changes were recommended to the City's Purchasing Policy in order expand on the federal and state financial grant requirements referenced in Section 1.05 of the City's Purchasing Policy which indicate we will follow 2 CFR 200 Sections 200.317 through 200.327, by adding a new section 2.04.07 Federal Grant Awards and expanding on 2 CFR 200 Section 200.323 Contract cost and price.

We have provided a red-lined version of the recommended policy changes proposed by the grant administrator.

**FINANCIAL IMPLICATIONS:**

Accepting the changes will provide guidance for future city purchases which will safeguard the use of Federal and State funds.

**COMPREHENSIVE MASTER PLAN:**

Promoting Quality of Life and Protecting Investments

**RECOMMENDATION:**

Approve the proposed changes to the City's Purchasing Policy and Procedures.

**ATTACHMENTS:**

Purchasing Policy and Procedures mark-up showing proposed changes.





# Purchasing Policy and Procedures



- Vendors
- Purchasing

- Credit Card
- Business Travel





# PURCHASING POLICY AND PROCEDURES

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# PURCHASING POLICY AND PROCEDURES

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# PURCHASING POLICY AND PROCEDURES

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## *Introduction*

### **1.00 Introduction**

Purchasing is the procurement of materials, supplies, equipment and services. Effective purchasing is buying at the lowest possible cost consistent with the quality needed for effective operation.

This manual is designed to acquaint you with information about the City's Purchasing policies and procedures. You should read, understand, and comply with all provisions of the manual. The goal of the Finance Department is to provide assistance to departments within the City for securing these materials/services in the most efficient and economical way. Purchasing can only achieve this goal through mutual cooperation with each City department and the vendors. These procedures are to ensure that there will be no fraudulent or discriminating processing of materials or services provided by outside vendors and/or employees. Through adequate planning and teamwork by all departments, much can be accomplished toward furthering the growth and service rendered.

No Purchasing Manual can anticipate every circumstance or question. As the City continues to grow, the City may revise, supplement, or rescind any policies or portion of the manual from time to time as it deems appropriate.

We believe that each Department contributes directly to the City's growth and success, and we hope you will take pride in being part of the City of Port Lavaca's Team.



# PURCHASING POLICY AND PROCEDURES

## Introduction

### 1.01 Purchasing Manual Acknowledgment Form

The Purchasing Manual describes important information about the City's internal controls and processes required to manage the day-to-day Accounts Payable operations. The manual is intended to inform Team Members handling accounts payable transactions and other accounting related functions about the formal policy guidelines and processes. These policies ensure that the work performed is consistent with the City's fiscal and internal control goals.

Since the information, policies, and procedures described in the manual are subject to change, I acknowledge that revisions to the Purchasing Manual may occur. All policy changes require the appropriate authorized approvals before they are implemented. I understand that revised information may supersede, modify, or eliminate existing policies.

I acknowledge that I have received the Purchasing Manual, and I understand that it is my responsibility to read and comply with the policies contained in the manual and any revisions and updates made to it.

(Please return this form to the Human Resources Department for inclusion into Personnel File.)

\_\_\_\_\_  
Team Member's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Team Member's Name (Typed or Printed)



# PURCHASING POLICY AND PROCEDURES

## Introduction

### 1.02 Purpose

The purpose of this policy is to establish the responsibilities and authorization limits for the procurement of supplies and services for the City of Port Lavaca. 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. The Accounts Payable 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. Our policy is intended to:

- Give all suppliers full, fair, prompt and courteous consideration.
- Keep competition open and fair.
- Cooperate with suppliers and consider possible difficulties they may encounter.
- Observe strict truthfulness and highest ethics in all transactions and correspondence.
- Promote positive supplier relations through courtesy and impartiality.
- Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of any intentional misrepresentation.

### 1.03 Ethics Policy Statement

Public employment is a public trust. It is the policy of the City of Port Lavaca to promote and balance the objective of protecting government integrity. The foundations of honesty, respect, fairness, equality, teamwork and doing what is right for the citizens and the workplace is of utmost importance to the City of Port Lavaca. We are committed to making our behavior and decisions reflect these important aspects of employment. To accomplish this we will:

- Be honest in all areas of our jobs.
- Treat everyone with respect at all times, allowing for different cultures, abilities, races and belief systems.
- Strive to do the right thing at all times.
- Be accountable for our actions.
- Have standards that are the same for employees at all levels within the City.
- Guard the public's trust and be responsible with the use of revenue and resources.
- Be committed to giving the City of Port Lavaca our best and complete effort daily. Lead by example.

### 1.04 Conflicts of Interest

No employee or elected official shall have direct or indirect financial interest in any contract and/or purchase with the City, or be directly or indirectly financially interested in the sale of materials, supplies or services to the City.

**See the Personnel Policy Manual for further details.**

# PURCHASING POLICY AND PROCEDURES

## Introduction

### 1.05 Governing Authority

This policy manual is based on state law as found in the Texas Local Government Code and Federal Procurement standards in 2 CFR 200.317 – 2CFR 200.327 and Appendix II to Part 200 for procurement actions to be funded with Federal Funds. Any changes in state law and federal law will automatically supersede City Purchasing Policy. Copies of the Texas Local Government Code can be found in the appendix section of this policy or on the web at <http://www.capitol.state.tx.us>, and <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.318>

**Failure to comply with all of the provisions of this policy may result in disciplinary action up to and including termination in addition to any criminal penalties.**

### 1.06 Authorities and Responsibilities

**1.06.01** The **Finance Director** will assist as needed in the procurement of supplies, equipment and services for the City either on an individual basis or through annual contracts. These purchases will be in compliance with the Texas Local Government Code.

The Finance Director will:

1. Assist departments in purchasing or contracting of City supplies, equipment, and services.
2. Encourage competition and endeavor to obtain full and open participation in the bid process by all responsible vendors.
3. Maintain confidentiality of all information used in the bid process to be consistent with the State's open records law.
4. Maintain knowledge of current developments in the field of purchasing, prices, market conditions, and new products. Secure for the City the benefits of research done in the field of purchasing by other governmental agencies and private businesses.
5. Utilize all legitimate techniques such as volume buying, cooperative purchasing, and annual contracts to keep costs as low as possible.
6. Promote standardization whenever possible to include general conditions, specifications, quality standards, performance standards, equipment and supplies.
7. Work with departments/divisions to provide specifications with each bid request clearly identifying quantity/quality required and providing a basis for proper bid evaluation.
8. Implement improved methodology, procedures, and innovations in the Purchasing operation.
9. Conduct sale of surplus property and salvage material to be disposed of by the City.
10. Instruct City personnel on purchasing procedures.
11. Ensure compliance with all federal, state, and local laws and regulations.
12. Assist in coordinating and bidding all purchases over \$50,000.

# PURCHASING POLICY AND PROCEDURES

## Introduction

### 1.06.02 The using Department is/will:

1. Responsible for purchasing most equipment/supplies with a value less than \$50,000.
2. Responsible for obtaining supplies, equipment, and services that will receive the maximum return for dollars expended and not create unnecessary emergency order situations.
3. Complete a requisition form to request a purchase order ("PO") on orders  $\geq$  \$5,000.
4. Use Requisition Request Form to document HUB Vendor search for purchases  $\geq$  \$3,000.
5. Encourage competition and endeavor to obtain full and open participation in the bidding process by all responsible vendors.
6. Check to be sure that the appropriate budget line item information is correct and money available before any purchase is made or requested for the sealed bid process.
7. Responsible for verifying that budget accounts are not overspent. If the category lacks a sufficient balance, the requisition could be sent back to the using department. Final determination will be made by the Finance Director and/or City Manager. The department head may then:
  - a. Withdraw the request.
  - b. Request a budget transfer. **Transfers within a department require approval from the City Manager or his/her designee. All other amendments require City Council approval.**
  - c. Transfers from personnel lines are not allowed without City Manager prior approval.
8. Verify all of the necessary purchasing information and approvals- determine the appropriate vendor (if necessary), obtain competitive quotes (as deemed necessary), forward the requisition to the Finance department for issuance of the purchase order and follow-up on the receipt of the item purchased.
9. Suggest any new or approved methodology that could be advantageous to the City.
10. Encourage, remind, and instruct all employees involved in the purchasing/bid process to always nurture, maintain and promote good vendor relationships.
11. Responsible for verifying that all materials/services are received and specifications are met. Once materials/services have been received and verified to be correct, indicate receipt of materials, sign/date the receiving copy then forward to Finance for payment. Any variation in quantity must be noted on the receiving copy. If the quantity received does not agree with the vendor's packing slip or the material does not conform to specification, the vendor must be notified immediately.
12. **Instruct vendors to clearly display the Purchase Order Number on all invoices, delivery slips, cases, cartons, boxes, packing slips and bills of lading.**
13. Submit invoices for payments in accordance with Local Government Code and 2 CFR 200





# PURCHASING POLICY AND PROCEDURES

## Introduction

### 1.06.03 Accounts Payable is/will:

1. Responsible for routing and receiving any invoices as submitted in a timely manner.
2. Responsible for verifying that each invoice is approved by each department and contains General Ledger account code for payment purposes.
3. Set-up and maintain vendor files in accordance with new vendor setup procedures.
4. Ensure payment of any outstanding invoices submitted and approved by departments in a timely manner.
5. Responsible for attaching any packing slips or receipts of merchandise to invoices for payment processing and paying only for items received as shown on packing slips.
6. Obtain approval to pay from departments if no packing slips have been submitted for invoices received on Purchase Orders.
7. Process required requisitions and provide Purchase Order number to the department.

### 1.06.04 Delegation of Authority

- A Department Head may delegate departmental purchasing; however, the Department Head will approve all invoices to be paid prior to payment.
- All delegation of authority must be made in writing with a copy provided to the City's Finance Department.

Authorization is not the same as the authority to sign a purchase order, which is the responsibility of the Finance Director. The Finance Director is also responsible to control the numerical sequence of the purchase orders.

# PURCHASING POLICY AND PROCEDURES

## Purchasing

## 2.00 Purchasing Limits and Methods

### 2.01 Purchasing Limits & Approvals

Dollar Threshold Per Unit Basis	Procurement Method	Purchase Order	Department Head or Designee	Finance Director	City Manager	City Council
\$1,000 or less	Invoice or verbal quote		✓			
\$1,001 to \$5,000	1 written Quote		✓			
\$5,001 to \$10,000	2 written Quotes	✓	✓	✓	*	
\$10,001 to \$49,999	3 written Quotes	✓	✓	✓	*	**
\$50,000 or more	Formal Bids	✓	✓	✓	✓	✓

✓ Denotes signature approval

\* All capital purchases exceeding \$5,000 not planned in the annual budget should go to the City Manager prior to purchase.

\*\* All capital purchases exceeding \$25,000 not planned in the annual budget should go to City Council prior to purchase.

