



**AGENDA
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

The City of Johnson City City Council will meet for a Regular Meeting on Tuesday, November 10, 2020 at 6:00 p.m. in the City Hall Council Chamber, 303 E. Pecan Street, Johnson City, Texas 78636. This is an open meeting, subject to the open meeting laws of the State of Texas.

SUPPLEMENTAL NOTICE OF PARTICIPATION BY TELEPHONE CONFERENCE

Due to COVID-19, the Governor of Texas issued an order on March 16, 2020 suspending various provisions of the Open Meetings Act. In order to advance the public health goal of social distancing, meeting participation by videoconference and / or teleconference is now allowed. The City of Johnson City utilizes Zoom Technologies:

Join Zoom Meeting

<https://us02web.zoom.us/j/82118719491?pwd=Q3pmeWhsaWFnUmlSRVhyM0VMRlJPQT09>

Meeting ID:	821 1871 9491
Passcode:	D66gqd
Dial by Location:	+1 346 248 7799 US (Houston)
Meeting ID:	821 1871 9491
Passcode:	644433

1. Call to order.
 - Invocation.
 - Pledge of Allegiance.

OPEN SESSION:

2. Citizens to be heard. The City Council may not discuss any presented issue, nor may any action be taken on any issue at this time (Attorney General Opinion JC-0169). Speakers should provide comments at the podium, and they should provide their name and address prior to speaking. Comments are limited to three (3) minutes, and this time is not transferable. Each person may only speak once. No profanity or threats will be tolerated.

REPORTS:

3. Proclamations, Presentations, and/or Reports.
 - Report – Chief Administrative Officer / City Secretary Rick Schroder. Provide progress update to City Council on work performed / objectives achieved since employment commencement on October 19, 2020. Topics include, but may

not be limited to, municipal banking, financial accounting, auditing, process improvements, and a Texas Water Development Board Corrective Action Plan.

- Report – Interim Public Works Director Brent Sultemeier.
Provide progress update to City Council on work performed / objectives achieved since prior City Council meeting. Topics include, but may not be limited to, water and sewer infrastructure and usage, wastewater treatment plant operations, pending and completed work orders, and street paving.
- Report – Police Chief Ross Allen.
Provide progress update to City Council on work performed / objectives achieved since prior City Council meeting. Topics include, but may not be limited to, Department statistics, personnel issues, and public safety.
- Report – Johnson City Chamber of Commerce.
Provide progress update to City Council on work performed / objectives achieved since prior City Council meeting.

CONSENT AGENDA (ITEM NOS. 4-16):

All Consent Agenda items listed below are considered routine by City Staff and are intended to be enacted by one motion. There will be no separate discussion of these items, unless a Councilmember requests it, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

4. Approval of the minutes of the Regular and Special Meetings of the City Council dated October 6, 2020 and October 8, 2020, respectively. (Staff)
5. Approval of an Ordinance of the City Council of the City of Johnson City, Texas establishing a records management program; designating a records management officer; adopting a records management plan; adopting local retention schedules, as amended, promulgated by the Texas State Library and Archives Commission; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Ordinance; incorporating recitals; providing for severability; repealing any other Code provisions, ordinances, or parts of ordinances, and other provisions in conflict herewith; and adopting an effective date. (Staff)
6. Approval of an Ordinance of the City Council of the City of Johnson City, Texas amending the Personnel Policy, Section 8.10, regarding allowance of handguns; and providing an effective date. (Staff / City Attorney)
7. Approval of a Resolution of the City Council of the City of Johnson City, Texas implementing GASB Statement 54 requirements; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date. (Staff)

CONSENT AGENDA Cont.:

8. Approval of a Resolution of the City Council of the City of Johnson City, Texas designating the Johnson City Record Courier as the official newspaper for the City of Johnson City, Texas for fiscal year ending (FYE) 2021; providing that all official public notifications be published in said newspaper; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date. (Staff)
9. Approval of a Resolution of the City Council of the City of Johnson City, Texas approving an investment policy and strategy for public investment purposes; repealing Resolution Nos. R20-037 and R20-038 and the Cash Management and Fixed Asset Policy; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date. (Staff)
10. Approval of a Resolution of the City Council of the City of Johnson City, Texas designating investment officer(s) for public investment purposes; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date. (Staff)
11. Approval of a Resolution of the City Council of the City of Johnson City, Texas approving a list of approved brokers / dealers for public investment purposes; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date. (Staff)
12. Approval of a Resolution of the City Council of the City of Johnson City, Texas approving participation in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts, pursuant to §271.081 of the Local Government Code; establishing an Agent of Record and Secondary Contact; and adopting an effective date. (Staff)
13. Approval of a Resolution of the City Council of the City of Johnson City, Texas approving participation in The Local Government Purchasing Cooperative, pursuant to Chapter 791 of the Texas Government Code; establishing an Authorized Representative; and adopting an effective date. (Staff)
14. Approval of a Texas Municipal Retirement System (TMRS) City Portal Use Agreement establishing access to a web-based online portal for cities that are participating members of TMRS to access information and provide certain functionality to participating municipalities, as necessary for its official governmental functions; establishing a City Portal Administrator; and adopting an effective date. (Staff)

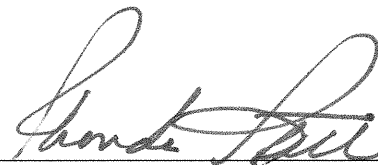
CONSENT AGENDA Cont.:

15. Approval of a Resolution of the City Council of the City of Johnson City, Texas approving Authorized Representatives and allowing said Representatives to transmit funds for investment in TexPool / TexPool Prime, withdraw funds, issue letters of instruction, and take all other actions deemed necessary or appropriate for the investment of local funds; and adopting an effective date. (Staff)
16. Approval of a Bank Depository Services and Pledge Agreement between the City of Johnson City, Texas and Lone Star Capital Bank, N.A. for a term of five (5) years from November 10, 2020 to November 10, 2025, pursuant to Chapter 105 of the Local Government Code. (Staff)

ITEMS FOR INDIVIDUAL CONSIDERATION:

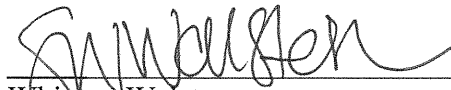
17. Discussion of and action on a preliminary plat, pursuant to Municipal Code of Ordinances Chapter 10 *Subdivision Regulations*, establishing the Legacy Oaks Ranch Subdivision, being 91.58 acres out of the Joseph Duel Survey No. 172, Abstract No. 147, and the Elijah Marshall Survey No. 175, Abstract No. 393, within the City of Johnson City, Blanco County, Texas, more particularly described as 217 281 Loop, Johnson City, Texas 78636 and Blanco County Appraisal District (BCAD) Prop. ID No. 8609. (Staff)
18. Discussion of and action on the approval of an Engagement Letter between the City of Johnson City, Texas and Neffendorf & Knopp, P.C. for audit services for Fiscal Year Ending (FYE) 2020, including, but not limited to, the issuance of a request for qualifications, pursuant to Chapter 2254 of the Government Code, for auditing services for FYE 2020 and/or future fiscal years. (Staff)
19. Discussion of and action on an Ordinance of the City Council of the City of Johnson City, Texas establishing and amending fees, costs, and fines charged by the City of Johnson City; adopting savings, repealer, and penalty clauses; and adopting an effective date. (Staff)
20. Discussion of and action on the approval of a revised Professional Services Agreement between the City of Johnson City, Texas and Bureau Veritas for commercial and residential construction code, fire, health, planning and mapping, ADA, and hygiene safety services. (Staff)

Adjourn.



Rhonda Stell
Mayor

I certify that this Agenda was posted on November 6, 2020 at 5 a.m. / p.m.



Whitney Walston
Deputy City Secretary

NOTE: It is possible that a quorum of other Municipal advisory and governmental bodies may attend the above stated meeting. No action will be taken by the other Municipal advisory and governmental bodies at the above stated meeting, other than the body specifically referred to in the above notice.

The City Council reserves the right to adjourn into Closed Session at any time during the course of this meeting to discuss any of the exceptions to the requirement that a meeting be open to the public, in accordance with Texas Government Code, Chapter 551 *Open Meetings*, Subchapter D *Exceptions to Requirement that Meetings be Open*. No action may be taken in Closed Session.

Pursuant to Texas Penal Code § 30.06 *Trespass by License Holder with a Concealed Handgun*, a person licensed under Texas Government Code, Chapter 411 *Department of Public Safety of the State of Texas*, Subchapter H *License to Carry a Handgun* may not enter City Hall with a concealed handgun.

Pursuant to Texas Penal Code § 30.07 *Trespass by License Holder with an Openly Carried Handgun*, a person licensed under Texas Government Code, Chapter 411 *Department of Public Safety of the State of Texas*, Subchapter H *License to Carry a Handgun* may not enter City Hall with a handgun that is carried openly.

City of Johnson City Public Works update

October 2020

We have spent a lot of time on repairing a Sewer line on Gonzales Ave.

It's an old clay tile line and problems are to be expected.

Creek View lift station has been repaired and is fully operational.

The paving has been completed for 2020

123,746 gal per day discharge at the WWTP with no violations.

The City sold 2,981,699 Residential and 1,856,320 Commercial

BJ Sultemeier

Bill Date:10/26/2020

Utility Billing Register

Service	Svc Code	Service Description	Items Count	Consumption	Current Amount	Arrears	Due
PENALTY	1	PENALTY	777		.00	753.85	753.85
PENALTY	2	PENALTY	193		.00	423.42	423.42
PENALTY	3	PENALTY	16		.00	.00	.00
PENALTY	4	PENALTY	5		.00	.00	.00
PENALTY	999	PENALTY	113		.00	341.00-	341.00-
Service Total			1,104	0	.00		
Consolidated Service							
WATER	1	WATER RESIDENTIAL	735	2,981,699,000	22,879.70	3,340.04	26,219.74
WATER	2	WATER COMMERCIAL	203	1,856,310,000	14,241.48	837.88-	13,403.60
WATER	3	WATER RESIDENTIAL OUTSIDE CITY	1	100,000	25.45	.00	25.45
WATER	4	WATER COMMERCIAL OUTSIDE CITY	4	200,000	101.80	2.54	104.34
WATER	99	WATER NO BILL	18	44,200,000-	.00	32,239.53	32,239.53
Service Total			961	4,794,109,000	37,248.43		
Consolidated Service							
SEWER	1	SEWER RESIDENTIAL	682	2,738,038,000	17,436.61	1,782.26	19,218.87
SEWER	2	SEWER COMMERCIAL	176	1,437,620,000	10,731.74	129.66	10,861.40
SEWER	3	SEWER RESIDENTIAL OUTSIDE CITY	1	30,000	30.61	.00	30.61
SEWER	4	SEWER COMMERCIAL OUTSIDE CITY	2	100,000	61.22	.00	61.22
SEWER	99	SEWER NO BILL	2	13,100,000	.00	.00	.00
Service Total			863	4,188,888,000	28,260.18		
Consolidated Service							
GARBAGE	1	GARBAGE COM TOTE 1X	89		2,268.25	185.00	2,465.63
GARBAGE	2	GARBAGE COM TOTE 2X	3		168.84	.00	169.99
GARBAGE	4	GARBAGE 2 YARD	4		232.48	.00	233.68
GARBAGE	5	GARBAGE 3 YARD	3		290.04	.00	292.02
GARBAGE	6	GARBAGE 4 YARD 1X	18		2,334.86	263.48	2,607.99
GARBAGE	7	GARBAGE 4 YARD 2X	4		1,053.84	.00	1,057.42
GARBAGE	8	GARBAGE 6 YARD 2X	2		805.64	.00	808.38

Select Saved Search		Advanced Search Results													Select View			
<input type="checkbox"/>	WO #	Date	Issued By	Department	Issued to	Work Requested	Requestor Name	Requestor Phone	Requestor Email	Location of work to be performed	Description	Priority	Requested Completion Date	Status	Date Completed	Notes		
<input checked="" type="checkbox"/>	616	11/3/2020	Betty Eckenrode	Wastewater and Water Dept.	BJ & Larry	1-Water/Sewer Tap Request			na	101 old Austin Hwy	Need a quote for water and sewer tap	Normal		Closed			Edit/View	
<input checked="" type="checkbox"/>	615	11/3/2020	Betty Eckenrode	3-Parks Dept.	Todd Kneese	2-Building Maintenance	Julie Shanks	5124265183	na	620 N Nugent	customer said all the park lights are out, and would like if we could make it where they are on.	Normal	11/6/2020		1/1/1900		Edit/View	
<input checked="" type="checkbox"/>	614	11/2/2020	Betty Eckenrode	2-Street Dept.	B.J Sultemeier	2-Sign Replacement	Bj Sultimier			Bar S Drive	Sign is missing and residents want to know if we can replace it	Normal	11/13/2020	Open			Edit/View	
<input checked="" type="checkbox"/>	613	11/2/2020	BJ Sultimeir	2-Street Dept.	Todd Kneese	2-Sign Repair				Bar-S	Please replace stop and road signs on both ends	Normal	11/4/2020	Open			Edit/View	
<input checked="" type="checkbox"/>	612	10/29/2020	Betty Eckenrode	1-Water Dept.	Larry Bible	1-Curb Stop	Betty Eckenrode		na	101 N AVE N	valve needs to be replace. Due to on disconnect list and larry could not turn her off due to issue with curb stop	Normal	11/13/2020	Open			Edit/View	
<input checked="" type="checkbox"/>	611	10/29/2020	Betty Eckenrode	1-Water Dept.	Larry Bible	1-New Meter Installation	Kim San . her Builder	5126189856	na	111 Winding Oak	put in water meter for builder to have water customer called today and wants the meter in today, 11-2-20	Normal	11/2/2020				Edit/View	
<input checked="" type="checkbox"/>	610	10/28/2020					Sam Richardson			The ditch line by Randy Hollands house on Pecan	Remove dirt between Randys old house and Sam Richardson and clean culverts	Normal	11/6/2020	Open			Edit/View	
<input checked="" type="checkbox"/>	609	10/26/2020	BJ Sultimeir		Todd Kneese	0-General Maintenance	Ross Alen			Police Department	Leak in the bathroom or outside of bathroom	Normal	11/6/2020	Open			Edit/View	
<input checked="" type="checkbox"/>	608	10/23/2020	BJ Sultimeir	1-Water Dept.	Larry Bible	1-Water Leak	BJ Sultemeier			Methodist Church irrigation	Please run a chart, high water use	Normal		Open			Edit/View	
<input checked="" type="checkbox"/>	607	10/23/2020	Betty Eckenrode	1-Water Dept.	Larry Bible	1-Check for Leak	Tabatha smiths son		na	114 Brainna Circle	check for leak at meter	High	10/23/2020	Closed		Bj just turn on meter and nothing hooked to it, from customer side, no leak	Edit/View	
<input checked="" type="checkbox"/>	606	10/23/2020	Betty Eckenrode	1-Water Dept.		1-Check for Leak	Bryan Gillwater		na	205 E Cypress	water running from under house, to neighbors	High	10/21/2020	Closed	10/22/2020	BJ went and turn off the water, kitchen was flooded and house was empty, owner not living there, but June Dahman contacted the owner and they are aware of leak and water has been turned off	Edit/View	
<input checked="" type="checkbox"/>	605	10/16/2020	Anthony Holland	Trees	BJ & Todd	2-Trim Tree Limbs	Whisenant, Dennis	8329266803	na	806 N Avenue N	there are hackberry trees or bushes in the right-way in front of her house and they keep growing into her driveway and wants	Normal	10/30/2020		1/1/1900		closed, Andres & TODD'S Larry have removed the trees.	Edit/View

<input checked="" type="checkbox"/>	604	10/15/2020	Betty Eckenrode	Wastewater and Water Dept.	BJ & Larry	1-Water/Sewer Tap Request	John Hay	512-658-0009	poloventures@gmail.com	101 old Austin Hwy	the city to remove them. customer has 3 lots and wants to build a home on one and maybe add two meters and sewer taps	Normal	10/20/2020	Closed	11/3/2020		Edit/View
<input checked="" type="checkbox"/>	603	10/6/2020	Betty Eckenrode	1-Water Dept.	Bj-Todd-Larry	0-General Maintenance	Bonnie & Bill Jung	8308684552		112 Post Oak Drive	they want to put a mailbox in rightaway but want to make sure no water or sewer line there	Normal	10/7/2020			Can one of you guys go check and let me know	Edit/View
<input checked="" type="checkbox"/>	602	9/30/2020	Betty Eckenrode	1-Water Dept.	Larry Bible	1-Meter Leak	Guerrero, Juan	8303852352	na	212 N Ave Q	Leak, meter box full of water	Normal		Closed	10/4/2020		Edit/View
<input checked="" type="checkbox"/>	601	9/29/2020	Betty Eckenrode	4-Wastewater Dept.	BJ & Todd	4-Sewer Stoppage	CRC	8308680208	na	206 S. Hwy. 281	Sewer smell	Normal		Open		sewer smell behind the building	Edit/View
<input checked="" type="checkbox"/>	600	9/29/2020	Betty Eckenrode	Police Dept	Bj-Todd-Larry	3-Mow	Ross Allen	8308687111		Police Dept	Please mow the grass	Normal	1/1/1900	Open closed	1/1/1900	Can someone relay the work order to Address	Edit/View
<input checked="" type="checkbox"/>	599	9/24/2020	Betty Eckenrode	1-Water Dept.	Bj-Todd-Larry	1-Check for Leak	Dahmann, Will	na	na	300 N Avenue F	Water running down the street	Normal	9/30/2020	Closed			Edit/View
<input checked="" type="checkbox"/>	598	9/24/2020	Betty Eckenrode	1-Water Dept.	Bj-Todd-Larry	1-Check for Leak	Took Message from Trish	Na	na	300 Liveoak Drive	water leak across from fire station	Normal	9/30/2020	Closed		check to see if our leak or customer	Edit/View
<input checked="" type="checkbox"/>	597	9/23/2020	Betty Eckenrode	Trim Limbs	Bj-Todd-Larry	2-Trim Tree Limbs	Patrick Fisher	8324659216	na	S Avenue F and Liveoak Drive	Please trim all tree limbs hanging low, due to when hauling a RV the trees limbs are scratching RVs	Normal	9/30/2020	Open			Edit/View
<input checked="" type="checkbox"/>	596	9/17/2020	Betty Eckenrode	1-Water Dept.	Larry Bible	1-Water/Sewer Tap Request	Julie Roach	5126277330	na	paying for 5 water taps 630x5=3150	Water Taps	Normal	9/30/2020	Closed	9/17/2020	Julie has paid for taps of 3150. and a deposit for 317 S Ave F of 175.00	Edit/View
<input checked="" type="checkbox"/>	595	9/9/2020											1/1/1900		1/1/1900		Edit/View
<input checked="" type="checkbox"/>	594	9/3/2020	Betty Eckenrode	2-Street Dept.	Todd Kneese	0-General Maintenance	Pat Dildine			Old Austin Hwy	Trampoline in middle of road	High	9/3/2020	Closed	9/3/2020	Todd had clocked out, so Anthony had me call JerryAnn Buck and she called the renter to move the trampoline out of road.	Edit/View
<input checked="" type="checkbox"/>	593	9/8/2020	Betty Eckenrode	4-Wastewater Dept.	Bj-Todd-Larry	4-Sewer Main	James Etherage	5127171167	na	141 Heritage Drive	flush out the water hydrant, due to dirt in the water when flushing the toilet	Normal	9/11/2020	Closed	9/11/2020		Edit/View
<input checked="" type="checkbox"/>	592	9/4/2020	BJ Sultimeir	1-Water Dept.	Larry Bible	1-New Meter Installation	Kip Thompson			Harvest House	Make a detailed price quote for a 2 inch meter	Low	9/30/2019	Closed	9/11/2020	He would like to have the option of a 2 inch meter	Edit/View
<input checked="" type="checkbox"/>	591	8/28/2020	Betty Eckenrode	5-Recycling Dept.	Bj-Todd-Larry	0-General Maintenance	Longstaff, Christie	8308684279		109 S Winters Furr, behind the Recycle center and her address is the fence	Customer would like the City to clean and cut the brush growing behind the Recycle center due to the overgrowth the fence is slanted over into her yard and causing a home for	Normal		Closed	8/28/2020	per Bj this has been done	Edit/View

											raccoons and other animals to come in her yard.							
<input checked="" type="checkbox"/>	590	8/28/2020	Betty Eckenrode	3-Parks Dept.	Todd Kneese	0-General Maintenance	Todd Kneese	8308687111		620 N Nugent	Toilets are leaking	Normal	8/31/2020	Closed		done by Tk	Edit/View	
<input checked="" type="checkbox"/>	589	8/27/2020	BJ Sultimeir	1-Water Dept.	Larry Bible	1-Check for Leak	Jenice Adams			142 Thomas lane/ Across from City pool	Customer believes one of the meters is leaking	Normal	9/30/2019	Closed	8/28/2020		Edit/View	
<input checked="" type="checkbox"/>	588	8/27/2020	BJ Sultimeir	Trim Limbs	Andres & Todd	0-General Maintenance	Leslie Stewart			Ave C	Trim the overhanging limbs so the delivery trucks won't hit them.	Low	10/9/2020	Open			Edit/View	
<input checked="" type="checkbox"/>	587	8/27/2020	BJ Sultimeir	1-Water Dept.	Larry Bible	1-Check for Leak	Kip Thompson			Harvest House	Wants to see if he has a leak	Normal	8/31/2020	Closed	8/31/2020		Edit/View	
Records 1 to 30 (of 606)																1 2 3 4 5 6 7 8 9 10 >> 21		

DMR Copy of Submission

Permit TX0052973
Permit ID: TX0052973
Permittee: JOHNSON CITY, CITY OF
Facility: JOHNSON CITY MUNICIPAL WWTP
Permitted Feature: 001 - External Outfall
Report Dates & Status
Monitoring Period: From 09/01/20 to 09/30/20
Status: **NetDMR Validated**
Considerations for Form Completion
Major: PO BOX 369
 JOHNSON CITY, TX78636
Permittee Address: APPROX 3700' N OF INTERX FMR 2766
 JOHNSON CITY, TX78636
Facility Location:
Discharge: 001-A - DOMESTIC FACILITY - 001
DMR Due Date: 10/20/20

Principal Executive Officer
First Name: Rick
Title: City Manager
Last Name: Schroder
Telephone: 830-868-7111

No Data Indicator (NODI)
Form NODI: -

Code	Parameter Name	NODI	Quantity or Loading		Quality or Concentration			# of Analysis Ex.	Freq. of Analysis	Smpl. Type
			Value 1	Value 2	Value 1	Value 2	Value 3			
00300	Oxygen, dissolved [DO]	Smpl.								
1 - Effluent Gross			=6.4				19 - mg/L	01/07 - Weekly	GR - GRAB	
Season: 0		Req.	>=5.0 MO MIN				19 - mg/L	01/07 - Weekly	GR - GRAB	
NODI: -		NODI								
00400	pH	Smpl.								
1 - Effluent Gross			=7.7				12 - SU	01/30 - Monthly	GR - GRAB	
							=7.8			

Code	Name	Value 1	Value 2	Units	Value 1	Value 2	Value 3	Units	of Analysis Ex.	Type
Season: 0		Req. <=25.0 DAILY AV		26 - lb/d			<=35.0 SINGGRAB	19 - mg/L	01/07 - Weekly	GR - GRAB
NODI: -		NODI								

Submission Note

If a parameter row does not contain any values for the Sample nor Effluent Trading, then none of the following fields will be submitted for that row: Units, Number of Excursions, Frequency of Analysis, and Sample Type.

Edit Check Errors

No errors.

Comments

Attachments

No attachments.

Report Last Saved By

JOHNSON CITY, CITY OF

User: bsultemeier@johnsoncitytx.org
 Name: Brent Sultemeier
 E-Mail: bsultemeier@johnsoncitytx.org
 Date/Time: 2020-10-20 17:00 (Time Zone: -05:00)

Report Last Signed By

User: bsultemeier@johnsoncitytx.org
 Name: Brent Sultemeier
 E-Mail: bsultemeier@johnsoncitytx.org
 Date/Time: 2020-10-20 17:00 (Time Zone: -05:00)



POLICE DEPARTMENT

Chief of Police Ross Allen

P.O. Box 159 • 406 West Main Street
Johnson City, Texas 78636

Office (830) 868-0995 • Fax (830) 868-2095 • E-mail policechief@johnsoncitytx.org

Summary of October 2020

JCPD had 169 Calls for service

JCPD made 227 Traffic stops

JCPD made 17 Out of city assists

JCPD Investigated 4 Motor Vehicle Accidents

JCPD made 6 Arrests

- 2 Arrests for Poss. Of Drug Paraphernalia.
- 1 Arrest for Violation of a Protective Order
- 1 Arrest for Driving While Intoxicated.
- 1 Arrest for Aggravated Assault Family Violence.
- 1 Arrest for Public Intoxication

Personnel

We currently have several applicants for the open police officer position and have narrowed it down to two candidates. We are leaning towards a female dispatcher who is currently employed with the Blanco County Sheriff's Office. We are awaiting her graduation from the Police Academy. Background investigations are continuing.