#### Additional Guidelines:

- If acquiring a product, a purchase order is used as it pertains to the guidelines above. Dollar thresholds are on a per unit basis as it applies to approvals and documentation; however, any purchase exceeding \$5,000 requires a purchase order before order is placed.
- If acquiring a service (labor) or product with a service contract, quotes are strongly encouraged where services can be reasonably compared.
- All services that relate to capital projects will be issued a purchase order for tracking purposes indicating Council's approval date.
- Written price quotations should be sought with unit costs > \$2,999. Two of these quotes must be from HUB vendors in Calhoun County if available.

#### See Section 2.01.01 of this policy for more information on HUB vendors

- **State Law** requires cities to contact at least two historically underutilized businesses whenever possible for purchases between \$3,000 and \$50,000.
- **Federal** guidance of purchases requires a non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- **State Law** requires cities and counties to use competitive bidding process for any purchases exceeding \$50,000. For insurance contracts, cities with populations fewer than 75,000 must bid insurance contracts of \$5,000 or more.
- **Aggregate** purchases that will exceed \$50,000 are subject to competitive bidding requirements.



# PURCHASING POLICY AND PROCEDURES

## Purchasing

- Purchases made through a state approved cooperative purchasing contract satisfy the competitive bidding requirement.
- Emergency purchases or purchases from a sole source vendor are exempt from competitive bidding, however proper documentation must be obtained. **See Section 2.06 Emergency Purchases**
- **Federal** guidance of purchases prohibits awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities. See debarment compliance in accordance with System for Award Management (SAM.gov).

All purchases are accumulated in the financial records and compared to the financial budget for fiscal control. Any anticipated purchase that will exceed the department's budget requires a budget amendment to be approved by the City Council. The Department must provide the Finance Director with a recommended budget amendment to be approved by the City Manager and City Council prior to purchase. **See Section 8.03 of the City Charter - Transfer of Appropriations**

### 2.01.01 Supporting Documentation (Per Unit Basis)

A unit cost is not necessarily one line item, but can be separate components needed to complete the product and/or asset. Minor purchases are any purchases under \$5,000. Any purchase over \$5,000 is considered a major purchase. The **required supporting documentation** for any purchase is as follows:

Less than or equal to \$1,000 – Invoice, receipt, or other documents (i.e. packing slips, delivery tickets)  
*Verbal quotes are strongly encouraged for asset purchases > \$499 and total purchases > \$1,000.*

\$1,001 to \$5,000 –At least one (1)\* vendor written quote attached to the requisition in addition to documentation referenced above. To the extent possible, Minor purchases must be distributed equitably among qualified vendors.

\* The Texas Local Government code §252.0215 – requires the City to solicit bids from at least two (2) Historically Underutilized Businesses whenever the expenditure will exceed \$3,000. If, however, there are no HUB vendors listed in the County, the City is exempt from this rule, but must document a search for a suitable HUB vendor was performed.

\$5,001 to \$10,000 – Purchase Order required with at least two (2) vendor written quotes attached to the requisition form in addition to documentation referenced above.

\$10,001 to \$49,999 – Purchase Order required with at least three (3) vendor written quotes attached to the requisition form in addition to documentation referenced above.

\$50,000 or more – State law requires formal competitive bidding process. Please contact the Finance Department for guidance.

The City must contact at least two historically underutilized businesses (HUBs) on a rotating basis, for any purchase below bid limits but >\$3,000, based on information provided by the Comptroller's Purchasing Program. If the list cannot identify a historically underutilized business (HUBs) in the Calhoun County, then the City is exempt from this section. (Pursuant to **Sec. 252.0215 Competitive Bidding in Relation to Historically Underutilized Business** as shown in the appendix section of this policy.)

# PURCHASING POLICY AND PROCEDURES

## *Purchasing*

To search the Texas Comptroller's most recent master list of certified historically underutilized businesses, go to: <http://www.window.state.tx.us/procurement/cmb/cmbhub.html>.

Compliance with requirements of paragraphs (b)(1) through (5) of 2 C.F.R. section § 200.321 - Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms, must be followed when using state and federal funds. Contacting the local Small Business Administration and the Minority Business Development Agency of the Department of Commerce is a requirement of all federally funded purchases.

## **2.02 Purchasing Methods**

The following methods may be used to purchase goods and services for the City.

### **2.02.01 Vendor Charge Accounts**

Vendors will issue charge invoices to using departments showing date of service, department or buyer signature, description of materials being purchased, and amount due and owing. Using departments will mark each invoice with the appropriate general ledger account code to charge and submit to the Finance Department for payment.

**See Section 3.00 - Vendors for further guidelines and restrictions**

### **2.02.02 Requisitions**

All employees purchasing an item with a purchase total  $\geq \$5,000$  must request a purchase order ("PO") to be issued. Finance will process required requisitions and provide Purchase Order number to the department. Requisitions should be used for price comparisons and appropriate approvals.

The department must include freight costs as a separate line item in the body of the requisition. Note that freight costs must be considered in determining the awarded vendor(s).

### **2.02.03 Purchase Orders**

All purchases  $\geq \$5,000$  require an approved purchase order (PO) prior to ordering items. Using departments must submit a purchase requisition to the Finance Department for issuance of a PO number **prior to buying** the product. Purchase requisitions  $> \$5,000$  require at least two (2) written quotes to be attached to the purchase requisition.

A purchase order is required for all service contracts and construction contracts after award by City Council. This allows for proper tracking of project through the City's accounting system.

### **2.02.04 Credit Card**

Credit cards may be used for purchases where normal purchasing procedures are not practical (i.e. booking hotel for travel). Purchase Order limits still apply on credit card transactions.

**See Section 4.00 – Credit Card Purchases for further guidelines and restrictions**

### **2.02.05 Competitive Bidding**

Competitive bidding means to "let" or allow vendors to compete with each other to provide goods and / or services to the City. This process serves two additional purposes. The first purpose is to ensure that public monies are spent properly, legally, and that the best possible value is received for the money. The second purpose is to give those qualified and responsible vendors who desire to do business with the City a fair and equitable opportunity to do so. The use of a standard bidding procedure gives the public assurance that their monies are properly safeguarded.

Competitive bidding can be accomplished on two levels. The first level of bidding consists of contacting vendors, either by telephone or in writing to allow them the opportunity to give a price quotation on a desired good or service. The next level uses a formal sealed bid which is the process that is normally referred to as competitive bidding.



# PURCHASING POLICY AND PROCEDURES

## *Purchasing*

Under no circumstances shall multiple requisitions be used in combination to avoid otherwise applicable bidding requirements or City Council Approval.

See Sec. 252.021 Competitive Requirements for Purchases, as shown in the appendix section of this policy.

Please note: Individual purchases of less than \$50,000 may require the use of competitive bidding procedures when it is in the best interest of the City.

See Section 2.04 Competitive Procurement Requirements for further guidelines and restrictions.

## 2.03 Specifications

### 2.03.01 Definition

A specification is an accurate description of the material or equipment to be purchased. All specifications shall be clear and definite and shall permit competitive bidding except for those items that may be noncompetitive due to patent or distribution rights, etc.

### 2.03.02 Purpose

The purpose of any specification is to provide vendors with firm criteria of minimum product or service acceptability. A good specification should:

- Set the minimum acceptability of the good or service.
- Promote competitive bidding.
- Contain provisions for reasonable tests and inspection for acceptability of the good or service.
- Provide for an equitable award to the lowest responsible.

### 2.03.03 Preparing Specifications

The using department, with the advice of the Finance Director, has the primary responsibility for drafting or revising specifications. Specifications must be prepared for each purchase, contract or commitment when requesting competitive procurement.

### Where to Obtain Specifications

Departments are encouraged to contact the Finance Director to discuss obtaining specifications from another source.

- **Other Government Entities** – Contact cities, counties, school districts or other entities. Purchasing agents from other government agencies should be helpful
- **The State of Texas** – Access the State of Texas CO-OP Program website: <http://www.window.state.tx.us/coop>.
- **The federal government** – Access the federal procurement data system website: [https://www.fpds.gov/fpdsng cms/](https://www.fpds.gov/fpdsng/cms/).
- **Trade associations and vendors** – If using a vendor's specifications, try to remove any "vendor bias," e.g. specifications that fit only one brand name.
- **Other public or private standards and specifications writing associations** – Examples include Underwriters Laboratories and the American National Standards Institute; and
- **Professional associations for procurement managers** – Examples include the National Purchasing Institute and the National Institute of Government Purchasers website: [www.nigp.org](http://www.nigp.org)

## 2.04 Competitive Procurement Requirements

# PURCHASING POLICY AND PROCEDURES

## *Purchasing*

Purchases ≥ \$50,000 must be competitively bid. Purchases of less than \$50,000 may require the use of competitive bidding procedures when it is in the best interest of the City.

This is done in the following manner:

1. Invitation to Bid (one time purchase or annual contract)
2. Request for Proposal
3. Request for Qualifications

### **2.04.01 General Guidelines**

1. All projects that require competitive bids should be discussed with the Finance Director or Public Works Director at least two weeks before the first advertising date.
2. A list of suggested vendors should be sent to the Public Works Director or Finance Director; especially if you have worked with vendors in obtaining specifications, or have tested / complete a demonstration of their product.
3. Bids shall be submitted to the Finance Director or Public Works Director by the date and time specified in the bid and shall be identified with the bid name on the outside of the envelope.
4. A tabulation of bids will be available after bid opening for public information.
5. Departments should be clear in the specifications of the intent to trade-in equipment.
6. The City shall have the right to reject any or all bids.
7. Identical bids of equal quality and services shall be awarded to the local (City of Port Lavaca) vendor. More information can be found in Section 2.04.03 Award Process.
8. If a vendor makes a mistake in bidding, they may correct or withdraw their bid before the time set for bid opening. After the bid opening, all bids are final. The only relief from an error is an "obvious error".

### **2.04.02 Invitation to Bid Procedures**

If the purchase is over \$50,000 the sealed bid process must be used unless the purchase meets one of the state allowed exemptions. All federally funded purchases must follow the requirements of 2 CFR 200.

1. Check the budget line to verify that funds are available to cover the purchase.
2. Determine specification of item needed.

**See Section 2.03.03 Specifications for further details on writing specifications.**

# PURCHASING POLICY AND PROCEDURES

## Purchasing

3. Submit specifications to Finance Director.
4. Finance Director or his/her designee will complete the bid process. The bid process consists of: creating documents, locating vendors, advertising, responding to questions, issuing addenda, opening bid, assisting with evaluation of submitted bids, and notifying vendors / departments of award.
5. Department heads are responsible for assisting the Finance Director or his/her designee in answering technical questions.
6. Once bid process is complete and council approval has been obtained, the Department Head will obtain a purchase order.
7. The vendor copy of the purchase order will be sent to the awarded vendor with a letter notifying them of award and contract terms.

### 2.04.03 The Award Process

Bid awards for items exceeding \$50,000 must be approved (awarded) by Council.

Bid awards are processed as follows:

1. If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the "lowest responsible bidder" or to the bidder who provides goods or services at the "best value" for the city. In determining the "best value" for the city, the city may consider:
  - a. the purchase price;
  - b. the reputation of the bidder and the bidder's goods or services;
  - c. the quality of the bidder's goods or services;
  - d. the extent to which the goods or services meet the city's needs;
  - e. the bidder's past relationship with the city;
  - f. the impact on the ability of the city to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;
  - g. total long-term cost to the city to acquire the bidder's goods or services;
  - h. any relevant criteria specifically listed in the request for bids or proposals; and
  - i. if the vendor meets requirements regarding suspension and debarment compliance on SAM.gov
2. The Department Head will make a recommendation that is then reviewed and approved by the City Manager who recommends awards to Council.
3. Council meets on the second Monday of each month. Once approved by Council, the Department Head will notify the successful vendors of award.
4. Bid information is then processed and sent to the using departments.
5. **It is very important to document any problems you may encounter with vendors and that you notify the Finance Director and City Manager of the problem. Vendor contracts cannot be terminated without documentation history.**
6. New Products: It shall be the policy of the City to investigate and purchase new products or services for trial whenever possible. New products that are found acceptable will be included in the bid process to



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## Purchasing

determine their cost effectiveness. Lesser expensive new products will be evaluated and quoted against the standard product.

7. Local preference may be awarded by City Council if bid is within three percent (3%) of the lowest non-residential bid, pursuant to section 271.905 of the Local Government Code

**See Appendix section of this document for further details.**

Occasionally a vendor who is not recommended for the bid award will file a protest with the City. It is the responsibility of the Finance Director in conjunction with the requesting Department Head to defend the recommendation to the vendor. **In these situations the importance of clear, defensible specifications and detailed documentation of past vendor performance cannot be over emphasized. In addition, if you are speaking with a vendor and at any point the vendor starts talking about a law suit or any type of legal action, terminate the conversation by directing the vendor to the City Manager's office.**

### 2.04.04 Annual Contracts

Annual Contracts are bids that have been completed for materials or services that are near or exceed \$25,000 and are regularly used by City departments. Pricing is locked for a set period of time and can be done either through quotes (less than \$50,000) or by bidding (over \$50,000). For example, the City seeks an annual contract each year for top soil, sand, and asphalt to obtain the best price with a locked in price.

Items purchased on an annual contract should be processed through the purchase requisition process. This will allow the Finance Department to track expenditures from the awarded contract amount.

In addition to the award process stated above, the Finance Department will receive notification from the Department Head of the awarded vendor along with a copy of the contract to include contract dates, pricing and discounts that apply, contact information, contract number, and any other information needed by the using department.

The contract number must be included on the purchase requisition form. All original signed contracts shall be provided to the City Secretary for filing pursuant to **Texas Local Government Code Section 252.043**.

### 2.04.05 Reciprocity

The process of evaluating out-of-state bidders is generally known as "reciprocity", which is a process of mutual dependence, action, or influence.

How does this work in a bidding situation? If a nonresident bidder's home state grants a **preference** to its resident bidders, an equal **penalty** is added to the nonresident bidder's proposal when bidding in Texas. The action is opposite, a preference becomes a penalty, but the amount is equal. If you get a preference there, you get a penalty here in an equal amount. Reciprocity and resident bidder preferences **do not** apply in the evaluation of solicitations that involve the use of federal funds.

The list is published annually in the *Texas Register*. The list provided on this web site will be updated as changes occur. The list is a valuable resource. However, the Commission stresses that statutes should be construed in their



## PURCHASING POLICY AND PROCEDURES

### *Purchasing*

entirety. Before relying on any section for evaluation of a bid, the Commission recommends obtaining and reviewing the relevant law or regulation in its entirety, pursuant to **Texas Government Code Section 2252.003(a)**.

Texas law requires that out-of-state bidders who reside in states that grant resident bidder preferences for that state's purchases be evaluated in the same manner that a Texas resident bidder would be evaluated in the out-of-state bidder's home state, pursuant to **Texas Government Code Section 2251.002**.

#### **2.04.06 Request for Qualifications (RFQ) or Proposals (RFP)**

A request for qualifications (RFQ) and a request for proposals (RFP) are similar to the invitation to bid except that the RFQ and RFP are used to obtain professional/consulting services and the purchase of high technology equipment. In addition, once the RFQ and RFP are opened and evaluated, the City may negotiate price and other factors, such as training, with the vendor for the product or service to be purchased.

The following services are considered professional.

- Accounting      • Architecture      • Landscape Architecture      • Medicine
- Optometry      • Professional Engineering      • Real Estate Appraising      • Professional Nursing

A government entity may not select a provider of professional services or a group or association of providers or award a contract for these services on the basis of competitive bids, but shall make the selection and award based on the following:

1. Demonstrated competence and qualifications to perform the services; and
2. Fair and reasonable price;

If considerations are equal, preference shall be given to a consultant whose whole principal place of business is in the state or who will manage the contract wholly from an office in the state.

The professional fees under said contract must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and may not exceed any maximum provided by law.

Furthermore, proposals/qualifications are treated differently than competitive bids in that there are additional steps that have to be completed before the proposals are ready for final consideration.

Proposals/qualifications are received publicly, but not opened for inspection. Proposals/qualifications are evaluated one against the other according to the evaluation criteria set in the specifications, and then initially ranked. The proposals/qualifications are then negotiated, and re-ranked to a list of finalists. Additional negotiations may be required before a final selection made.

**To determine which process is most appropriate and/or legal, contact the Finance Director for guidance.**

#### **Request for Qualifications (RFQ)**

The request for qualification process is similar to the sealed bid process except it is used to obtain vendor information for professional services. The process is not used to obtain pricing, but rather in obtaining information regarding vendor availability or when seeking highly technical information.

# PURCHASING POLICY AND PROCEDURES

## Purchasing

Note: A request for qualifications **must** be used when securing engineering or architectural services per **Texas Government Code, Section 2254.004**.

### The following information must be included in the request for qualifications (RFQ):

- Introduction – Tells what we are asking for.
- General City Information – States ruling type (home rule), population, and other details that may be of interest or help vendors in preparing their responses.
- Background Information – States what the vendor will be involved in.
- Budget Information
- Scope of Services – What is expected of the vendor such as design/development, preparing bid specifications, pre-qualification statements, construction observation, etc.
- Specific Service Needs/Notes to Firms – Type of experience the City is looking for.
- Timing / Schedule – Provides deadline information.
- Submission Procedures – This should be detailed and state how the proposals should be submitted.

Example:

- Tab 1 – Letter of Submission
- Tab 2 – Company History
- Tab 3 – Project Members Resumes
- Tab 4 – Availability
- Tab 5 – Statement of Qualifications
- Tab 6 – Methodology
- Tab 7 – References
- Tab 8 – List of past projects

- Questions – Where to submit questions and to whom.
  - Pre-Submission Meeting Information
  - Selection Process with Evaluation Criteria
- RFQ's are evaluated according to the evaluation criteria detailed in the specifications.

Example:	Experience & Qualifications	20%
	Similar Work Experience	30%
	Quality of Response	15%
	Past Performance	20%
	Capabilities	10%
	HUB Vendor	5%

### Request for Professional Services (RFP)

The request for proposal process is also similar to the sealed bid process except it is used to obtain vendor information and pricing for professional services. The process is used to obtain pricing and information for professional services and highly technical equipment.

### An RFP should include the following items:

- Scope & Intent of Services
- Definitions of required items/services



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- Minimum Requirements for Performance and Design
- Submission Requirements – For ease of evaluation it is suggested that documents be submitted in a specific order and include the number of copies required.

Example:	Tab 1	Letter of Submission
	Tab 2	Company History
	Tab 3	Project Members Resumes
	Tab 4	Availability
	Tab 5	Statement of Qualifications
	Tab 6	Methodology
	Tab 7	References
	Tab 8	List of past projects
	Tab 9	Pricing
	Tab 10	Financial Statements

- Evaluation Criteria – **Required by law** (Example: 50% price, 25% experience, etc.)
  - a. Price – This will always be a factor, no matter what the purchase. The weight should be based on the difference in systems/services. For example, when there is little difference in the product, price should be weighted heavily. In other cases, the system cost will be less important than its efficiency and the price should be weighted lower.
  - b. Experience – The weight of the experience will depend on the complexity associated with project development or the service provided.
  - c. Other factors – financial resources, service capability, service response time, payment options, upgrade capability & cost, maintenance cost/back up units, reputation of vendor, and other factors determined by the Finance Director or his/her designee.

NOTE: Certain professional standards and/or state law may prohibit negotiation or submission of price.

### 02.04.07 Federal Grant Awards

The City will perform a cost or price analysis in accordance with 2 CFR 200 using the guidelines outlined below when applicable for federal grant awards. The overall objective for the City is to negotiate total prices that are fair and reasonable.

### § 200.323 Contract cost and price:

(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

(b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred, or cost estimates included in negotiated prices would be allowable for the non-

# PURCHASING POLICY AND PROCEDURES

## Purchasing

Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

## 2.05 Cooperative Purchasing

Under State Law, a local government may participate in a cooperative purchasing program with another local government or a local cooperative organization.

The City has established memberships to and promotes the participation in cooperative purchasing programs. In addition to participating in inter-local agreements with other cities, the following inter-local agreements have been established with, but not limited to, Houston-Galveston Area Council (HGAC), the State of Texas, Buy Board, and TIPS.

**The bids completed by these agencies must have an inter-local clause in them to be used. These agencies can provide great pricing and quick turn-around time for items such as vehicles, software, hardware, heavy equipment and many more types of supplies.**

## 2.06 Emergency Purchases

Texas statutes allow the local government to make emergency or exempted purchases without competitive bidding under specific circumstances. Purchases that are required immediately for purposes that could not reasonably have been foreseen are generally exempt from bids. Emergency purchases are made to meet critical, unforeseen needs of the City and must qualify as an emergency purchase as defined in State law **Local Government Code Chapters 252, 262 and 271**, which can be found in the appendix section of this policy. True emergencies almost always occur as a result of parts and labor needed for unforeseen repairs to equipment that must be kept operational. When an emergency occurs, the need for quotes will be eliminated. However, written explanation must be indicated on the submitted form.

In the event the emergency exceeds \$50,000, a resolution must be submitted to Council prior to payment for the products or services purchased with the actual fact being certified by the Finance Director and City Manager.

If the product or service is over \$5,000 and under \$50,000, then as soon as practical submit a copy of the invoice or delivery ticket and the appropriate Purchase Requisition to the Finance Director with written explanation of the emergency situation and an appropriate signature. Finance will document all PO exceptions. Any continuous PO exceptions for lack of planning will be submitted to the City Manager. **Emergencies Created Through Neglect Must Be Avoided.**

**Typical examples of neglect are:**

- a. Depletion of stock due to lack of planning.
- b. Building or equipment needing repairs for some time, suddenly becoming an emergency overnight.
- c. Orders of materials for projects most of which must be planned weeks or months ahead of time, and requested just before desired use.