We are also conducting backgrounds on two candidates for Reserve Officer slots and hope to have those completed by the first week of November.

Public Safety

During the month of September, we responded to four motor vehicle accidents at various location throughout the city.



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This month only one occurred in the area of Nugent Ave and US HWY 281. Minor injuries were reported but both vehicles sustained major damage. The remaining three were all minor in nature with no reported injuries.

On 10-09-2020, Officer Michael Pavlov assisted with a vehicle chase that started in Hays County. Officer Pavlov and a Blanco County Sheriff's Deputy took over as primary units on the chase and were successful at bringing the pursuit to a safe conclusion. The suspect was later determined to be highly intoxicated on drugs.

On 10-13-2020, Officer Ethan Bishop conduct a traffic stop on a vehicle for a minor traffic infraction. During his investigation Officer Bishop determined that the driver and passenger, who were minors, were registered gang members and both on probation out of Williamson County Juvenile Probation. A firearm was also recovered from the vehicle. There is no doubt that if Officer Bishop did not stop this vehicle the subjects would have gone on the commit crimes around our community.

On 10-17-2020, Officer Chad Wiggins made a traffic stop on a silver Ford F-150 for a license plate violation. The vehicle did not stop for his lights and siren and continued north on US HWY 281 to HWY 71 turning east. Officer Wiggins pursued the truck into Burnet and Travis Counties until several Travis County Sheriff's Deputies took over. I made the decision to terminate Officer Wiggins from the chase due to the driver's erratic behavior and the fact the he was coming into heavy traffic near Bee Cave, TX. It is my understanding that the license plate that was on the truck did not belong to that vehicle and was possibly stolen. No suspect information has been discovered at this time.

On 10-19-2020, Sgt. Scallorn and I received information of a person possibly being in possession of child pornography. A suspect was identified, and Sgt. Scallorn drew up a search warrant for the residence and it was later executed. Numerous electronic devices were seized and have been sent off to be analyzed. This case remains under investigation.

On 10-22-2020, Officer Ethan Bishop was notified of a vehicle pursuit that was started by the Marble Falls Police Department and was traveling south on US HWY 281 into Johnson City. Officer Bishop positioned himself at the intersection of HWY 281 and RR 1323 and was able to successfully deploy a spike strip on the fleeing vehicle's tires. Shortly after the suspect's vehicle hit the spikes the driver pulled over and he was taken into custody by Marble Falls Police Officer's.



POLICE DEPARTMENT

Chief of Police Ross Allen

P.O. Box 159 • 406 West Main Street

Johnson City, Texas 78636

Office (830) 868-0995 • Fax (830) 868-2095 • E-mail policechief@johnsoncitytx.org

If any of you have any questions or feedback on my monthly reports, please feel free to contact me.

Respectfully,

Chief Ross Allen

<p>MINUTES CITY OF JOHNSON CITY CITY COUNCIL REGULAR MEETING</p>

1. CALL TO ORDER

The meeting was called to order at 6 pm on October 6, 2020 at the Blanco County Annex, Hoppe Room by Mayor Rhonda Stell.

Council Members Shelton Coleman, Gayla Guthrie, Teresa Babb, and Pat Dildine were present. Member Clayton Young was present via Zoom.

Present city staff included City Attorney Elizabet Elleson, Dep. City Secretary Whitney Walton, Interim Public Works Director BJ Sultemeier, Police Chief Ross Allen and Investigator Garrett Scallorn. Interim City Secretary Anthony Holland joined the meeting at 7 pm.

Texas Water Development Staff include Carlton Wilkes and Daniel Palacios.

2. INVOCATION

Pastor Steve Sanchez led the invocation.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS AND ANNOUNCEMENTS

There were no public comments

5. PROCLAMATIONS AND PRESENTATIONS:

a. PRESENTATION: UPDATE BY MAYOR STELL

Mayor Stell said that interviews would be held this week to fill the position of Chief Administrative Officer. She also gave an update of recent Covid-19 cases and mitigation steps.

b. PRESENTATION: CHAMBER OF COMMERCE

Chamber president Craig Van Englen said that there had been an uptick in visitors and that there were hoping to extend visitor center hours.

c. PRESENTATION: ANTHONY HOLLAND, INTERIM CITY SECRETARY

There was no presentation.

6. APPROVE CONSENT AGENDA:

- a. APPROVE POLICE DEPARTMENT REPORT FOR SEPTEMBER 2020.**
- b. APPROVE PUBLIC WORKS REPORT FOR SEPTEMBER 2020.**
- c. APPROVE MINUTES FOR SEPTEMBER 1, 2020 REGULAR MEETING.**
- d. APPROVE MINUTES FOR SEPTEMBER 2, 2020 REGULAR MEETING/BUDGET WORKSHOP**
- e. APPROVE MINUTES FOR SEPTEMBER 15, 2020 SPECIAL MEETING.**
- f. APPROVE MINUTES FOR SEPTEMBER 29, 2020 SPECIAL MEETING.**
- g. APPROVE INVOICES FOR SEPTEMBER 2020.**
- h. APPROVE FINANCIAL CONDITION REPORT FOR SEPTEMBER 2020.**
- i. APPROVE BUILDING PERMIT REPORT FOR SEPTEMBER 2020.**
- j. APPROVE WORK ORDER REPORT FOR SEPTEMBER 2020.**

Public Works Director BJ Sultemeier reported that there was equipment failure this past month at the wastewater treatment plant and warranted expensive repairs. He also updated that status of the upcoming paving project. Police Chief Ross Allen touched on the number or vehicle accidents over the last month and that they have been in contact with TX-DOT over ways to mitigate the issues at a specific location. Council Member Guthrie made a motion to accept the consent agenda. Member Dildine made a second, all were in favor and the consent agenda was approved

7. PRESENTATION BY CARLETON S. WILKES. SENIOR ADVISOR, TEXAS WATER DEVELOPMENT BOARD REGARDING THE 2015 TWDB WATER LOAN.

The council has no questions or comments regarding Mr. Wilkes presentation. No action was taken.

8. DISCUSSION AND ACTION REGARDING TWDB PROGRAMS AND THE CORRECTIVE ACTION PLAN FOR THE 2015 TWDB WATER LOAN.

No action was taken.

9. PUBLIC HEARING: RECEIVE CITIZEN COMMENTS REGARDING THE VARIANCE SUBMITTED BY CRAIG VAN ENGELEN FOR THE PROPERTY LOCATED AT 217 281 LOOP. LEGAL DESCRIPTION – ABSA0147 SURVEY 172 J. DUEL, ACRES 91.55.

The public hearing opened at 6:36 pm and closed at 6:37 pm.

10. **DISCUSSION AND ACTION TO APPROVE THE VARIANCE REQUEST SUBMITTED BY CRAIG VAN ENGELEN FOR THE PROPERTY LOCATED AT 217 281 LOOP.**

Craig Van Englen spoke about the overall development and plans for landscaping, house exteriors, roads, entrances, and HOA. Council Member Shelton Coleman made a motion to approve the variance for the property located at 217 281 Loop. Council Member Gayla Guthrie seconded the motion. All were in favor and the variance was granted.

11. **DISCUSSION AND ACTION REGARDING ACCOUNT CREDIT TO THE METHODIST CHURCH FOR THEIR IRRIGATION ACCOUNT (#163).**

The requested credit amount of \$4581.89 was presented. Council Member Dildine made a motion to approve the requested credit for the Methodist Church irrigation account. Council member Babb seconded the motion. All were in favor and the motion passed.

12. **DISCUSSION AND ACTION ON TO APPROVE ORDINANCE NO. 20-102 AMENDING ORDINANCE NO. 17-1202 REGARDING WATER AND SEWER RATES TO INCLUDE WASTEWATER RATE AVERAGING.**

There was no discussion. Council member Coleman made a motion to approve Ordinance No. 20-102 amending Ordinance No. 17-1202 regarding water and sewer rates to include wastewater averaging. Council Member Babb seconded the motion. All were in favor and the motion passed.

13. **DISCUSSION AND ACTION ON ORDINANCE NO. 20-1001 AMENDING THE CITY OF JOHNSON CITY PERSONNEL POLICY DEFINING THE WORK PERIOD AND COMPENSATORY AND OVERTIME FOR LAW ENFORCEMENT PERSONNEL.**

After discussion, Council member Dildine made a motion to table Ordinance No. 20-1001 amending the City of Johnson City Personnel Policy. Council member Babb seconded the motion. All were in favor and the ordinance was tabled.

14. **DISCUSSION AND ACTION REGARDING RESOLUTION/ORDER NO. 20-1001 AUTHORIZING A COLLECTION FEE TO DELINQUENT COURT FINES AND FEES PURSUANT TO ARTICLE 103.031 OF THE TEXAS CODE OF CRIMINAL PROCEDURE.**

Council member Guthrie made a motion to approve Resolution/Order No. 20-1001 authorizing a collection fee to delinquent court fines and fees pursuant to article 103.031 of the Texas Code of Criminal Procedure. Council Member Coleman seconded the motion. All were in favor and the resolution was adopted.

15. **DISCUSSION AND ACTION REGARDING APPLICATIONS FOR THE POSITION OF CITY ATTORNEY.**

Council member Guthrie made a motion to table the motion regarding accepting applications for the position of City Attorney. Council Member Babb seconded the motion. All were in favor and the motion was tabled.

16. **EXECUTIVE SESSION: THE CITY COUNCIL WILL CONVENE INTO A CLOSED SESSION IN ACCORDANCE WITH THE GOVERNMENT CODE SECTION 551.071 CONSULTATION WITH ATTORNEY FOR DELIBERATION REGARDING:**

- A) THE 2016-2017 FISCAL YEAR AUDIT; AND**
- B) LETTERS OF ENGAGEMENT FOR FY 2018 AUDIT AND FY 2019 AUDIT AND AMENDMENTS TO AND/OR DISENGAGEMENT OF SAME.**

The Council went into executive session at 7:41 pm and closed the session at 9:00 pm.

17. **DISCUSSION AND ACTION REGARDING:**
A) THE 2016-2017 FISCAL YEAR AUDIT; AND
B) LETTERS OF ENGAGEMENT FOR FY 2018 AUDIT AND FY 2019 AUDIT AND AMENDMENTS TO AND/OR DISENGAGEMENT OF SAME.

Council member Babb made a motion to hire an investigator to investigate the issues presented in the 2016 - 2017 audit. Council member Coleman seconded the motion. All were in favor. The motion passed.

Council member Babb made a motion to set the audit presentation deadline for the FY 2018 and 2019 audits to December 15, 2020. Council member Guthrie seconded the motion. All were in favor and the motion passed.

18. **DISCUSSION AND ACTION REGARDING AMENDMENT TO THE DISASTER DECLARATION FOR THE REOPENING OF CITY PARK PLAYSCAPES.**

Council member Guthrie made a motion to amend the disaster declaration to allow for the reopening of the city park playscapes. Council member Young seconded the motion. All were in favor and the amendment passed.

19. **ADJOURN**

Mayor Stell adjourned the meeting at 9:05 pm.

CITY OF JOHNSON CITY, TEXAS

Rhonda Stell, Mayor

ATTEST:

Whitney Walston, Deputy City Secretary

**MINUTES
NOTICE OF SPECIAL CALLED MEETING
CITY OF JOHNSON CITY**

1. CALL TO ORDER

Mayor Stell called the meeting to order at 2:02 pm on October 8, 2020 at City Hall and via Zoom Technologies.

Council members present included Clayton Young, Shelton Coleman, Teresa Babb, and Gayla Guthrie. Council member Pat Dildine was present via Zoom.

City staff present included Deputy City Secretary Whitney Walston. City Attorney Elisabeth Elleson was present via Zoom.