## 2.07 Sole Source Purchases

Minor Purchase Vouchers or Requisitions for any material or service, which can only be supplied by one source, should be accompanied by a written explanation fully describing the conditions, which make the supplier an only source. The using Department will attach this explanation to the accounting copy of the Purchase Requisition to



# PURCHASING POLICY AND PROCEDURES

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support the purchase for audit and justification purposes. If possible, the requesting department should ask the vendor for a sole source letter indicating the specifics of the product availability. The product must be unique and only available from one distribution source. **Items that are only available from one manufacturer are not a sole source if the items can be quoted from more than one distributor.**

Example: Patented Products, Books and Software with exclusive distribution rights

## **2.08 Capital Purchases / Fixed Assets**

### **2.08.01 Definitions**

**Capital Purchase**– Any item or combination of items over \$5,000 with a useful life greater than one year. These items are charged to the 56XX general ledger budget lines.

**Fixed Asset** – Any item with a unit cost of \$500 or more and with a useful life greater than one year. A Fixed Asset Form should be turned in to the Finance Department once asset is delivered. The Finance Director has discretion to track assets less than \$500 if determined sensitive in nature.

### **2.08.02 General Guidelines**

All items purchased with a price of \$5,000 or greater and a useful life exceeding one year will be placed on the fixed asset list. Each department will be required to monitor their inventory and be accountable for the location of the asset. Verification of inventory is performed annually.

All sensitive items (i.e. computers, radios, firearms, small equipment etc.) will be tracked in the City's Asset System for internal purposes regardless of price if the Finance Department deems necessary. These items are generally charged to the Non-Capitalized Asset account number 528.03. Asset numbers will be assigned to all assets.

All capital items, regardless of the dollar amount, are approved by the Finance Director.

All capital purchases not planned in the annual budget should be discussed with the City Manager, who will then recommend it go to City Council prior to purchase.

## **2.09 Disposal of Surplus Property**

There are multiple ways to dispose of assets such as: auction, trade-in, and destruction.

Surplus property is equipment owned by the City that is no longer needed. This property must be declared surplus by City Council prior to disposing of the asset.

### **2.09.01 Fixed Assets**

If the property is on the fixed asset list and the department determines it is no longer needed - a Fixed Asset Disposal Form must be completed, signed by the Department Head, and sent to the Finance Department for processing.

### **2.09.02 General Information**

- The Publics Works and Finance Departments coordinate items for auctions (i.e. Chamber Auction in November).
- Departments wanting to pursue other disposal methods should contact the Finance Department.
- Any item that is still operable and has a potential value at auction, please hold for auction.
- Disposition Forms / Fixed Asset Forms are available from the Finance Department.
- After approval by the City Council, equipment should be stored until the property can be removed for



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auction.

# PURCHASING POLICY AND PROCEDURES

## Purchasing

### 2.10 Receiving Procedures

#### 2.10.01 Receipt of Merchandise

Receiving personnel will match each item received, noting agreement of the packing slip, invoice, or other shipping data to the P.O. or order confirmation as follows:

1. Vendor's Name
2. Quantity
3. Description
4. Purchase Order Number (if applicable)

Receiving personnel shall specifically review all merchandise received to determine whether there are any items shipped which are damaged or not in conformity with specifications as ordered. A physical count of each item received must also be performed, noting agreement between the quantity received and the quantity shown on the shipping ticket or packing slip. Should a shortage occur, the receiving personnel should notate if any of the items are back ordered, note the quantity next to the quantity ordered, circle the quantity received and place his/her initials next to the quantity received.

#### 2.10.02 Receiving and Reporting Hazardous Materials

Any department receiving for the first time a material classified as being a "hazardous material" by the Environmental Protection Agency (EPA), must forward a copy of the Material Safety Data Sheet (M.S.D.S.) to the City's Fire Chief within five (5) working days of receipt of the materials. The material must also have a "hazardous warning label", a copy of which must also be forwarded to the City's Fire Chief.

NOTE: M.S.D.S. must be available to employees working with any material classified as being "hazardous".

**See City Safety Manual for further details**

#### 2.10.02 Rejection of Merchandise or Discrepancies

If any items received are damaged or missing or if items are received in excess, the Department Head has the responsibility of communicating with the vendor to resolve the issue.

#### 2.10.03 Completion of the Receiving Process

If all materials ordered have been received, receiving personnel shall sign the shipping ticket or packing slip. The packing slip and invoice, if received, must be forwarded to the Accounts Payable Department for processing.

### 2.11 Invoice Processing

An Invoice should be treated as a legal document that represents a commitment to make payment to a vendor who has delivered a product or rendered a service to the City. Prior to the processing of all invoices the appropriate documentation must be attached with the authorized signatures. A bona fide invoice is a financial liability that if not recorded in a timely and accurate manner can result in the misstatement of the City's financial records.

#### 2.11.01 Accrued Invoice Liability

An accrued invoice liability is created when an authorized and approved vendor invoice has been received but has not yet been entered into the financial payables system by the end of the fiscal period and where the goods have been received or the services have been provided. Such invoices must be accumulated and the dollar value estimated and accrued in the City's financial records. The City maintains its financial records in compliance with



# PURCHASING POLICY AND PROCEDURES

## Purchasing

the accounting profession's Generally Accepted Accounting Principles (GAAP) for accrual based accounting records. The failure to follow this process under GAAP results in:

- i) An unrecorded liability.
- ii) A potential misstatement of the City's earnings due to missing an expense item in the financial records during the fiscal period.
- iii) A potential understatement of the City's assets due to the failure to record a capital expenditure or material inventory item received before the end of a period closes.

### 2.11.02 Invoice Documentation

Vendor invoices must have the following documentation prior to entry into the financial payable system:

#### i) Invoice/Purchase Order/Receiving Report or Packing List

This is a three way match that does not require an approval on the face of the invoice if the Purchase Order (PO) has the required authorized signatures, a receiving report signed and dated, and an invoice that matches the PO. Generally, all purchases in excess of \$1,000 should have this documentation submitted. Any invoices missing the appropriate signatures from authorized personnel will be returned to the originating department to follow-up on the information and resubmit it for processing.

#### ii) Invoice Only

Invoices without a corresponding PO must be signed by the appropriate authorized person. This might include invoices for purchases of less than \$1,000.00, equipment rentals, office rent or other recurring expenses that are part of an executed agreement with the City. In addition, any invoices exceeding the authorization limits of the signer must have the other appropriate signatures before it can be processed.

### 2.11.03 Responsibilities

All employees/departments submitting an invoice for entry and processing in the financial system must ensure the appropriate documentation is attached to the invoice. Any invoices submitted missing documentation or authorizations will be returned to the employee or department.

The Department Head is responsible to review all invoices for purchases from their department and ensure the invoices are provided to the Finance Department in a timely manner to meet the vendor terms and internal processing deadlines. In addition, the Department Head must assign a person to attach the appropriate documentation to each invoice prior to submitting it to the Finance Department.

The person assigned by each Department Head is responsible for verifying the receiving report to the purchasing documentation. Each Department will indicate on the packing receipt that all goods are received and "O.K. to pay", then submit the documents to the Finance Department for processing.

The Accounting Clerk is responsible for verifying that all appropriate documentation is attached to the invoice and for ensuring the numerical accuracy of each invoice including a review of each unit price exception and variation tolerance limits between the invoices compared to PO price. In addition, the Accounting Clerk must review the cost center coding per the PO to ensure the proper charge to the financial records and an accurate analysis of budget controls.

The Accounting Clerk is responsible for determining the value of outstanding purchase commitments that have been fulfilled either through the delivery of goods or the rendering of services to the City at the end of any fiscal period; even though the invoices have yet to be submitted to the Finance Department. This is done by matching



# PURCHASING POLICY AND PROCEDURES

## Vendors

vendor statements to vendor file in the Incode system. Any invoices not shown paid will be forwarded to the appropriate department for verification following the end of a fiscal period (i.e. end of the month) with the vendor name, invoice date, receipt date and the amount.

### 2.11.04 Data Entry

Invoices are entered daily by the Finance Department. The Accounting Clerk verifies that each invoice has the appropriate documentation outlined in **section 2.10.02**. At a minimum, the vendor invoice data entered into the financial payables system consists of:

- Invoice Date
- Vendor Name
- Invoice Reference Number
- Invoice Amount (splitting out the shipping and handling charges from the product or service cost)
- PO Number
- General Ledger Code for each item on the invoice
- Description of the item
- The City's account number with the vendor (if applicable)

Any invoice rejected by the financial payables system due to "No Vendor Found" message will result in the invoice being returned to the originating department for proper set up of a new vendor. This will delay the prompt payment of the invoice and the vendor should be notified by the Department Head.

The Accounting Clerk date stamps each vendor invoice with a received date and routes it to the appropriate department. Any invoices, which cannot be determined as to what department it belongs, will be returned to the vendor.

### 2.11.05 Payment Cycle Schedule

The Finance Department processes payments every other week, in accordance with payroll dates. Checks get mailed out every other Friday. At the discretion of the Finance Department, small check runs may be done in between processing dates, to accommodate due dates or other instances that may require immediate payment. This should be kept to a minimum so as not to interfere with other departmental duties.

## 3.00 Vendors

### 3.01 Responsibilities

The City values its relationship with its vendors who provide important goods and services that help in our overall success. Accurate, timely and well organized vendor database files are important to achieve this objective.

Access to the vendor files indirectly provides access to City's cash funds and, therefore, all new vendor set ups and purchases must be approved by authorized employees of the City prior to entry into the vendor database. Accurate maintenance of the vendor transaction history and access to this information is important for the City's ability to negotiate prices, payment terms, cash discounts and rebates.

# PURCHASING POLICY AND PROCEDURES

## Vendors

Authorized employees who may request a new vendor set up must complete a Vendor Information Form ("VIF") and forward the VIF with the required information to the Accounts Payable Department. See Section 3.02.02 and 3.02.03 for further instructions.

The Accounting Clerk is responsible for the set up of the vendor database file and ensuring all of the appropriate information is documented on the VIF and include any attachments necessary.

The Accounting Clerk is responsible for ensuring all vendors entered into the vendor database are authorized, valid and the information entered is accurate.

The Finance Director is responsible for the overall implementation of the City's Purchasing Policy and Procedures. The Finance Director is specifically directed to the set up, maintenance and accuracy of the vendor file database for this policy. In addition, the Finance Director will coordinate the development and implementation of internal controls to protect against vendor fraud.

## 3.02 Vendor Maintenance

### 3.02.01 Vendor Types

There are generally three types of vendors for the City. Each vendor type is an important part of the City's ability to deliver our products and services.

#### A) Strategic Vendors

A strategic vendor is an integral part of our business processes and often supplements the City's operation or management team. These relationships are generally long term in nature and established through a contract that outlines pricing, payment terms, cash discounts and volume rebates. An example of such a vendor is our depository contract vendor. These types of vendors require a competitive bid and must submit a Request for Proposal or a Request for Qualification. The City must obtain at least two proposals from different vendors and the competitive bid analysis should also consider other factors such as quality.

#### B) Core Vendors

The City will use local and national vendors for purchases where location, price and timely delivery are important criteria. They generally do not require a contract or minimum purchase amount. Often the City will have a couple of vendors to choose from when ordering the particular product or service. These types of vendors only require a Vendor Information Form with the appropriate approvals. The Finance Department reviews these Core Vendors to ensure that the City does not have too many duplicate vendors offering the same product and match it to the best price.

#### C) Utility/Facility Vendors

The utility and facility vendors provide important services for the City including telephone, gas, power, water and other support services. These vendors are generally able to be price competitive with various types of service offerings and contract terms. A contract is not always required by either the vendor or the City when purchasing these types of services. A Vendor Information Form must still be completed with all of the appropriate information and approvals. The Finance department should be notified when new service locations need to added or deleted with the current vendors on file (i.e. electricity needed at a new location).



# PURCHASING POLICY AND PROCEDURES

## Vendors

### 3.02.02 Vendor Information Form

The VIF must be completed for each vendor added to or updated in the City's vendor database. It requests important information about the vendor to ensure accurate, timely payment and reporting data for the Finance Department. Any vendor invoice submitted for payment that is not an existing vendor or the invoice is not accompanied with a VIF cannot be processed for payment. The invoice will be returned to the department originating the purchase or to the vendor if it is not readily apparent what department originated the purchase.

**A copy of the VIF can be found in the appendix section of this document.**

All new vendor set ups must be routed through the Accounts Payable for verification and to determine if alternative sources are available in the City's vendor database. The following management level personnel have authorization to sign off on the VIF to request a new vendor.

- Department Head or his/her designee
- Finance Director

The final approval of a new vendor set up is the Finance Director or his/her designee.

### 3.02.03 Vendor Tax Information

The Vendor is required to submit a completed W-9 to the Finance Department, pursuant to Federal Regulations 6109. Federal Income Tax law requires the City to have each Vendors taxpayer identification number (TIN) on file. For individuals this would be their social security number, for other entities this is the employer identification number (EIN). If the vendor fails to furnish the City with this information, they may be subject to a \$50.00 penalty imposed by the IRS under Section 6723 and all payments made to the Vendor could be subject to 28% backup withholding.

### 3.02.04 Vendor Code

The vendor code is the system assigned number for identifying each new vendor in the City's database. The sort key is the first 15 letters of the vendor name used to easily identify the vendor for all personnel who access data about the vendor.

### 3.02.05 Vendor Statistic Analysis

On a periodic basis, the Finance Department performs a review of the vendor files. The purpose of the analysis is to provide management with information to assist in the negotiation of prices, payment terms, cash discounts and volume rebates with the City's vendors. It also provides an opportunity to analyze purchasing trends and amounts that appear to be irregular or unusual in order to prevent vendor fraud. Vendor files with no activity for 2 years will be moved to inactive status. Vendor files with no activity after 5 years will be purged.

### 3.02.06 Annual Information Return

Form 1099's are required to be issued once payments total \$600 or more for rents, services, prizes or awards, medical and health care payments, gross proceeds to an attorney, or certain other payments. Certain payments to individuals, partnerships and certain corporations must be reported. We will not have to file an Annual Information Return, Form 1099 NEC or Miscellaneous, for certain corporations, tax-exempt organizations, government agencies or other exempt payees. The information submitted on the vendor W-9 determines whether the vendor will receive a 1099-NEC or MISC. Forms 1099-NEC or MISC will be issued in the month of January and must be postmarked on or before January 31<sup>st</sup> of each year.

# PURCHASING POLICY AND PROCEDURES

## *Credit Card Purchases*

### 4.00 Credit Card Purchases

#### 4.01 Purpose

The City issues a credit card to certain authorized employees for convenience of qualified business transactions and to take advantage of possible preferred vendor discounts offered to the City. The City card is not a replacement for a personal credit card and any personal purchases on the card are strictly prohibited. In addition, credit cards are not for use in the purchase of materials for inventory or capital expenditures.

Credit cards should not be carried permanently by the cardholder in their purse or billfold in order to prevent the potential for the card being lost or stolen and consequently resulting in unauthorized purchase transactions.

The issuance of a credit card to an employee provides the user with an ability to commit City cash funds to buy certain goods or services. All purchases must be eligible to charge to the card and requires the appropriate documentation to adequately safeguard City assets. Any misuse of the Credit Card must be reported immediately to the offender's supervisor and Finance Director.

The City maintains its financial records on an accrual basis in compliance with the accounting profession's Generally Accepted Accounting Principles ("GAAP") for accrual based accounting records. An accurate accounting of the charges to the credit card and the submission of the monthly statements to the Finance Department is critical to assuring costs are recorded in the correct fiscal period. Failure to follow the principles and practices of this policy can result in:

- i) Unrecorded expense liabilities,
- ii) A potential misstatement of the City's earnings due to missing an expense item in the financial records during the fiscal period.
- iii) Additional finance charges

#### 4.02 Responsibilities

All employees issued a card are responsible for record keeping and the monthly transactions including obtaining and submitting receipts for the purchases with the monthly statement. The employee is also responsible to submit original receipts with their monthly statement. The Finance Department prefers receipts be turned in as they are made with proper account code and written description of business purpose.

The Accounting Clerk is responsible for reconciling the credit card statement received directly from the City's bank to the credit card statements received from the employee. Any disputes or discrepancies must be investigated immediately and resolved in order to avoid the assessment of late fees. The Accounting Clerk must also review the credits and returns on the card with the supporting documentation submitted by the employee to assess the validity and completeness of the transaction. Any lack of documentation or support must be communicated immediately to the employee and resolved in a timely manner.

The Finance Director is responsible for issuing the credit card agreements to appropriate authorized personnel. All agreements must be returned to the Finance Director prior to the issuance of the credit card.

#### 4.02 Procedures

##### 4.02.01 Credit Payment Cycles

The monthly cycle closes on the 5<sup>th</sup> day of each month.



# PURCHASING POLICY AND PROCEDURES

## Credit Card Purchases

### 4.02.02 Card Cancellation

All cards must be immediately cancelled when an employee terminates employment with the City or assumes another position that does not require the use of the credit card. Please notify the Finance Director immediately, cut the credit card, and return it to the Finance Department.

### 4.02.03 Dollar Limits of the Credit Card

Each credit card issued has monthly and single transaction limits. Any request to raise the limit must be submitted to the Finance Director in writing and authorized by the City Manager.

#### *Definition of a single purchase-*

A single transaction is defined as one or more items purchased from the same vendor at the same time on the same day. Any intentional circumvention of this policy is strictly prohibited and can result in the discipline up to and including immediate termination of employment.

### 4.02.04 When to Use the Credit Card

The Credit Card is a card that can be used primarily for out of town travel on City business and sometimes for small purchases where City accounts are not set up. It is a fast and flexible tool which offers an alternative to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying of small dollar items and for travel-related expenses. Dollar limits are programmed on an individual basis as set and approved by the City Manager. **The card is to be used only for official city purchases.**

The Credit Card will enable you to purchase non-restricted commodities by telephone, the internet, or in person directly from the vendors. It will eventually decrease the need for issuing low dollar purchase orders and save on the number of checks generated. Check with your department supervisor or the Finance Department for any other purchases not listed here.

- 1) Airline tickets
- 2) Hotel accommodations for travel
- 3) Car rental for travel
- 4) Registrations for conferences
- 5) Ground transportation for travel
- 6) Fax charges when traveling
- 7) Business meals
- 8) Authorized memberships or subscriptions
- 9) Certain online promotional items and/or educational publications

### 4.02.05 Excluded Charges from the Credit card Program

The following are a few examples from a list of charges that are not allowed as purchases using the Credit Card.

- Personal Use
- Inventory raw materials or finished goods
- Capital expenditures (e.g. computers, equipment, fax machines, phones, printers...)
- Long term leases or equipment rentals
- Property leases including short term or long term storage
- Cell phone payments (must be submitted through an expense report)
- Alcoholic beverages

Check with your Department Head or the Finance Department if you have any questions about whether a charge is valid or not under the credit card program. Credit cards should not be used to avoid setting up a vendor or circumvent the normal purchasing procedure.

# PURCHASING POLICY AND PROCEDURES

## *Credit Card Purchases*

### **4.02.06 Receipts Documentation**

All charges on the credit card require an original detailed receipt from the vendor as support for the transaction. If the charge is invoiced to the user, then it should be sent directly to the user's department. Receipts must include at a minimum: 1) vendor name 2) amount 3) date of transaction 4) description of the items purchased. Receipts that do not include this minimum documentation are not considered acceptable. If a receipt cannot be produced for a charge to the City's credit card, the user will be required to fill out a "Lost Receipt" form and submit to both the City Manager and Finance Director for approval. Habitual lost receipts will result in revocation of credit card privileges.

### **4.02.07 Distribution of Credit card Statements**

The Credit Card statement is automatically billed and sent to the Finance Department by the financial institution breaking down the charges by cardholder name and department. A copy will be sent to the cardholder's department only if and when receipts have not been submitted.

### **4.02.08 Dates and Deadlines**

The Finance Department must receive the cardholder's statement and supporting documentation by the 15<sup>th</sup> of the month. If the information received is incomplete, a notice will be sent to the cardholder via email as a reminder. If the documentation is still not received by the Finance Department after one week, then a notice will be sent to the cardholder's department manager for follow up. If there is still no response after the notice to the department manager within one week of the 2<sup>nd</sup> notice, then the cardholder's account will be deactivated and no further transactions will be allowed. In order for the cardholder to be reinstated, the Finance Director and City Manager will assess the cardholder's history and determine if reinstatement is warranted.

### **4.02.09 Lost Cards**

If a card is lost or stolen, please notify immediately:

- i) Bank Card Division
  - a. 800-556-LOST(5678)
- ii) Finance Director
  - a. 361-552-9793 Ext. 234

### **4.02.10 Misuse and Credit Card Violations**

The following is a list of violations of the card program policy. Repeated violations can result in the deactivation of your card and penalties including possible termination of employment.

- Unacceptable Purchases (see section 4.02.05)
- Unacceptable documentation (see section 4.02.06)
- Missed deadlines for submitting the Credit Card documentation
- Intentional circumvention of the authorized limits such as splitting transactions to avoid the single transaction limit (see section 4.02.03)

Accidental misuse of the city credit card will result in the suspension of card use for 30 days for the first infraction. A second infraction will result in the permanent removal of credit card privileges.



# PURCHASING POLICY AND PROCEDURES

## Business and Travel Expenses

### 5.00 Business and Travel Expense Policy

#### 5.01 General Information

The purpose of this administrative policy is to establish a standing City policy regulating out-of-town travel, local meetings, personal car usage, and/or other expenses incurred by City employees, elected officials, and appointed officials who are authorized to officially represent the City at various conferences, meetings, conventions, seminars, and other business functions. Travel and Training expenses must be generated for a business purpose. The purchase of personal items will not be reimbursed by the City. The application of this policy must be consistent throughout the City and any exceptions must be reported and reviewed by the Finance Director.

The timely reporting of travel and/or training expenses is important for the City to maintain accurate financial records and ensure the items purchased are recorded as expenses in the correct fiscal period. Expenses incurred during the period but not recorded in the financial records results in the misstatement of the City's reported financial results and its failure to follow Generally Accepted Accounting Principles (GAAP). The GAAP rules require expenses to be recorded in the period that they were incurred.