2. INVOCATION

No invocation was given.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS AND ANNOUNCEMENTS:

There were no public comments.

5. EXECUTIVE SESSION: THE CITY COUNCIL WILL CONVENE INTO A CLOSED SESSION IN ACCORDANCE WITH THE GOVERNMENT CODE SECTION 551.074, PERSONNEL MATTERS, AND 551.071 CONSULTATION WITH ATTORNEY FOR DELIBERATION REGARDING THE REVIEW OF CANDIDATE APPLICATIONS FOR CHIEF ADMINISTRATIVE OFFICER/CITY SECRETARY POSITION, INTERVIEW OF CANDIDATE APPLICANTS FOR CHIEF ADMINISTRATIVE OFFICER/CITY SECRETARY POSITION AND SELECTION OF CANDIDATE FOR AND OFFER OF EMPLOYMENT FOR CHIEF ADMINISTRATIVE OFFICER/CITY SECRETARY FOR THE CITY.

The council entered executive session at 2:03. The session ended at 4:52 pm.

6. DISCUSSION AND ACTION ON EXECUTIVE SESSION ITEM REGARDING THE REVIEW OF CANDIDATE APPLICATIONS FOR CHIEF ADMINISTRATIVE OFFICER/CITY SECRETARY POSITION, INTERVIEW OF CANDIDATE APPLICANTS FOR CHIEF ADMINISTRATIVE OFFICER/CITY SECRETARY POSITION AND SELECTION OF CANDIDATE FOR AND OFFER

OF EMPLOYMENT FOR CHIEF ADMINISTRATIVE OFFICER/CITY SECRETARY FOR THE CITY.

Council member Coleman made a motion for city staff to reach out to applicant one with employment offer. Council Member Guthrie seconded the motion. All were in favor and the motion passed.

7. ADJOURN

Mayor Stell adjourned the meeting at 4:56 pm.

CITY OF JOHNSON CITY, TEXAS

Rhonda Stell, Mayor

ATTEST:

Whitney Walston, Deputy City Secretary



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 5

MEETING DATE: **November 10, 2020**

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of an Ordinance of the City Council of the City of Johnson City, Texas establishing a records management program; designating a records management officer; adopting a records management plan; adopting local retention schedules, as amended, promulgated by the Texas State Library and Archives Commission; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Ordinance; incorporating recitals; providing for severability; repealing any other Code provisions, ordinances, or parts of ordinances, and other provisions in conflict herewith; and adopting an effective date. (Staff)

EXECUTIVE SUMMARY:

Although it is believed the City of Johnson City, Texas established a records management program in the past, City Staff is currently unable to locate evidence of the program, a records management officer designation, or the adoption of a records management plan and local retention schedules. In order to ensure that the City abides by State Law and the Texas State Library and Archives Commission's (the "Commission") promulgated rules, City Staff desires to adopt a new records management program.

The proposed program designates Rick Schroder, Chief Administrative Officer / City Secretary, as the City's Records Management Officer. Importantly, the proposed program also adopts the following local retention schedules for all departments / functions within the City:

- EL - Records of Elections and Voter Registration
- GR - Records Common to All Governments
- HR - Records of Public Health Agencies
- LC - Records of Justice and Municipal Courts
- PS - Records of Public Safety Agencies
- PW - Records of Public Works and Services
- TX - Records of Property Taxation

- UT - Records of Utility Services

FINANCIAL: Not applicable.

ATTACHMENTS:

- Proposed Ordinance
- Form SLR 504 – Designation of Local Government Records Management Officer (RMO)
- Form SLR 508 – Declaration of Compliance with the Records Scheduling Requirement of the Local Government Records Act

SUGGESTED ACTION:

Motion to approve an Ordinance of the City Council of the City of Johnson City, Texas establishing a records management program; designating a records management officer; adopting a records management plan; adopting local retention schedules, as amended, promulgated by the Texas State Library and Archives Commission; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Ordinance; incorporating recitals; providing for severability; repealing any other Code provisions, ordinances, or parts of ordinances, and other provisions in conflict herewith; and adopting an effective date.

PREPARED BY: City Staff

DATE SUBMITTED: November 5, 2020

ORDINANCE NO.: _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS ESTABLISHING A RECORDS MANAGEMENT PROGRAM; DESIGNATING A RECORDS MANAGEMENT OFFICER; ADOPTING A RECORDS MANAGEMENT PLAN; ADOPTING LOCAL RETENTION SCHEDULES, AS AMENDED, PROMULGATED BY THE TEXAS STATE LIBRARY AND ARCHIVES COMMISSION; AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO TAKE ALL NECESSARY STEPS TO IMPLEMENT THE PROVISIONS OF THIS ORDINANCE; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; REPEALING ANY OTHER CODE PROVISIONS, ORDINANCES, OR PARTS OF ORDINANCES, AND OTHER PROVISIONS IN CONFLICT HERewith; AND ADOPTING AN EFFECTIVE DATE.

WHEREAS, Title 6, Subtitle C, Local Government Code (Local Government Records Act) provides that a municipality must establish by ordinance an active and continuing records management program to be administered by a Records Management Officer; and

WHEREAS, the City Council of the City of Johnson City, Texas desires to adopt an ordinance for that purpose and to prescribe policies and procedures consistent with the Local Government Records Act and in the interests of cost-effective and efficient recordkeeping;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS THAT:

SECTION 1. DEFINITION OF MUNICIPAL RECORDS. All documents, papers, letters, books, maps, photographs, sound or video recordings, microfilm, magnetic tape, electronic media, or other information recording media, regardless of physical form or characteristic and regardless of whether public access to them is open or restricted under the laws of the state, created or received by the City of Johnson City, Texas or any of its officers or employees pursuant to law or in the transaction of public business are hereby declared to be the records of the City of Johnson City, Texas and shall be created, maintained, and disposed of in accordance with the provisions of this ordinance or procedures authorized by it and in no other manner.

SECTION 2. ADDITIONAL DEFINITIONS. (1) "Department head" means the officer who by ordinance or administrative policy oversees an office of the City of Johnson City, Texas that creates or receives records.

(2) "Essential record" means any record of the City of Johnson City, Texas necessary to the resumption or continuation of its operations in an emergency or disaster, to the re-creation

of its legal and financial status, or to the protection and fulfillment of obligations to the people of the state.

(3) "Permanent record" means any record of the City of Johnson City, Texas for which the retention period on a records control schedule is given as permanent.

(4) "Records control schedule" means a document prepared by or under the authority of the Records Management Officer listing the records maintained by the City of Johnson City, Texas, their retention periods, and other records disposition information that the records management program may require.

(5) "Records management" means the application of management techniques to the creation, use, maintenance, retention, preservation, and disposal of records for the purposes of reducing the costs and improving the efficiency of recordkeeping. The term includes the development of records control schedules, the management of filing and information retrieval systems, the protection of essential and permanent records, the economical and space-effective storage of inactive records, control over the creation and distribution of forms, reports, and correspondence, and the management of micrographics and electronic and other records storage systems.

(6) "Records management officer" means the person designated in Section 5 of this ordinance.

(7) "Records management plan" means the plan developed under Section 6 of this ordinance.

(8) "Retention period" means the minimum time that must pass after the creation, recording, or receipt of a record, or the fulfillment of certain actions associated with a record, before it is eligible for destruction.

SECTION 3. MUNICIPAL RECORDS DECLARED PUBLIC PROPERTY. All municipal records as defined in Sec. 1 of this ordinance are hereby declared to be the property of the City of Johnson City, Texas. No municipal official or employee has, by virtue of his or her position, any personal or property right to such records even though he or she may have developed or compiled them. The unauthorized destruction, removal from files, or use of such records is prohibited.

SECTION 4. POLICY. It is hereby declared to be the policy of the City of Johnson City, Texas to provide for efficient, economical, and effective controls over the creation, distribution, organization, maintenance, use, and disposition of all municipal records through a comprehensive system of integrated procedures for their management from creation to ultimate disposition, consistent with the requirements of the Texas Local Government Records Act and accepted records management practice.

SECTION 5. DESIGNATION OF RECORDS MANAGEMENT OFFICER. The Chief Administrative Officer / City Secretary, and the successive holders of said office, shall

serve as Records Management Officer for the City of Johnson City, Texas. As provided by state law, each successive holder of the office shall file his or her name with the director and librarian of the Texas State Library within thirty days of the initial designation or of taking up the office, as applicable.

SECTION 6. RECORDS MANAGEMENT PLAN TO BE DEVELOPED; APPROVAL OF PLAN; AUTHORITY OF PLAN. (a) The Records Management Officer shall develop a records management plan for the City of Johnson City, Texas for submission to the City Council. The plan must contain policies and procedures designed to reduce the costs and improve the efficiency of recordkeeping, to adequately protect the essential records of the municipality, and to properly preserve those records of the municipality that are of historical value. The plan must be designed to enable the Records Management Officer to carry out his or her duties prescribed by state law and this ordinance effectively.

(b) Once approved by the City Council, the records management plan shall be binding on all offices, departments, divisions, programs, commissions, bureaus, boards, committees, or similar entities of the City of Johnson City, Texas and records shall be created, maintained, stored, microfilmed, or disposed of in accordance with the plan.

(c) State law relating to the duties, other responsibilities, or recordkeeping requirements of a department head do not exempt the department head or the records in the department head's care from the application of this ordinance and the records management plan adopted under it and may not be used by the department head as a basis for refusal to participate in the records management program of the City of Johnson City, Texas.

SECTION 7. DUTIES OF RECORDS MANAGEMENT OFFICER. In addition to other duties assigned in this ordinance, the Records Management Officer shall:

(1) administer the records management program and aid department heads in its implementation;

(2) plan, formulate, and prescribe records disposition policies, systems, standards, and procedures;

(3) in cooperation with department heads identify essential records and establish a disaster plan for each municipal office and department to ensure maximum availability of the records in order to re-establish operations quickly and with minimum disruption and expense;

(4) develop procedures to ensure the permanent preservation of the historically valuable records of the city;

(5) establish standards for filing and storage equipment and for recordkeeping supplies;

(6) study the feasibility of and, if appropriate, establish a uniform filing system and a forms design and control system for the City of Johnson City, Texas;

(7) monitor records retention schedules and administrative rules issued by the Texas State Library and Archives Commission to determine if the records management program and the municipality's records control schedules follow state regulations;

(8) disseminate to the City Council and department heads information concerning state laws and administrative rules relating to local government records;

(9) ensure that the maintenance, preservation, microfilming, destruction, or other disposition of the records of the City of Johnson City, Texas are carried out in accordance with the policies and procedures of the records management program and the requirements of state law;

(10) maintain records on the volume of records destroyed under approved records control schedules or through records destruction authorization requests, the volume of records microfilmed or stored electronically, and the estimated cost and space savings as the result of such disposal or disposition;

(11) report annually to the City Council on the implementation of the records management plan in each department of the City of Johnson City, Texas, including summaries of the statistical and fiscal data compiled under Subsection (10); and

(12) bring to the attention of the City Council non-compliance by department heads or other municipal personnel with the policies and procedures of the records management program or the Local Government Records Act.

SECTION 8. DUTIES AND RESPONSIBILITIES OF DEPARTMENT HEADS.

In addition to other duties assigned in this ordinance, department heads shall:

(1) cooperate with the Records Management Officer in carrying out the policies and procedures established in the City of Johnson City, Texas for the efficient and economical management of records and in carrying out the requirements of this ordinance;

(2) adequately document the transaction of government business and the services, programs, and duties for which the department head and his or her staff are responsible; and

(3) maintain the records in his or her care and carry out their preservation, microfilming, destruction, or other disposition only in accordance with the policies and procedures of the records management program of the City of Johnson City, Texas and the requirements of this ordinance.

SECTION 9. RECORDS CONTROL SCHEDULES TO BE DEVELOPED; APPROVAL; FILING WITH STATE. (a) The Records Management Officer, in cooperation with department heads, shall prepare records control schedules on a department by department basis listing all records series created or received by the department and the retention period for each series. Records control schedules shall also contain such other information regarding the disposition of municipal records as the records management plan may require.

(b) Each records control schedule shall be monitored and amended as needed by the Records Management Officer on a regular basis to ensure that it is in compliance with records retention schedules issued by the state and that it continues to reflect the recordkeeping procedures and needs of the department and the records management program of the City of Johnson City, Texas.

(c) Before its adoption a records control schedule or amended schedule for a department must be approved by the department head and the City Council.