This section outlines the allowable expenses. Noncompliance with the policy can be punishable by penalties up to and including termination of the employee.

#### 5.02 Responsibilities

All employees requesting the reimbursement of travel and entertainment expenses incurred on behalf of the City must submit a Travel Expense Report. Section 5.02 contains the guidelines of allowable expenses along with the authority and dollar value limits.

The Department Head must verify all of the necessary expense information, including attached receipts documenting the charges, and determine that the charges do not exceed the allowable limits.

#### 5.03 Procedures

##### 5.03.01 Travel Guidelines

All business travel within the State must be approved by the Department Head. All out of State travel should be approved by the City Manager prior to any registration.

##### 5.03.02 Eligible Expenses

Eligible expenses while traveling away from home are:

Registration – Registration fees for conferences, seminars and conventions are paid by the City, if deemed as City business. Registration prepaid by the City must include documentation. If registration is not prepaid, a registration receipt must be included with backup material upon submission of the travel expense report.

Air Travel – Only “coach” flights will be authorized for air travel to conferences or meetings. Advance purchase, non-refundable tickets are considered standard air travel. All out of state travel must be approved by the City Manager.

*\*The City credit card may be used to purchase airline tickets. However, use of the credit card to purchase airline tickets for family members/friends is strictly prohibited.*

# PURCHASING POLICY AND PROCEDURES

## Business and Travel Expenses

Local Business Meals are reimbursable with the approval of the Department Head. No advances will be given for Business Meals. Reimbursement may only be requested for legitimate business meals. Supporting documentation must be provided detailing the date, place, name of individuals attending and the business purpose when requesting reimbursement. *Tax exempt forms can be provided by the Finance Department to avoid charges of sales tax on meals. The City credit card may be used to purchase business meals.*

Meals & Incidental Expense (M&IE) Rates - Per IRS regulation, per diem rates are only allowed while an employee is traveling away from home overnight on business. Meals that are included in registration cost or provided at no cost to the employee will be taken into consideration when reimbursements are determined. Please consult the United States General Services Administration (GSA) website or contact the Finance Department for the current rates. The first and last day of travel is calculated at 75 percent.

Lodging- Overnight lodging is an eligible expense with the approval of the Department Head. If attending a conference where a block of rooms has been designated for attendees, the employee is required to participate at reduced costs. Only single room rates are reimbursable with the exception being if two employees share a room. If an employee's family member or friend accompanies them on travel, the employee is expected to pay the difference between the single room rate and the rate for two or more persons. As a general rule, the day preceding the day which the conference/seminar begins is considered a travel day. Lodging expense is eligible for the night preceding the conference/seminar.

*\* You may use the City credit card for the purpose of reserving and checking out of a hotel room or you may request a check in advance to pay for the hotel room upon arriving at your destination site. Hotel stays are not tax exempt.*

Car rental- Car rental at the destination site will be reimbursed if the cost to the City is less than other modes of transportation, such as taxi, bus or shuttle. Reimbursement will be limited to the most economical car available. If shuttles are available to/from airport and conference site, a car rental will be deemed unnecessary. Any exceptions would require Department Head and City Manager approval.

Mileage reimbursement (private automobile only) - An employee traveling on extended business in their private vehicle may request mileage reimbursement. The standard business mileage rate as determined by the IRS Publication 463 is used to calculate mileage reimbursement. To determine the number of miles, the City will utilize mapping tools available on the internet. Printed driving directions (using the shortest route) are required to be submitted as part of your travel report. Mileage is calculated from the lesser of the employee's business site or home site to the destination site. When two or more people are traveling to the same destination, every effort should be made to utilize one vehicle.

*\*An employee receiving a car allowance will not be eligible for mileage reimbursement for trips made within Calhoun, Victoria, and Jackson Counties.*

*\* Insurance coverage for personal vehicles is the responsibility of the employee traveling, as the city will not be responsible for cost incurred due to an accident.*

Tips and Gratuities- Gratuities on meals and taxis should not exceed fifteen (15%) of the cost of the meal or taxi fare. Tips to bellhops should be reasonable in amount.



# PURCHASING POLICY AND PROCEDURES

## Business and Travel Expenses

Incidental travel expenses include the following:

- Public Transportation between hotel and seminars or conference location, to/from airport and hotel, etc.
- Toll Fees
- Parking for both private and city-owned vehicles. Self-Parking is preferred for hotel parking.
- Business phone calls
- Gasoline purchased for city vehicles.

Prohibited Expense – Dry cleaning and/or laundry service, alcoholic beverages, pay-per-view movies, personal phone calls, etc. are prohibited. ***Use of City credit card for anyone other than the authorized person(s) traveling on official city business is strictly prohibited.***

### 5.03.03 Expense Report and Receipt Documentation

Complete Expense Report Promptly - Upon return from travel, the employee shall promptly fill out an expense report for approval by the department head within ten (10) working days. The Finance Director must approve all expense reports prior to payment processing.

Itemized Receipts - Each claim of expense must be supported with an acceptable detailed receipt. Some incidental items such as parking or tipping will not have a receipt available. In these cases, a handwritten receipt will be acceptable.

Return of Unused Funds - The City of Port Lavaca follows the IRS Guidelines for Accountable Plans. Under an Accountable Plan where an advance of City's funds was made and not entirely used, or if the trip was not taken, the employee shall return the unused funds to the City when the expense report is filed.

In addition, any expenses charged to the City not adequately accounted for within a reasonable period of time must be reimbursed to the City.

*For example, you were issued an advance and did not spend all the money or you do not have proof of all your expenses- you have an excess reimbursement.*

### 5.03.04 Advances

Travel advances are considered the exception and not the rule when an employee travels on business. If a travel advance is necessary, then a check request must be submitted by the Department Head to the Finance Department with sufficient notice prior to the travel date in order to process the payment in a timely manner. The amount of an advance may not exceed estimated meal and hotel charges and any exception to this policy must be provided in writing from the City Manager.

### 5.03.05 Reimbursement

The City reimburses the employee in the form of a check, issued every other week in accordance with payroll dates and may be picked up in the Finance Department. If the funds are available, employee may receive reimbursement from petty cash for small amounts.

***Falsification of travel expenses shall result in disciplinary action, up to and including termination.***

# PURCHASING POLICY AND PROCEDURES

## Appendix

## 6.00 Appendix

### 6.01 Definitions

#### 6.01.01 Local Government Code, Section 252.001, Definitions, In this chapter:

- (1) *"Bond funds" includes money in the treasury received from the sale of bonds and includes the proceeds of bonds that have been voted but have not been issued and delivered.*
- (2) *"Component purchases" means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.*
- (3) *"Current funds" includes money in the treasury, taxes in the process of being collected in the current tax year, and all other revenue that may be anticipated with reasonable certainty in the current tax year.*
- (4) *"High technology procurement" means the procurement of equipment, goods, or services of a highly technical nature, including:*
  - (A) *data processing equipment and software and firmware used in conjunction with data processing equipment;*
  - (B) *telecommunications equipment and radio and microwave systems;*
  - (C) *electronic distributed control systems, including building energy management systems;*
  - and*
  - (D) *technical services related to those items.*
- (5) *"Planning services" means services primarily intended to guide governmental policy to ensure the orderly and coordinated development of the state or of municipal, county, metropolitan, or regional land areas.*
- (6) *"Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.*
- (7) *"Sequential purchases" means purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase.*
- (8) *"Time warrant" includes any warrant issued by a municipality that is not payable from current funds.*

#### 6.01.02 Texas Government Code, Subtitle F. State and Local Contracts and Fund Management, Chapter 2251. Payment For Goods And Services, Subchapter A. General Provisions, 2251.001. Definitions, In this chapter:

- (1) *"Goods" includes supplies, materials, or equipment.*
- (2) *"Governmental entity" means a state agency or political subdivision of this state.*
- (3) *"Payment" means money owed to a vendor.*
- (4) *"Political subdivision" means:*
  - (A) *a county;*
  - (B) *a municipality;*
  - (C) *a public school district; or*
  - (D) *a special-purpose district or authority.*
- (5) *"Service" includes gas and water utility service.*
- (6) *"State agency" means:*
  - (A) *a board, commission, department, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including a river authority and an institution of higher education as defined by Section 61.003, Education Code;*
  - (B) *the legislature or a legislative agency; or*



# PURCHASING POLICY AND PROCEDURES

## Appendix

(C) the Supreme Court of Texas, the Court of Criminal Appeals of Texas, a court of appeals, a state judicial agency, or the State Bar of Texas.

(7) "Subcontractor" means a person who contracts with a vendor to work or contribute toward completing work for a governmental entity.

(8) "Vendor" means a person who supplies goods or services to a governmental entity. The term includes Texas Correctional Industries.

## 6.02 Local Government Code Statutes

### Subchapter B. Competitive Bidding or Competitive Proposals Required Sec. 252.021 Competitive Requirements for Purchases

*1. Before a municipality may enter into a contract that requires an expenditure of more than \$50,000 from one or more municipal funds, the municipality must:*

- 1) Comply with the procedure prescribed by this subchapter and Subchapter C for competitive sealed bidding or competitive sealed proposals;*
- 2) Use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing; or*
- 3) Comply with a method described by Subchapter H or J, Chapter 271.*

*(B) A municipality may use the competitive sealed proposal procedure for the purchase of goods or services, including high technology items and insurance.*

*(C) The governing body of a municipality that is considering using a method other than competitive sealed bidding must determine before notice is given the method of purchase that provides the best value for the municipality. The governing body may delegate, as appropriate, its authority under this subsection to a designated representative. If the competitive sealed proposals requirement applies to the contract, the municipality shall consider the criteria described by Section 252.043(b) and the discussions conducted under Section 252.042 to determine the best value for the municipality.*

*This chapter does not apply to the expenditure of municipal funds that are derived from an appropriation, loan, or grant received by a municipality from the federal or state government for conducting a community development program established under Chapter 373 if under the program items are purchased under the request-for-proposal process described by Section 252.042. A municipality using a request-for-proposal process under this subsection shall also comply with the requirements of Section 252.0215.*

# PURCHASING POLICY AND PROCEDURES

## Appendix

### Local Government Code, Section 252.043. Award of Contract

(a) *If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.*

(b) *In determining the best value for the municipality, the municipality may consider:*

- (1) *the purchase price;*
- (2) *the reputation of the bidder and of the bidder's goods or services;*
- (3) *the quality of the bidder's goods or services;*
- (4) *the extent to which the goods or services meet the municipality's needs;*
- (5) *the bidder's past relationship with the municipality;*
- (6) *the impact on the ability of the municipality to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;*
- (7) *the total long-term cost to the municipality to acquire the bidder's goods or services; and*
- (8) *any relevant criteria specifically listed in the request for bids or proposals.*

(c) *Before awarding a contract under this section, a municipality must indicate in the bid specifications and requirements that the contract may be awarded either to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.*

(d) *Except as provided by Subsection (d-1), the contract must be awarded to the lowest responsible bidder if the competitive sealed bidding requirement applies to the contract for construction of:*

- (1) *highways, roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water and wastewater distribution or conveyance facilities, wharves, docks, airport runways and taxiways, drainage projects, or related types of projects associated with civil engineering construction;*  
*or*
- (2) *buildings or structures that are incidental to projects that are primarily civil engineering construction projects.*

(d-1) *A contract for construction of a project described by Subsection (d) that requires an expenditure of \$1.5 million or less may be awarded using the competitive sealed proposal procedure prescribed by Section 271.116.*

(e) *If the competitive sealed bidding requirement applies to the contract for construction of a facility, as that term is defined by Section 271.111, the contract must be awarded to the lowest responsible bidder or awarded under the method described by Subchapter H, Chapter 271.*

(f) *The governing body may reject any and all bids.*

(g) *A bid that has been opened may not be changed for the purpose of correcting an error in the bid price. This chapter does not change the common law right of a bidder to withdraw a bid due to a material mistake in the bid.*

(h) *If the competitive sealed proposals requirement applies to the contract, the contract must be awarded to the responsible offer or whose proposal is determined to be the most advantageous to the municipality considering the relative importance of price and the other evaluation factors included in the request for proposals.*

(i) *This section does not apply to a contract for professional services, as that term is defined by Section 2254.002, Government Code.*

### **Section 252.0215 Competitive Bidding in Relation to Historically Underutilized Business which states:**

*A municipality, in making an expenditure of more than \$3,000 but less than \$50,000, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter 2161, Government Code. If the list fails to identify a historically underutilized business in the county in which the municipality is situated, the municipality is exempt from this section.*



# PURCHASING POLICY AND PROCEDURES

## Appendix

### Section 252.049(b) Confidentiality of Information in Bids or Proposals

*(b) If provided in a request for proposals, proposals shall be opened in a manner that avoids disclosure of the contents to competing offerors and keeps the proposals secret during negotiations. All proposals are open for public inspection after the contract is awarded, but trade secrets and confidential information in the proposals are not open for public inspection.*

### Subchapter D. Enforcement Sec. 252.062 Criminal Penalties states:

*A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 252.021. An offense under this subsection is a Class B misdemeanor.*

*A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates Section 252.021, other than by conduct described by Subsection (a). An offense under this subsection is a Class B misdemeanor.*

*A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates this chapter, other than by conduct described by Subsection (a) or (b). An offense under this subsection is a Class C misdemeanor.*

### Section 252.063. Removal; Ineligibility states:

*The final conviction of a municipal officer or employee for an offense under Section 252.062 (a) or (b) results in the immediate removal from office or employment of that person.*

*For four years after the date of the final conviction, the removed officer or employee is ineligible: to be a candidate for or to be appointed or elected to a public office in this state; to be employed by the municipality with which the person served when the offense occurred; and To receive any compensation through a contract with that municipality. This section does not prohibit the payment of retirement or workers' compensation benefits to the removed officer or employee.*

### Sec. 271.905. Consideration of Location of Bidder's Principal Place of Business states:

*(a) In this section, "local government" means a municipality with a population of 200,000 or less, a county with a population of 400,000 or less, or another political subdivision authorized under this title to purchase real property or personal property that is not affixed to real property. The term does not include a school district.*

*(b) In purchasing under this title any real property or personal property that is not affixed to real property, if a local government receives one or more bids from a bidder whose principal place of business is in the local government and whose bid is within three percent of the lowest bid price received by the local government from a bidder who is not a resident of the local government, the local government may enter into a contract with:*

*(1) the lowest bidder; or*

*(2) the bidder whose principal place of business is in the local government if the governing body of the local government determines, in writing, that the local bidder offers the local government the best combination of contract price and additional economic development opportunities for the local government created by the contract award, including the employment of residents of the local government and increased tax revenues to the local government.*

*(c) This section does not prohibit a local government from rejecting all bids.*



# PURCHASING POLICY AND PROCEDURES

## Appendix

### 6.03 Texas Government Code Statutes

**Texas Government Code, Subtitle F. State and Local Contracts and Fund Management, Chapter 2251. Payment for Goods and Services, Subchapter B. Payments and Interest, Sec. 2251.021. Time for payment by Governmental Entity states:**

- a) Except as provided by Subsection (b), a payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of:*
  - 1) the date the governmental entity receives the goods under the contract;*
  - 2) the date the performance of the service under the contract is completed; or*
  - 3) the date the governmental entity receives an invoice for the goods or service.*
- b) A payment under a contract executed on or after September 1, 1993, owed by a political subdivision whose governing body meets only once a month or less frequently is overdue on the 46th day after the later event described by Subsections (a)(1) through (3).*
- c) For a contract executed on or after July 1, 1986, and before September 1, 1987, a payment by a governmental entity under that contract is overdue on the 46th day after the later event described by Subsections (a)(1) through (3).*
- d) For purposes of this section, the renewal, amendment, or extension of a contract executed on or before September 1, 1993, is considered to be the execution of a new contract.*

**Texas Government Code, 2252.002. Award of Contract to Nonresident Bidder, states:**

*"A [Texas] governmental entity may not award a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located."*

**Texas Government Code, Sec. 2252.003. Publication of Other States' Laws on Contracts states:**

- (a) The General Services Commission annually shall publish in the Texas Register:*
  - (1) a list showing each state that regulates the award of a governmental contract to a bidder whose principal place of business is not located in that state; and*
  - (2) the citation to and a summary of each state's most recent law or regulation relating to the evaluation of a bid from and award of a contract to a bidder whose principal place of business is not located in that state.*
- (b) A governmental entity shall use the information published under this section to evaluate the bid of a nonresident bidder. A governmental entity may rely on information published under this section to meet the requirements of Section 2252.002.*



# PURCHASING POLICY AND PROCEDURES

## Appendix

Texas Government Code, Subtitle F. State and Local Contracts and Fund Management, Chapter 2254. Professional and Consulting Services, Subchapter A. Professional Services, Sec. 2254.004, Contract for Professional Services of Architect, Engineer, or Surveyor

- (a) In procuring architectural, engineering, or land surveying services, a governmental entity shall:
  - (1) first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and*
  - (2) then attempt to negotiate with that provider a contract at a fair and reasonable price.**
- (b) If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the entity shall:
  - (1) formally end negotiations with that provider;*
  - (2) select the next most highly qualified provider; and*
  - (3) attempt to negotiate a contract with that provider at a fair and reasonable price.**
- (c) The entity shall continue the process described in Subsection (b) to select and negotiate with providers until a contract is entered into.*

### 6.04 Forms

You may contact the Finance Department for copies of the following forms.

## PURCHASING POLICY AND PROCEDURES

## Appendix

## Requisition Form

CITY OF PORT LAVACA  
REQUISITION REQUEST FORMPURCHASE  
ORDER #

(Assigned by Finance)

**Section I - General Information**Requisitioned by: \_\_\_\_\_  
(Name) (Title)

DATE: \_\_\_\_\_

Department: \_\_\_\_\_

Name of  
Vendor \_\_\_\_\_

Description of Goods/Services: \_\_\_\_\_

G/L Acct #: \_\_\_\_\_

Project: \_\_\_\_\_

Total Amount  
of Purchase: \_\_\_\_\_**Section II - HUB Contact Documentation - FOR PURCHASES OF \$3,000 - \$49,999**

In compliance with Chapter 252.0215 of the Texas Local Government Code and pages 13 &amp; 14 of the City Purchasing Policy and Procedures manual, the department originating this purchase requisition certifies that: (Select A or B)

A) \_\_\_\_\_ The following Calhoun County Historically Underutilized Businesses were identified and contacted concerning this purchase:

HUB #1

HUB #2

B) \_\_\_\_\_ No applicable Calhoun County HUBs were identified from the Comptroller of Public Accounts listing; therefore, the City is exempt from HUB contact requirements for this purchase. (Attach HUB vendor search results.)

**Section III - Competitive Quotation Documentation**

Competitive quotations are generally required for cooperative, emergency, sole source or single source purchases, with justification/sole source documentation, and approval by Finance, per pages 13-15 of the City Purchasing Policy and Procedures.

Cooperative Purchase?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	PSA/Contract # _____
Sole Source?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
Single Source?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
Emergency Purchase? *	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	

\* If yes, City Manager authorization \_\_\_\_\_

Competitive Bid? ☐ Yes ☐ No Attach bid tabulation and Council minutes

	Quotation #1 \$1,001 - \$5,000	Quotation #2 \$5,001 - \$10,000	Quotation #3 \$10,001 - \$49,999
	PO NOT REQUIRED	\$3,000 -----HUB Vendor Search -----	\$49,999
Name of Company			
Telephone Number			
Contact Person			
Email Address			
Quotation #			
Total Price Quoted			

**Section IV - Approvals**

Department Head or Designee: \_\_\_\_\_ Date: \_\_\_\_\_

To be routed for signature by Finance staff:

Finance Director: _____	Date: _____
City Manager: _____	Date: _____





# PURCHASING POLICY AND PROCEDURES

## Appendix

### Vendor Information Form

#### Vendor Information Form

<b>VENDOR/PAYEE NAME</b> <u>Vendor Name:</u> _____ <u>Date:</u> _____	
<b>MAILING ADDRESS INFORMATION</b> <u>Address:</u> _____ <u>Address:</u> _____ <u>City, State:</u> _____ <u>Zip Code:</u> _____	
<b>REMIT TO ADDRESS (if different from mailing address)</b> <u>Address:</u> _____ <u>Address:</u> _____ <u>City, State:</u> _____ <u>Zip Code:</u> _____	
<b>CONTACT INFORMATION</b> <u>Contact Name:</u> _____ <u>Phone:</u> _____ <u>Email:</u> _____ <u>Fax:</u> _____	
<b>PAYMENT METHOD</b> <u>Please check one:</u> <input type="checkbox"/> Check <input type="checkbox"/> ACH Electronic Payment <u>Bank Routing #</u> _____ <u>Banking Institution</u> _____ <u>Bank Account #</u> _____	
<b>SIGNATURE INFORMATION</b> The information provided on this vendor information form is true and correct.  <u>Authorized Vendor Signature:</u> _____  Return this form <u>and</u> completed W-9 tax form to the Accounts Payable Department by fax at 361-552-6062 or email at <a href="mailto:gcantu@portlavaca.org">gcantu@portlavaca.org</a> . If you have any questions, you may contact Giani Cantu at 361-552-9793 ext.237.  <b>THIS SECTION COMPLETED BY COMPANY</b>  <u>Approved by:</u> _____ <u>System Assigned Vendor Code:</u> _____ <u>Date Entered</u> _____	