(d) Before its adoption a records control schedule must be submitted to and accepted for filing by the director and librarian as provided by state law. If a schedule is not accepted for filing, the schedule shall be amended to make it acceptable for filing. The Records Management Officer shall submit the records control schedules to the director and librarian.

SECTION 10. IMPLEMENTATION OF RECORDS CONTROL SCHEDULES; DESTRUCTION OF RECORDS UNDER SCHEDULE. (a) A records control schedule for a department that has been approved and adopted under Section 9 shall be implemented by department heads according to the policies and procedures of the records management plan.

(b) A record whose retention period has expired on a records control schedule shall be destroyed unless an open records request is pending on the record, the subject matter of the record is pertinent to a pending law suit, or the department head requests in writing to the Records Management Officer that the record be retained for an additional period.

(c) Prior to the destruction of a record under an approved records control schedule, authorization for the destruction must be obtained by the Records Management Officer from the City Council.

SECTION 11. DESTRUCTION OF UNSCHEDULED RECORDS. A record that has not yet been listed on an approved records control schedule may be destroyed if its destruction has been approved in the same manner as a record destroyed under an approved schedule and the Records Management Officer has submitted to and received back from the director and librarian an approved destruction authorization request.

SECTION 12. ADOPTION OF LOCAL RETENTION SCHEDULES. The City Council of the City of Johnson City, Texas adopts the following Texas State Library and Archives Commission local retention schedules: Schedules EL, GR, HR, LC, PS, PW, TX, and UT.

SECTION 13. AUTHORIZATION. The Chief Administrative Officer is hereby authorized to take all necessary steps to implement the provisions of this Ordinance.

SECTION 14. RECITALS. The City Council finds all the above recitals to be true and correct and incorporates the same in this Ordinance as findings of fact.

SECTION 15. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared void.

SECTION 16. REPEALER. All ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated herein.

SECTION 17. EFFECTIVE DATE. This Ordinance shall be effective immediately upon its adoption.

PASSED AND APPROVED by the City Council of the City of Johnson City, Texas on the 10th day of November 2020.

APPROVED:

Rhonda Stell
Mayor

ATTEST:

Rick Schroder
Chief Administrative Officer / City Secretary



Form SLR 504 – Designation of Local Government
Records Management Officer
For non-elected offices in Texas

Submitted pursuant to Local Government Code §203.025

Before filling out this form, ensure that the Records Management policy approved by your governing body under Local Government Code, §203.026 has designated your position as the Records Management Officer (RMO). If the position in the policy has changed, or if the policy names an individual who is no longer serving as RMO, a new policy must be filed with this form.

Records Management Officer (RMO) Contact Information:

Name of Local Government: City of Johnson City, Texas

Position/Title Designated in Policy: Chief Administrative Officer / City Secretary


Name of Individual Designated as RMO: Rick Schroder

Mailing Address: PO Box 369

City: Johnson City, TX Zip Code: 78636

Business email: rschroder@johnsoncitytx.org Phone: 830-868-7111

Please subscribe me to The Texas Record for news and training information. <https://www.tsl.texas.gov/slrmblog/>

RMO Signature:  Date: 11/10/20

Please mail original, signed form within 30 days of RMO change to:

State and Local Records Management Division
Texas State Library and Archives Commission
P.O. Box 12927
Austin, TX 78711-2927

Access and download forms, publications and retention schedules
on our website: <https://www.tsl.texas.gov/slrmblog/>

For more assistance: 512-463-7610
slrminfo@tsl.texas.gov



Form SLR 508 – Declaration of Compliance with the Records Scheduling Requirement of the Local Government Records Act

Part 1: Contact Information

Name of Local Government: City of Johnson City, Texas

Mailing Address: PO Box 369

City: Johnson City, Texas ZIP code: 78636

Part 2: Local Government Certification

As records management officer for the local government named, I hereby declare records control schedules have been prepared for all records as required by Local Gov. Code §203.041(a) for use in our records management program. I certify that the schedules:

- Comply with the minimum requirements established on records retention schedules issued by the Texas State Library and Archives Commission (as checked below), including retention periods; and
• No retention period on the records control schedules is less than a retention period prescribed by a state or federal law, regulation, or rule of court.

As records management officer, I understand that I shall:

- Assist in establishing and developing policies and procedures for the records management program for the local government;
• Ensure compliance with other duties of records management officer pursuant to Local Gov. Code, §203.023;
• Ensure compliance with Electronic Standards and Procedures, 13 TAC 7, pursuant to Local Gov. Code, §205.002; and
• Ensure compliance with Microfilming Standards and Procedures, 13 TAC 7, pursuant to Local Gov. Code, §204.002.

I declare that this local government will comply with the retention schedule:

[X] Schedule GR (Records Common to All Governments)

I declare compliance with the following additional retention schedules issued by the commission: (check all that apply):

- [] Schedule CC (Records of County Clerks) [X] Schedule PS (Records of Public Safety Agencies)
[] Schedule DC (Records of District Clerks) [X] Schedule PW (Records of Public Works and Services)
[X] Schedule EL (Records of Elections and Voter Registration) [] Schedule SD (Records of Public School Districts)
[X] Schedule HR (Records of Public Health Agencies) [X] Schedule TX (Records of Property Taxation)
[] Schedule JC (Records of Public Junior Colleges) [X] Schedule UT (Records of Utility Services)
[X] Schedule LC (Records of Justice and Municipal Courts)

RMO Name and Title: Rick Schroder, CAO / City Secretary

RMO Signature: [Handwritten Signature] Date: 11/10/20

Part 3: Acceptance by Texas State Library and Archives Commission (internal use only)
This Declaration of Compliance has:
[] been accepted for filing pursuant to Local Gov. Code §203.041(a)(2). A record appearing on a valid records control schedule may be disposed of at the expiration of its retention period without additional notice to the director and librarian as described in §202.001(a)(1), subject to the provisions of §203.041(d).
[] been accepted for filing subject to the conditions stated in the accompanying letter.
Name and Title: Megan Carey, RMA Manager
Signature: _____ Date: _____

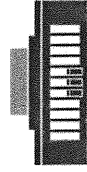


Recommended Local Retention Schedules

Government or Office	Sched CC	Sched DC	Sched EL	Sched GR	Sched HR	Sched JC	Sched LC	Sched PS	Sched PW	Sched SD	Sched TX	Sched UT
County	X	X	X	X	X		X	X	X		X	X
County Judge			X	X								
District Court Judge		X		X			X					
County Commissioner				X								
County Clerk	X		X	X								
District Clerk		X		X								
Tax Assessor-Collector			X	X							X	
County Treasurer				X								
County Attorney				X				X				
District Attorney				X				X				
County/District Clerk	X	X	X	X								
Justice of the Peace				X			X					
Sheriff				X				X				
Constable				X				X				
County Surveyor	X			X								
Municipality			X	X	X		X	X	X		X	X
Appraisal District				X							X	
Public School District			X	X						X	X	
Junior College District			X	X		X					X	
Educational Service Center				X						X		
Educational Cooperative				X						X		
Charter School			X	X						X	X	
Hospital District/Authority				X	X						X	
Emergency Service District				X				X				
Council of Government				X								
Transit Authority				X					X			
Airport Authority				X					X			
Library District			X	X					X		X	
Water District				X					X		X	X
Soil and Water Conservation District				X					X			X
River Authority				X					X			X
Port Authority				X					X			X
Municipal Utility District			X	X					X		X	X

LOCAL SCHEDULE EL

(Fourth Edition)



TEXAS STATE
**LIBRARY
ARCHIVES**
COMMISSION

RETENTION SCHEDULE FOR RECORDS OF ELECTIONS AND VOTER REGISTRATION

This schedule establishes mandatory minimum retention periods for records that are associated with the conduct of elections, political candidacy, and the registration of voters. No local government office may dispose of a record listed in this schedule prior to the expiration of its retention period. A records control schedule of a local government may not set a retention period that is less than that established for the record in this schedule. Original paper records may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of the Local Government Code, Chapter 204 or Chapter 205, as applicable, and rules of the Texas State Library and Archives Commission adopted under those chapters. Actual disposal of such records by a local government is subject to the policies and procedures of its records management program.

Destruction of local government records contrary to the provisions of the Local Government Records Act of 1989 and administrative rules adopted under it, including this schedule, is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

INTRODUCTION

The Government Code, Section 441.158, provides that the Texas State Library and Archives Commission shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. The law provides further that each schedule must state the retention period prescribed by federal or state law, rule of court, or regulation for a record for which a period is prescribed; and prescribe retention periods for all other records, which periods have the same effect as if prescribed by law after the records retention schedule is adopted as a rule of the Commission. If applicable, the wording of the records series will match that of any federal or state law, rule of court, or regulation, and citation to law, rule, or regulation will be provided in the Remarks section.

Retention periods listed in this schedule apply to records in any medium. If records are stored electronically, they must remain available and accessible until the expiration of the retention period assigned by this schedule, along with any hardware or software required to access or read them. Electronic records may include electronic mail (e-mail), websites, electronic publications, or any other machine-readable format. Paper or microfilm copies may be retained in lieu of electronic records.

The use of social media application may create public records. Any content (messages, posts, photographs, videos, etc.) created or received using a social media application may be considered records and should be managed appropriately. The retention of social media records is based on content and function. Local governments will need to consult the relevant records retention schedule for the minimum retention periods.

Unless otherwise stated, the retention period for a record is in calendar years from the date of its creation. The retention period applies only to an official record as distinct from convenience or working copies created for informational purposes. Where several copies are maintained, each local government should decide which shall be the official record and in which of its divisions or departments it will be maintained. Local governments in their records management programs should establish policies and procedures to provide for the systematic disposal of copies.

A local government record whose retention period has expired may not be destroyed if any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record is initiated; its destruction shall not occur until the completion of the action and the resolution of all issues that arise from it.

A local government record whose retention period expires during any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record may not be destroyed until the completion of the action and the resolution of all issues that arise from it.

If a record described in this schedule is maintained in a bound volume of a type in which pages were not meant to be removed, the retention period, unless otherwise stated, dates from the date of last entry.

If two or more records listed in this schedule are maintained together by a local government and are not severable, the combined record must be retained for the length of time of the component with the longest retention period. A record whose minimum retention period on this schedule has not yet expired and is **less than permanent** may be disposed of if it has been so badly damaged by fire, water, or insect or rodent infestation as to render it unreadable, or if portions of the information in the record have been so thoroughly destroyed that remaining portions are unintelligible. If the retention period for the record is **permanent** in this schedule, authority to dispose of the damaged record must be obtained from the Director and Librarian of the Texas State Library and Archives Commission. A Request for Authority to Destroy Unscheduled Records (Form SLR 501) should be used for this purpose.

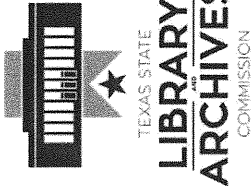
Certain records listed in this schedule are assigned the retention period of AV (as long as administratively valuable). This retention period affords local governments the maximum amount of discretion in determining a specific retention period for the record described.

Use of Asterisk (*)

The use of an asterisk in this edition of Local Schedule EL indicates that the record is either new to this edition, the retention period for the record has been changed, or amendments have been made to the description of or remarks concerning the record. An asterisk is not used to indicate minor amendments to grammar or punctuation.

Abbreviations Used in This Schedule

AV - As long as administratively valuable
 CFR - Code of Federal Regulations
 FE - Fiscal year end
 TAC - Texas Administrative Code
 US - Until superseded



LOCAL SCHEDULE GR (Revised Fifth Edition)

RETENTION SCHEDULE FOR RECORDS COMMON TO ALL LOCAL GOVERNMENTS

This schedule establishes mandatory minimum retention periods for records that are usually found in all local governments, regardless of type. No local government office may dispose of a record listed in this schedule prior to the expiration of its retention period. A records control schedule of a local government may not set a retention period that is less than that established for the record in this schedule. Original paper records may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of the Local Government Code, Chapter 204 or Chapter 205, as applicable, and rules of the Texas State Library and Archives Commission adopted under those chapters. Actual disposal of such records by a local government is subject to the policies and procedures of its records management program.

Destruction of local government records contrary to the provisions of the Local Government Records Act of 1989 and administrative rules adopted under it, including this schedule, is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

INTRODUCTION

The Government Code, Section 441.158, provides that the Texas State Library and Archives Commission shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. The law provides further that each schedule must state the retention period prescribed by federal or state law, rule of court, or regulation for a record for which a period is prescribed; and prescribe retention periods for all other records, which periods have the same effect as if prescribed by law after the records retention schedule is adopted as a rule of the Commission. If applicable, the wording of the records series will match that of any federal or state law, rule of court, or regulation, and citation to law, rule, or regulation will be provided in the Remarks section.

Retention periods listed in this schedule apply to records in any medium. If records are stored electronically, they must remain available and accessible until the retention period assigned by this schedule, along with any hardware or software required to access or read them. Electronic records may include electronic mail (e-mail), websites, electronic publications, or any other machine-readable format. Paper or microfilm copies may be retained in lieu of electronic records.

The use of social media applications may create public records. Any content (messages, posts, photographs, videos, etc.) created or received using a social media application may be considered records and should be managed appropriately. The retention of social media records is based on content and function. Local governments will need to consult the relevant records retention schedule for the minimum retention periods.

Unless otherwise stated, the retention period for a record is in calendar years from the date of its creation. The retention period, applies only to an official record as distinct from convenience or working copies created for informational purposes. Where several copies are maintained, each local government should decide which shall be the official record and in which of its divisions or departments it will be maintained. Local governments in their records management programs should establish policies and procedures to provide for the systematic disposal of copies.

A local government record whose retention period has expired may not be destroyed if any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record is initiated; its destruction shall not occur until the completion of the action and the resolution of all issues that arise from it.

A local government record whose retention period expires during any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record may not be destroyed until the completion of the action and the resolution of all issues that arise from it.

If a record described in this schedule is maintained in a bound volume of a type in which pages were not meant to be removed, the retention period, unless otherwise stated, dates from the date of last entry.

If two or more records listed in this schedule are maintained together by a local government and are not severable, the combined record must be retained for the length of time of the component with the longest retention period. A record whose minimum retention period on this schedule has not yet expired and is **less than permanent** may be disposed of if it has been so badly damaged by fire, water, or insect or rodent infestation as to render it unreadable, or if portions of the information in the record have been so thoroughly destroyed that remaining portions are unintelligible. If the retention period for the record is **permanent** in this schedule, authority to dispose of the damaged record must be obtained from the Director and Librarian of the Texas State Library and Archives Commission. A Request for Authority to Destroy Unscheduled Records (Form SLR 501) should be used for this purpose.

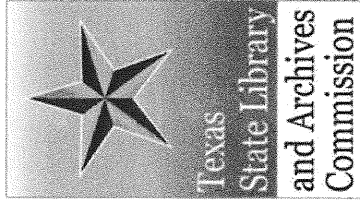
Certain records listed in this schedule are assigned the retention period of AV (as long as administratively valuable). This retention period affords local governments the maximum amount of discretion in determining a specific retention period for the record described.

Use of Asterisk (*)

The use of an asterisk in this edition of Local Schedule GR indicates that the record is either new to this edition, the retention period for the record has been changed, or amendments have been made to the description of or remarks concerning the record. An asterisk is not used to indicate minor amendments to grammar or punctuation.

ABBREVIATIONS USED IN THIS SCHEDULE

AV - As long as administratively valuable
 FE - Fiscal year end
 TAC - Texas Administrative Code
 US - Until superseded
 LA – Life of asset
 CE – Calendar year end



TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

LOCAL SCHEDULE HR (Second Edition)

RETENTION SCHEDULE FOR RECORDS OF LOCAL PUBLIC HEALTH AGENCIES

This schedule establishes mandatory minimum retention periods for records of public health agencies. The term ‘local public health agency’ means any local health department or unit owned, operated, or leased by a local government, including: public health districts, public hospitals, hospital districts, hospital authorities, animal control departments, animal shelters, and the abolished office of county inspector of hides and animals. Public health agencies owned, operated, or leased by a state agency, including state universities, should follow the retention periods set forth in that state agency’s records retention schedule. No local government office may dispose of a record listed in this schedule prior to the expiration of its retention period. A records control schedule of a local government may not set a retention period that is less than that established for the record in this schedule. Original paper records may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of the Local Government Code, Chapter 204 or Chapter 205, as applicable, and rules of the Texas State Library and Archives Commission adopted under those chapters. Actual disposal of such records by a local government is subject to the policies and procedures of its records management program.

Destruction of local government records contrary to the provisions of the Local Government Records Act of 1989 and administrative rules adopted under it, including this schedule, is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

INTRODUCTION

The Government Code, Section 441.158, provides that the Texas State Library and Archives Commission shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. The law provides further that each schedule must state the retention period prescribed by federal or state law, rule of court, or regulation for a record for which a period is prescribed; and prescribe retention periods for all other records, which periods have the same effect as if prescribed by law after the records retention schedule is adopted as a rule of the Commission.

The retention period for a record applies to the record regardless of the medium in which it is maintained. Some records listed in this schedule are maintained electronically in many offices, but electronically stored data used to create in any manner a record or the functional equivalent of a record as described in this schedule must be retained, along with the hardware and software necessary to access the data, for the retention period assigned to the record, unless backup copies of the data generated from electronic storage are retained in paper or on microfilm for the retention period.

Unless otherwise stated, the retention period for a record is in calendar years from the date of its creation. The retention period applies only to an official record as distinct from convenience or working copies created for informational purposes. Where several copies are maintained, each local government should decide which shall be the official record and in which of its divisions or departments it will be maintained. Local governments in their records management programs should establish policies and procedures to provide for the systematic disposal of copies.

A local government record may not be destroyed if any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record is initiated prior to the destruction of the record until the completion of the action and the resolution of all issues that arise from it or until the expiration of the retention period of the record, whichever is later.

If a record described in this schedule is maintained in a bound volume of a type in which pages were not meant to be removed, the retention period, unless otherwise stated, dates from the date of last entry.

If two or more records listed in this schedule are maintained together by a local government and are not severable, the combined record must be retained for the length of time of the component with the longest retention period. A record whose minimum retention period on this schedule has not yet expired and is **less than permanent** may be disposed of if it has been so badly damaged by fire, water, or insect or rodent infestation as to render it unreadable, or if portions of the information in the record have been so thoroughly destroyed that remaining portions are unintelligible. If the retention

period for the record is **permanent** in this schedule, authority to dispose of the damaged record must be obtained from the director and librarian of the Texas State Library and Archives Commission. A Request for Authority to Destroy Unscheduled Records (Form SLR 501) should be used for this purpose.

Certain records listed in this schedule are assigned the retention period of AV (as long as administratively valuable). This retention period affords local governments the maximum amount of discretion in determining a specific retention period for the record described. Although AV may be used as a retention period on a records control schedule of a local government, it is in the best interests of any records management program that fixed retention periods are assigned for records. AV records tend to accumulate and go unmanaged.

Use of Asterisk (*)

The use of an asterisk in this second edition of Local Schedule HR indicates that the record is either new to this edition, the retention period for the record has been changed, or substantive amendments have been made to the description or remarks concerning the record. An asterisk is not used to indicate minor amendments to grammar or punctuation.

ABBREVIATIONS USED IN THIS SCHEDULE

AV - As long as administratively valuable
CFR - Code of Federal Regulations
FE - Fiscal year end
TAC - Texas Administrative Code
US - Until superseded



TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

LOCAL SCHEDULE LC (Revised Second Edition)

RETENTION SCHEDULE FOR RECORDS OF JUSTICE AND MUNICIPAL COURTS

This schedule establishes mandatory minimum retention periods for records that are usually found in justice and/or municipal courts. No local government office may dispose of a record listed in this schedule prior to the expiration of its retention period. A records control schedule of a local government may not set a retention period that is less than that established for the record in this schedule. Original paper records listed in this schedule may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of the Local Government Code, Chapter 204 or Chapter 205, as applicable, and rules of the Texas State Library and Archives Commission adopted under those chapters. Actual disposal of such records by a local government is subject to the policies and procedures of its records management program.

Destruction of local government records contrary to the provisions of the Local Government Records Act of 1989 and administrative rules adopted under it, including this schedule, is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

INTRODUCTION

The Government Code, Section 441.158, provides that the Texas State Library and Archives Commission shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. The law provides further that each schedule must state the retention period prescribed by federal or state law, rule of court, or regulation for a record for which a period is prescribed; and prescribe retention periods for all other records, which periods have the same effect as if prescribed by law after the records retention schedule is adopted as a rule of the Commission.

The retention period for a record applies to the record regardless of the medium in which it is maintained. Some records listed in this schedule are maintained electronically in many offices, but electronically stored data used to create in any manner a record or the functional equivalent of a record as described in this schedule must be retained, along with the hardware and software necessary to access the data, for the retention period assigned to the record, unless backup copies of the data generated from electronic storage are retained in paper or on microfilm for the retention period. This includes electronic mail (e-mail), websites and electronic publications.

Unless otherwise stated, the retention period for a record is in calendar years from the date of its creation. The retention period applies only to an official record as distinct from convenience or working copies created for informational purposes. Where several copies are maintained, each local government should decide which shall be the official record and in which of its divisions or departments it will be maintained. Local governments in their records management programs should establish policies and procedures to provide for the systematic disposal of copies.

A local government record may not be destroyed if any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record is initiated prior to the destruction of the record until the completion of the action and the resolution of all issues that arise from it or until the expiration of the retention period of the record, whichever is later.

If a record described in this schedule is maintained in a bound volume of a type in which pages were not meant to be removed, the retention period, unless otherwise stated, dates from the date of last entry.

If two or more records listed in this schedule are maintained together by a local government and are not severable, the combined record must be retained for the length of time of the component with the longest retention period. A record whose minimum retention period on this schedule has not yet expired and is **less than permanent** may be disposed of if it has been so badly damaged by fire, water, or insect or rodent infestation as to render it unreadable, or if portions of the information in the record have been so thoroughly destroyed that remaining portions are unintelligible. If the retention period for the record is **permanent** in this schedule, authority to dispose of the damaged record must be obtained from the Director and Librarian of the Texas State Library and Archives Commission. A Request for Authority to Destroy Unscheduled Records (Form SLR 501) should be used for this purpose.

Certain records listed in this schedule are assigned the retention period of AV (as long as administratively valuable). This retention period affords local governments the maximum amount of discretion in determining a specific retention period for the record described.

Use of Asterisk (*)

The use of an asterisk (*) in this third edition of Local Schedule LC indicates that the record is either new to this edition, the retention period for the record has been changed for the record, or substantive amendments have been made to the description of or remarks concerning the record. An asterisk is not used to indicate minor amendments to grammar or punctuation.

ABBREVIATIONS USED IN THIS SCHEDULE

AV - As long as administratively valuable
FE - Fiscal year end
US - Until Superseded



LOCAL SCHEDULE PS (Revised Fourth Edition)

RETENTION SCHEDULE FOR RECORDS OF PUBLIC SAFETY AGENCIES

This schedule establishes mandatory minimum retention periods for records commonly found in public safety agencies. No local government office may dispose of a record listed in this schedule prior to the expiration of its retention period. A records control schedule of a local government may not set a retention period that is less than that established for the record in this schedule. Original paper records listed in this schedule may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of the Local Government Code, Chapter 204 or Chapter 205, as applicable, and rules of the Texas State Library and Archives Commission adopted under authority of those chapters. Actual disposal of such records by a local government is subject to the policies and procedures of its records management program.

Destruction of local government records contrary to the provisions of the Local Government Records Act of 1989 and administrative rules adopted under it, including this schedule, is a Class A misdemeanor and, under certain circumstances, a third-degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

INTRODUCTION

The Government Code, Section 441.158, provides that the Texas State Library and Archives Commission shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. The law provides further that each schedule must state the retention period prescribed by federal or state law, rule of court, or regulation for a record for which a period is prescribed; and prescribe retention periods for all other records, which periods have the same effect as if prescribed by law after the records retention schedule is adopted as a rule of the Commission. If applicable, the wording of the records series will match that of any federal or state law, rule of court, or regulation, and citation to law, rule, or regulation will be provided in the Remarks section.

Retention periods listed in this schedule apply to records in any medium. If records are stored electronically, they must remain available and accessible until the expiration of the retention period assigned by this schedule, along with any hardware or software required to access or read them. Electronic records may include electronic mail (e-mail), websites, electronic publications, or any other machine-readable format. Paper or microfilm copies may be retained in lieu of electronic records.

The use of social media applications may create public records. Any content (messages, posts, photographs, videos, etc.) created or received using a social media application may be considered records, and should be managed appropriately. The retention of social media records is based on content and function. Local governments will need to consult the relevant records retention schedule for the minimum retention periods.

Unless otherwise stated, the retention period for a record is in calendar years from the date of its creation. The retention period applies only to an official record, as distinct from convenience or working copies created for informational purposes. Where several copies are maintained, each local government should decide which shall be the official record, and in which of its divisions or departments it will be maintained. Local governments should establish policies and procedures in their records management programs to provide for the systematic disposal of copies.

A local government record whose retention period has expired may not be destroyed if any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record is initiated; its destruction shall not occur until the completion of the action and the resolution of all issues that arise from it.

A local government record whose retention period expires during any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record may not be destroyed until the completion of the action and the resolution of all issues that arise from it.

If a record described in this schedule is maintained in a bound volume of a type in which pages were not meant to be removed, the retention period, unless otherwise stated, dates from the date of last entry.

If two or more records listed in this schedule are maintained together by a local government and are not severable, the combined record must be retained for the length of time of the component with the longest retention period. A record whose minimum retention period on this schedule has not yet expired and is less than permanent may be disposed of if it has been so badly damaged by fire, water, or insect or rodent infestation as to render it unreadable, or if portions of the information in the record have been so thoroughly destroyed that remaining portions are unintelligible. If the retention period for the record is permanent in this schedule, authority to dispose of the damaged record must be obtained from the Director and Librarian of the Texas State Library and Archives Commission. A Request for Authority to Destroy Unscheduled Records (Form SLR 501) should be used for this purpose.

Certain records listed in this schedule are assigned the retention period of AV (as long as administratively valuable). This retention period affords local governments the maximum amount of discretion in determining a specific retention period for the record described.

Use of Asterisk (*)

The use of an asterisk in this edition of Local Schedule PS indicates that the record is either new to this edition, the retention period for the record has been changed, or amendments have been made to the description of or remarks concerning the record. An asterisk is not used to indicate minor amendments to grammar or punctuation.

ABBREVIATIONS USED IN THIS SCHEDULE

AV – As long as administratively valuable	TAC – Texas Administrative Code
CE – Calendar year end	USC – United State Code
CFR – Code of Federal Regulations	US – Until Superseded
FE – Fiscal year end	
LA – Life of asset	



TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

LOCAL SCHEDULE PW 13 TAC §7.125(b)(2) (Second Edition)

RETENTION SCHEDULE FOR RECORDS OF PUBLIC WORKS AND OTHER GOVERNMENT SERVICES

This schedule establishes mandatory minimum retention periods for records that are associated with public works and other government services. No local government office may dispose of a record listed in this schedule prior to the expiration of its retention period. A records control schedule of a local government may not set a retention period that is less than that established for the record in this schedule. Original paper records may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of the Local Government Code, Chapter 204 or Chapter 205, as applicable, and rules of the Texas State Library and Archives Commission adopted under those chapters. Actual disposal of such records by a local government is subject to the policies and procedures of its records management program.

Destruction of local government records contrary to the provisions of the Local Government Records Act of 1989 and administrative rules adopted it, including this schedule, is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

INTRODUCTION

The Government Code, Section 441.158, provides that the Texas State Library and Archives Commission shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. The law provides further that each schedule must state the retention period prescribed by federal or state law, rule of court, or regulation for a record for which a period is prescribed; and prescribe retention periods for all other records, which periods have the same effect as if prescribed by law after the records retention schedule is adopted as a rule of the Commission.

The retention period for a record applies to the record regardless of the medium in which it is maintained. Some records listed in this schedule are maintained electronically in many offices, but electronically stored data used to create in any manner a record or the functional equivalent of a record as described in this schedule must be retained, along with the hardware and software necessary to access the data, for the retention period assigned to the record, unless backup copies of the data generated from electronic storage are retained in paper or on microfilm for the retention period. This includes electronic mail (e-mail), websites, and electronic publications.

Unless otherwise stated, the retention period for a record is in calendar years from the date of its creation. The retention period applies only to an official record as distinct from convenience or working copies created for informational purposes. Where several copies are maintained, each local government should decide which shall be the official record and in which of its divisions or departments it will be maintained. Local governments in their records management programs should establish policies and procedures to provide for the systematic disposal of copies.

If a record described in this schedule is maintained in a bound volume of a type in which pages were not meant to be removed, the retention period, unless otherwise stated, dates from the date of last entry.

If two or more records listed in this schedule are maintained together by a local government and are not severable, the combined record must be retained for the length of time of the component with the longest retention period. A record whose minimum retention period on this schedule has not yet expired and is **less than permanent** may be disposed of if it has been so badly damaged by fire, water, or insect or rodent infestation as to render it unreadable, or if portions of the information in the record have been so thoroughly destroyed that remaining portions are unintelligible. If the retention period for the record is **permanent** in this schedule, authority to dispose of the damaged record must be obtained from the Director and Librarian of the Texas State Library and Archives Commission. A Request for Authority to Destroy Unscheduled Records (Form SLR 501) should be used for this purpose.

Certain records listed in this schedule are assigned the retention period of AV (as long as administratively valuable). This retention period affords local governments the maximum amount of discretion in determining a specific retention period for the record described.

Use of Asterisk (*)

The use of an asterisk in this second edition of Local Schedule PW indicates that the record is either new to this edition, the retention period for the record has been changed, or substantive amendments have been made to the description or remarks concerning the record. An asterisk is not used to indicate minor amendments to grammar or punctuation.

ABBREVIATIONS USED IN THIS SCHEDULE

- AV - As long as administratively valuable
 - CE - Calendar year end
- CFR - Code of Federal Regulations
 - FE - Fiscal year end
- TAC - Texas Administrative Code
 - US - Until superseded



TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

LOCAL SCHEDULE TX (Third Edition)

RETENTION SCHEDULE FOR RECORDS OF PROPERTY TAXATION

This schedule establishes mandatory minimum retention periods for records that are usually found in appraisal districts and tax offices of taxing units. No local government office may dispose of a record listed in this schedule prior to the expiration of its retention period. A records control schedule of a local government may not set a retention period that is less than that established for the record in this schedule. Original paper records may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of the Local Government Code, Chapter 204 or Chapter 205, as applicable, and rules of the Texas State Library and Archives Commission adopted under those chapters. Actual disposal of such records by a local government is subject to the policies and procedures of its records management program.

Destruction of local government records contrary to the provisions of the Local Government Records Act of 1989 and administrative rules adopted under it, including this schedule, is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

INTRODUCTION

The Government Code, Section 441.158, provides that the Texas State Library and Archives Commission shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. The law provides further that each schedule must state the retention period prescribed by federal or state law, rule of court, or regulation for a record for which a period is prescribed; and prescribe retention periods for all other records, which periods have the same effect as if prescribed by law after the records retention schedule is adopted as a rule of the commission.

The retention period for a record applies to the record regardless of the medium in which it is maintained. Some records listed in this schedule are maintained electronically in many offices, but electronically stored data used to create in any manner a record or the functional equivalent of a record as described in this schedule must be retained, along with the hardware and software necessary to access the data, for the retention period assigned to the record, unless backup copies of the data generated from electronic storage are retained in paper or on microfilm for the retention period.

Unless otherwise stated, the retention period for a record is in calendar years from the date of its creation. The retention period applies only to an official record as distinct from convenience or working copies created for informational purposes. Where several copies are maintained, each local government should decide which shall be the official record and in which of its divisions or departments it will be maintained. Local governments in their records management programs should establish policies and procedures to provide for the systematic disposal of copies.

A local government record whose retention period has expired may not be destroyed if any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record is initiated; its destruction shall not occur until the completion of the action and the resolution of all issues that arise from it.

A local government record whose retention period expires during any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record may not be destroyed until the completion of the action and the resolution of all issues that arise from it.

If a record described in this schedule is maintained in a bound volume of a type in which pages were not meant to be removed, the retention period, unless otherwise stated, dates from the date of last entry.

If two or more records listed in this schedule are maintained together by a local government and are not severable, the combined record must be retained for the length of time of the component with the longest retention period. A record whose minimum retention period on this schedule has not yet expired and is **less than permanent** may be disposed of if it has been so badly damaged by fire, water, or insect or rodent infestation as to render it unreadable, or if portions of the information in the record have been so thoroughly destroyed that remaining portions are unintelligible. If the retention period for the record is **permanent** in this schedule, authority to dispose of the damaged record must be obtained from the director and librarian of the Texas State Library and Archives Commission. A Request for Authority to Destroy Unscheduled Records (Form SLR 501) should be used for this purpose.

Certain records listed in this schedule are assigned the retention period of AV (as long as administratively valuable). This retention period affords local governments the maximum amount of discretion in determining a specific retention period for the record described.

Use of Asterisk (*)

The use of an asterisk (*) in this third edition of Local Schedule TX indicates that the record is either new to this edition, the retention period for the record has been changed, or substantive amendments have been made to the description of or remarks concerning the record. An asterisk is not used to indicate minor amendments to grammar or punctuation.

ABBREVIATIONS USED IN THIS SCHEDULE

- AV - As long as administratively valuable
- FE - Fiscal year end
- TAC - Texas Administrative Code
- US - Until superseded



TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

LOCAL SCHEDULE UT (Second Edition)

RETENTION SCHEDULE FOR RECORDS OF PUBLIC UTILITY SERVICES

This schedule establishes mandatory minimum retention periods for records maintained in water districts and by local government-owned water and wastewater, solid waste, electric, gas, or other special utility districts. No local government office may dispose of a record listed in this schedule prior to the expiration of its retention period. A records control schedule of a local government may not set a retention period that is less than that established for the record in this schedule. Original paper records may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of the Local Government Code, Chapter 204 or Chapter 205, as applicable, and rules of the Texas State Library and Archives Commission adopted under those chapters. Actual disposal of such records by a local government is subject to the policies and procedures of its records management program.

Destruction of local government records contrary to the provisions of the Local Government Records Act of 1989 and administrative rules adopted under it, including this schedule, is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code,

Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

INTRODUCTION

The Government Code, Section 441.158, provides that the Texas State Library and Archives Commission shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. The law provides further that each schedule must state the retention period prescribed by federal or state law, rule of court, or regulation for a record for which a period is prescribed; and prescribe retention periods for all other records, which periods have the same effect as if prescribed by law after the records retention schedule is adopted as a rule of the Commission.

The retention period for a record applies to the record regardless of the medium in which it is maintained. Some records listed in this schedule are maintained electronically in many offices, but electronically stored data used to create in any manner a record or the functional equivalent of a record as described in this schedule must be retained, along with the hardware and software necessary to access the data, for the retention period assigned to the record, unless backup copies of the data generated from electronic storage are retained in paper or on microfilm for the retention period.

Unless otherwise stated, the retention period for a record is in calendar years from the date of its creation. The retention period applies only to an official record as distinct from convenience or working copies created for informational purposes. Where several copies are maintained, each local government should decide which shall be the official record and in which of its divisions or departments it will be maintained. Local governments in their records management programs should establish policies and procedures to provide for the systematic disposal of copies.

A local government record may not be destroyed if any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record is initiated prior to the destruction of the record until the completion of the action and the resolution of all issues that arise from it or until the expiration of the retention period of the record, whichever is later.

If a record described in this schedule is maintained in a bound volume of a type in which pages were not meant to be removed, the retention period, unless otherwise stated, dates from the date of last entry.

If two or more records listed in this schedule are maintained together by a local government and are not severable, the combined record must be retained for the length of time of the component with the longest retention period. A record whose minimum retention period on this schedule has not yet expired and is less than permanent may be disposed of if it has been so badly damaged by fire, water, or insect or rodent infestation as to render it unreadable, or if portions of the information in the record have been so thoroughly destroyed that remaining portions are unintelligible. If the retention period for the record is **permanent** in this schedule, authority to dispose of the damaged record must be obtained from the director and librarian of the Texas State Library and Archives Commission. A Request for Authority to Destroy Unscheduled Records (Form SLR 501) should be used for this purpose.

Certain records listed in this schedule are assigned the retention period of AV (as long as administratively valuable). This retention period affords local governments the maximum amount of discretion in determining a specific retention period for the record described.

Use of Asterisk (*)

The use of an asterisk (*) in this second edition of Local Schedule UT indicates that the record is either new to this edition, the retention period for the record has been changed for the record, or substantive amendments have been made to the description of or remarks concerning the record. An asterisk is not used to indicate minor amendments to grammar or punctuation.

ABBREVIATIONS USED IN THIS SCHEDULE

- AV - As long as administratively valuable
- CFR - Code of Federal Regulations
 - FE - Fiscal year end
 - LA - Life of asset
- TAC - Texas Administrative Code
- US - Until superseded



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 6

MEETING DATE: November 10, 2020

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of an Ordinance of the City Council of the City of Johnson City, Texas amending the Personnel Policy, Section 8.10, regarding allowance of handguns; and providing an effective date. (Staff / City Attorney)

EXECUTIVE SUMMARY:

In order to address concerns brought forth by Police Chief Ross Allen regarding uniformed police officers open carrying in City Hall and other Municipal facilities, the City Attorney prepared the attached Ordinance clarifying the City's Personnel Policy on this matter.

FINANCIAL: Not applicable.

ATTACHMENTS:

- Proposed Ordinance
- Police Chief Report dated October 6, 2020

SUGGESTED ACTION:

Motion to approve an Ordinance of the City Council of the City of Johnson City, Texas amending the Personnel Policy, Section 8.10, regarding allowance of handguns; and providing an effective date.

PREPARED BY: City Staff

DATE SUBMITTED: November 5, 2020

CITY OF JOHNSON CITY

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE PERSONNEL POLICY OF THE CITY OF JOHNSON CITY, SECTION 8.10, REGARDING ALLOWANCE OF HANDGUNS; AND PROVIDING FOR AN EFFECTIVE DATE

RECITALS

WHEREAS, the City of Johnson City ("City") enacted the City of Johnson City Personnel Policy in 2013, subsequently amended in 2016, 2018, 2019, and 2020; and

WHEREAS, the City Council desires to amend the personnel policy to provide for exceptions regarding the use of handguns on city property in accordance with state law; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City has general authority to adopt an ordinance or police regulation that is for the good government, peace or order of the City and is necessary or proper for carrying out a power granted by law to the City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Johnson City:

ARTICLE I. FINDINGS OF FACT

The foregoing recitals are adopted as facts and are incorporated fully herein.

ARTICLE II. AMENDMENT AND ENACTMENT

The City Council of the City of Johnson City hereby amends, and enacts as amended, Section 8.10 of the City of Johnson City Personnel Policy as contained in "*Attachment A*" attached hereto and incorporated fully herein for all intents and purposes. As depicted in *Attachment A*, underlined text is new text, and strikethroughs are deleted text.

ARTICLE III. REPEALER AND SEVERABILITY

REPEALER: All ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated, herein.

SEVERABILITY: Should any of the clauses, sentences, paragraphs, sections or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

ARTICLE IV. EFFECTIVE DATE AND EMPLOYEE ACKNOWLEDGMENT

- A. This Ordinance shall be effective immediately upon passage and approval.
- B. Upon approval, the Chief Administrative Officer is directed to provide a copy of this amendment to all municipal employees who shall acknowledge receipt in writing. Such acknowledgment shall be placed in each employee's respective personnel file.

PASSED AND APPROVED this, the _____ day of _____, 2020,
by a majority vote of the City Council of Johnson City, Texas.

CITY OF JOHNSON CITY, TEXAS

Rhonda Stell, Mayor

Attest:

Rick Schroder,
Chief Administrative Officer/City Secretary

CITY OF JOHNSON CITY PERSONNEL POLICY

SECTION 8. MISCELLANEOUS

8.10 Allowance of Handguns

~~As provided in state law, employees~~ An employee shall not be prohibited from possessing handguns on city premises in accordance with open carry and concealed handgun statutory requirements.

Exception. The provisions of this section do not apply to those excepted under Penal Code 46.15, as amended, in particular a law enforcement peace officer or special investigator regardless of whether the peace officer or special investigator is engaged in the actual discharge of the officer's or investigator's duties while carrying the weapon. Handgun possession by a law enforcement peace officer or special investigator shall be in accordance with Penal Code Chapter 46, as amended.

Open Carry. No employee may openly carry any weapon while on duty.

Concealed Carry. It is the sole responsibility of the employee to maintain control of the employee's concealed weapon and ammunition (if any) at all times.

1. Except as provided below, an employee who chooses to carry a concealed weapon during the course of employment shall have the weapon concealed and on the employee's person, carried in a holster or other appropriate carrying device, at all times, unless lawfully using the weapon.
2. An employee who stores a concealed weapon (during work hours) in a vehicle owned by the City of Johnson City during the course of employment must store the weapon in a locked case and place the case out of plain view from the exterior of the vehicle. The locked case will be purchased, owned, and maintained by the employee. An employee must remove his firearm from the city vehicle when not on duty.
3. An employee who stores a concealed weapon (during work hours) in his/her desk shall not leave the weapon unattended in an unlocked drawer. No concealed weapon shall be left in a desk, locked or unlocked, overnight, during holidays, or weekends.
4. It is recommended that an employee who chooses to carry a concealed weapon during work hours maintain a contract with a legal defense fund designed to represent the employee in any legal matter arising from the carrying or use of the weapon.
5. Nothing in this policy authorizes any employee to carry a concealed weapon in any area prohibited by Texas Penal Code 46.03. No employee shall carry a concealed weapon in the course of employment in any private vehicle or on private property owned or leased by another person over the objections of the owner or leasee.
6. The mere carrying of a concealed weapon shall not be construed as a violent, threatening or intimidating act on the part of the employee. Nothing in this policy shall be construed to support or permit violent, threatening or intimidating behaviors related to the possession of a concealed weapon. Threatening and intimidating behaviors may include, but are not limited to:
 - a) Intentionally displaying a concealed weapon to any person; or
 - b) Referring to the concealed weapon; or
 - c) Referring to a weapon not on the employee's person, with the intent to implicitly or explicitly threaten or intimidate another person.

Violent, threatening, or intimidating behaviors listed above are grounds for disciplinary actions up to and including immediate termination of employment.

CITY OF JOHNSON CITY PERSONNEL POLICY

EMPLOYEE ACKNOWLEDGEMENT

By my signature below, I acknowledge receipt and understanding of the City of Johnson City's Personnel Policy recent amendments to **8.10 Allowance of Handguns**, and agree to comply with the terms as described in the revision.

Employee Signature

Printed Name

Date

The executed original of this acknowledgement form shall be placed in the employee's personnel file.



POLICE DEPARTMENT

Chief of Police Ross Allen

P.O. Box 159 • 403 West Main Street
Johnson City, Texas 76896

Office (817) 668-2699 • Fax (817) 668-2095 • E-mail: policechief@johnsoncitytx.org

To: Mayor Rhonda Stell; City Council Members of the City of Johnson City

From: Johnson City Police Department

Reference: Police Department

I am writing this to bring attention to the City Council a few points to consider when discussing policy changes and amendments which may have a direct effect on the City employees who work for the Police Department.

Overtime:

Since November of 2017 the Police Department has worked an 84 hours per pay period schedule. This schedule is referred to as the “Panama Schedule” and is widely used in small to medium sized departments Statewide (see table 1 for a calendar representation).

Week 1	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
Day Shift	Ofc 1 on Ofc 2 off	Ofc 1 on Ofc 2 off	Ofc 1 off Ofc 2 on	Ofc 1 off Ofc 2 on	Ofc 1 on Ofc 2 off	Ofc 1 on Ofc 2 off	Ofc 1 off Ofc 2 on
Night Shift	Ofc 3 on Ofc 4 off	Ofc 3 on Ofc 4 off	Ofc 3 off Ofc 4 on	Ofc 3 off Ofc 4 on	Ofc 3 on Ofc 4 off	Ofc 3 on Ofc 4 off	Ofc 3 off Ofc 4 on
Week 2	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
Day Shift	Ofc 1 off Ofc 2 on	Ofc 1 off Ofc 2 on	Ofc 1 on Ofc 2 off	Ofc 1 on Ofc 2 off	Ofc 1 off Ofc 2 on	Ofc 1 off Ofc 2 on	Ofc 1 on Ofc 2 off
Night Shift	Ofc 3 off Ofc 4 on	Ofc 3 off Ofc 4 on	Ofc 3 on Ofc 4 off	Ofc 3 on Ofc 4 off	Ofc 3 off Ofc 4 on	Ofc 3 off Ofc 4 on	Ofc 3 on Ofc 4 off

-Table 1, officers work 12 hours rotating shifts, each officer works 84 hours and has alternating weekends on and off.

When the Police Department adopted this schedule, it was mutual understanding between the Police Department and the City Manager of the FLSA guidelines which do not require law enforcement to receive overtime compensation until after 86 hours of work per pay period. Because of inconsistencies in benefits between other City Departments and the Police Department ie; PTO, where an employee who has been employed by the city between 3 and 10 years earns 192 hours of PTO. For all City employees who work 8-hour shifts, this equates to 24 days off, because the Police Department work 12-hour shifts this equates to 16 days off. The uniform policy is another example, Public Works employees receive 15 uniforms and cleaning through a contracted service. New hires in the Police Department receive 3 uniforms which are replaced as needed and though the Police Department work outside under all weather conditions, go into unsanitary places and are exposed to narcotics, mold, vehicle fluids, bodily fluids, decomposition of human and animals as well as current pandemic exposure, cleaning is on the responsibility of the individual employee. The 3 uniforms do not include body armor of which the department is forced to equip through “hand-me-down” means. Because of instances such as



POLICE DEPARTMENT

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these, the City Manager chose to balance the inconsistencies by overlooking the FLSA guidelines and provide support to the Police Department by staying with an 80 hour work week knowing the schedule called for 84 hours and knowing this would provide each non-exempt employee with 4 hours of overtime each complete pay period.

Because the employees have been paid in this manner for three years it has become a normal and expected part of their salaries and relied upon as part of their personal budgets. As such, enacting the FLSA guidelines would cause a loss to each non-exempt employee of the one half of that time and a half earned which equates to 2.5% of their yearly earnings. This does not include the two hours of time and a half lost at hours 85 and 86 when worked which is 0.05%.

Below is the total loss suffered by each employee if the FLSA standard is enacted as is;

- I – OT Rate of 12.55, times 4 hours per 26 pay periods= \$1,305.20 loss
- II - OT Rate of 12.23, times 4 hours per 26 pay periods= \$1,271.92 loss
- III - OT Rate of 10.97, times 4 hours per 26 pay periods= \$1,140.88 loss
- IV - OT Rate of 10.22, times 4 hours per 26 pay periods= \$1,062.88 loss
- ***

For the sake of morale and employee retention we request that should this policy take effect, all current non-exempt Police Department employees receive a raise in a percentage that would equal the loss to their salary which would equate to a 2.55% increase to each officers' hourly wage.

- I – \$25.10 + 2.5% = \$25.74 per hour
- II - \$24.46 + 2.5% = \$25.09 per hour
- III - \$21.94 + 2.5% = \$22.50 per hour
- IV - \$21.44 + 2.5% = \$21.99 per hour
- ***

***Because the employee who will be hired for the vacant position is not currently employed, they will not be eligible for this amendment and will be subject to the policy as written when it takes effect.

For all employees combined this would equate to \$4,942.40 paid by the City to the employees. However, since there is \$20,000 towards overtime in the police department budget which was based on the 80 hour pay period: This funding could easily be reallocated in accordance with this proposal at no additional cost to the City nor an increase in the department budget. In fact, because we are excluding the 5th position from this proposal the City is saving \$1,224.60.



POLICE DEPARTMENT

Chief of Police Ross Allen

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Compensation Time:

Beginning on the pay period ending date of May 22, 2020, the non-exempt employees of the Johnson City Police Department no longer received overtime pay for the hours worked. These employees were not notified of the change in advance nor for several weeks afterwards. It is not unusual for the non-exempt employees to not be paid for these hours on some pay periods with the understanding that they would be paid in full at the end of the next pay period. Because of this, the initial loss was overlooked as one of these errors which in fact violates the Johnson City Employee Handbook 4.01 Paydays. After not receiving payment at the end of the next pay period is when this loss was questioned at which time we were told by the City Manager that due to COVID causing the businesses to shut down the City was not receiving the normal taxes that funded the overtime payments resulting in the City providing compensation time instead of overtime. Again, this affects personal budgets and with no prior notice may have been detrimental to some of the employees. I was later informed that this was not the case and the City Manager enacted