## PURCHASING POLICY AND PROCEDURES

## Appendix

## W-9 Form

Form <b>W-9</b> (Rev. October 2018) Department of the Treasury Internal Revenue Service	<b>Request for Taxpayer Identification Number and Certification</b> ▶ Go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.																																																		
<b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.																																																				
<b>2</b> Business name/disregarded entity name, if different from above																																																				
Print or type. See Specific Instructions on page 3.	<b>3</b> Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.																																																			
	<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate																																																			
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ <b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.																																																			
	<input type="checkbox"/> Other (see instructions) ▶ _____																																																			
<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>																																																				
<b>5</b> Address (number, street, and apt. or suite no.) See instructions.		Requester's name and address (optional)																																																		
<b>6</b> City, state, and ZIP code																																																				
<b>7</b> List account number(s) here (optional)																																																				
<b>Part I Taxpayer Identification Number (TIN)</b> Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later. <b>Note:</b> If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.																																																				
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<b>Part II Certification</b> Under penalties of perjury, I certify that:																																																				
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.																																																				
<b>Certification instructions.</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.																																																				
<b>Sign Here</b>	Signature of U.S. person ▶ _____	Date ▶ _____																																																		
<b>General Instructions</b> Section references are to the Internal Revenue Code unless otherwise noted. <b>Future developments.</b> For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> .																																																				
<b>Purpose of Form</b> An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.																																																				
<ul style="list-style-type: none"> <li>• Form 1099-DIV (dividends, including those from stocks or mutual funds)</li> <li>• Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)</li> <li>• Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)</li> <li>• Form 1099-S (proceeds from real estate transactions)</li> <li>• Form 1099-K (merchant card and third party network transactions)</li> <li>• Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)</li> <li>• Form 1099-C (canceled debt)</li> <li>• Form 1099-A (acquisition or abandonment of secured property)</li> </ul> Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN. <i>If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.</i>																																																				



## PURCHASING POLICY AND PROCEDURES

## Appendix

## Expense Report



## TRAVEL/TRAINING REQUEST

☐ Travel Expense (Section 1,2,4)
 ☐ Advance Expense (Section 1,2,4)
 ☐ School/Workshop/Seminar (Section 1,3,4)

Employee: \_\_\_\_\_ Department \_\_\_\_\_ Date \_\_\_\_\_

## Section 1: Description of Travel/Training

Location \_\_\_\_\_ Beginning \_\_\_\_\_ Through \_\_\_\_\_

## Section 2: Type of Expense

	Total Cost	Funds Advanced	Prepaid By City	Reimbursement
Registration/Tuition				
Travel				
Meals (s)				
Lodging				
Other (List)				
Total Advanced Requested:		Total Reimbursement:		

I hereby certify the above expenditures represent funds spent for legitimate City business. I have attached all receipts that apply.

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

## Section 3: Type of Training

Reason for Application	Type of Application
<input type="checkbox"/> Special Training for employee's job classification	<input type="checkbox"/> To attend on city time and expense
<input type="checkbox"/> Special training for another job classification	<input type="checkbox"/> To attend on employee's time and expense
<input type="checkbox"/> Required training for certification on employee's job classification	<input type="checkbox"/> To attend on employee's time at city expense
<input type="checkbox"/> Required training for certification on another job class classification	<input type="checkbox"/> Other _____
<input type="checkbox"/> Other _____	

## Section 4: Authorization

☐ APPROVED OR ☐ DISAPPROVED

Reasons for actions: \_\_\_\_\_

Signature of Supervisor/Dept. Head: \_\_\_\_\_ Date \_\_\_\_\_

☐ APPROVED OR ☐ DISAPPROVED

Reasons for actions: \_\_\_\_\_

Signature of City Manager/Personnel Director \_\_\_\_\_ Date \_\_\_\_\_

## COMMUNICATION

**SUBJECT:** Consider recommendation of the Port Commission for an annual lease rate adjustment to the Lease with Helena Agri-Enterprises, LLC (HAE) pursuant to the increase in the Municipal Cost Index published prior to August 1, 2022. Presenter is Jody Weaver

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## INFORMATION:

## CITY OF PORT LAVACA

CITY COUNCIL MEETING: AUGUST 8, 2022

DATE: 8.02.2022

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JODY WEAVER, INTERIM CITY MANAGER

SUBJECT: Annual lease rate adjustment for Helena Agri-Enterprises, LLC

Helena's Ground Lease Agreement allows for the rent to be adjusted annually on August 1, pursuant to the increase in the Municipal Cost Index as of the latest date published prior to August 1.

- August 2018 starting rent = \$6,108.00
- August 2019 = \$6163.58 (0.91%)
- August 2020 = no adjustment MCI was -0.44%
- August 2021 = \$6,471.76 (5% flat rate approved by Council; MCI was 9.8%)

As you recall at this time last year, City Council approved an amendment to the Helena lease contract which provided for a flat 5% rent rate increase instead of the 9.8% MCI rate. This brought their monthly rent to \$6,471.76. This annual adjustment was to be re-evaluated again this year with input from the tenant Helena.

Note the following:

- The MCI for May 2022 (most current published by the date of the Port Commission meeting) is 306.96
- The MCI for May 2021 was 272.97, therefor the May 2022 MCI is 12.45% higher than May 2021.
- A 12.45% increase will add \$805.73 each month resulting in a new monthly rent of \$7,277.49
- A flat 5% rent rate increase will add \$323.59 each month resulting in a new monthly rent of \$6,795.35
- A flat 8% rent rate increase will add \$517.74 each month resulting in a new monthly rent of \$6,989.50
- The MCI for May 2018 compared to May 2022 = 250.02 vs 306.96 or 22.77%. \$6,108 x 1.2277=\$7,498.97
- Note the MCI for June 2022 is 312.09 or 12.24% above June 2021 of 278.07.

As instructed by Council last year, I reached out to Helena in early July to let them know that per the MCI, the annual rent would be increasing by at least 12% and to ask them to provide any information they could regarding how their business is handling the current economy, for possible consideration of a lower percentage increase for the annual rent adjustment. *Attached* is a letter dated July 18 that was presented to the Port Commission at the July meeting and a letter I received on July 20 which Mr. Rodrigue sent to provide a bit more information for City Council consideration following the Port Commission's recommendation vote on the topic.

Also, for consideration, Helena paid \$43,416.82 in property taxes for the 2021 tax year and are projected to pay \$57,584.63 for the 2022 tax year a difference of \$14,167.81.

Port Commission recommendation:

The Port Commission recommended approval of an amendment to the Helena lease agreement which would provide for a flat 8% rent rate increase this year instead of that which would result from using the change in the Municipal Cost Index. In their discussions, the Port Commission did recognize that last year's approved 5% was one-half of the MCI calculation, so 6% would be one-half of this year's MCI calculation, but the recommendation vote settled on 2/3rds of the MCI calculation.

Attachments: 2

\* Presented to the Port Commission



Helena Agri-Enterprises, LLC  
255 Schilling Boulevard, Suite 200  
Collierville, Tennessee 38017  
Telephone: 901-537-7280

July 18, 2022

To: JoAnn P. Weaver, P.E.  
City of Port Lavaca

Re: Helena Agri Enterprises, LLC. (HAE) Lease

I would be remiss to not mention here we appreciate the consideration provided HAE on the 2021/2022 rent adjustment, as outlined in your 8.10.2021 letter. Thank you.

Some insight into our business and our customers are facing:

- Historic high nutrient costs per ton, world demand
- Scarcity of tons at key points in time – crop seasons
- Limited power options to facilitate barge movement from vessels bringing product to USA

Given we buy commodity fertilizers from global fertilizer manufactures and sell to our grower customers, these historic high unit costs have put significant pressure on our trade margins, what we realize for our services.

The City, like HAE, is seeing significant escalation in our overall costs across all aspects of our business (labor, fuel, maintenance, etc.) as all businesses are.

Recent history:

8.1 thru 7.31 of tonnage all products: 2019/20 83,127, 2020/21 93,554, and 2021/22 81,073 tons.

The slippage in tons this past year related most closely to demand destruction, a function of historic high nutrient costs, availability of product and fuel costs impacting freight to the farm. Your accommodation on rent increase kept us in a position to service our customers thru the Port Lavaca Facilities and not look harder for less expensive routes.

We are requesting consideration on the magnitude of rent increase for the 2022/2023 period. Please reach out to us if there are questions we may be able to answer about the current state of the business and flows thru the facility.

Appreciate all consideration.

Best Regards,

A handwritten signature in black ink, reading "Louis G. Rodrigue III". The signature is written in a cursive, flowing style with a large initial "L" and "R".

Louis G. Rodrigue III  
VP, SBU Helena Agri-Enterprises, LLC



\* Amended Letter with add'l comments for Council consideration.



Helena Agri-Enterprises, LLC  
255 Schilling Boulevard, Suite 200  
Collierville, Tennessee 38017  
Telephone: 901-537-7280

July 20, 2022

To: JoAnn P. Weaver, P.E.  
City of Port Lavaca

Re: Helena Agri Enterprises, LLC. (HAE) Lease

I would be remiss to not mention here we appreciate the consideration provided HAE on the 2021/2022 rent adjustment, as outlined in your 8.10.2021 letter. Thank you.

Some insight into our business challenges which are shared by our customers:

- Historic high nutrient costs per ton, world demand driven
- Scarcity of tons at key points in time – our South Texas early crop seasons, loss of imports due to Ukraine
- Limited power options to facilitate barge movement from vessels bringing product to USA, logistics constraints as well as unaffordable rates for a commodity

Given we buy commodity fertilizers from global fertilizer manufactures and sell to our grower customers, these historic high unit costs have put significant pressure on our trade margins, what we realize for our services, as well as pressure on rate use decisions by our customers.

Some of the major fertilizer suppliers are pulling some products away from nearby terminals, more costly storage and/or logistic sites.

The City, like HAE, is seeing significant escalation in our overall costs across all aspects of our business (labor, fuel, maintenance, etc.) as all businesses are.

Recent history:

8.1 thru 7.31 of tonnage all products: 2019/20 83,127, 2020/21 93,554, and 2021/22 81,073 tons.

The slippage in tons this past year related most closely to demand destruction, a function of historic high nutrient costs, availability of product and fuel costs impacting freight to the farm. Your accommodation on rent increase kept us in a position to service our customers thru the Port Lavaca Facilities and not look harder for less expensive routes.

We are requesting consideration on the magnitude of rent increase for the 2022/2023 period. Our plans given a reasonable rate increase is to utilize Port Lavaca fully. Given dependence on global flows it is hard to predict all the decisions we have to make to remain competitive. These decisions impact tonnage flow. Our best estimate on tonnage for 2022/2023 season would be flat to this past season.

We are committed to continuing to be a respected employer in Port Lavaca, as well as continually improving our safety and stewardship practices in the community and on site.

Please reach out to us if there are questions we may be able to answer about the current state of the business and flows thru the facility.

Appreciate all consideration.

Best Regards

A handwritten signature in black ink, reading "Louis G. Rodrigue III". The signature is written in a cursive, flowing style with a large initial "L".

Louis G. Rodrigue III

Vice President

SBU Helena Agri-Enterprises, LLC

## COMMUNICATION

**SUBJECT:** Announcement by Mayor that City Council will retire into closed session:

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### **INFORMATION:**

- For consultation with City Attorney on matters in which the duty of the Attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act (Title 5, Chapter 551, Section 551.071(2) of the Texas Government Code). Presenter is Mayor Whitlow



## COMMUNICATION

**SUBJECT:** Return to Open Session and take any action deemed necessary with regard to matters in closed session. Presenter is Mayor Whitlow

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## INFORMATION:



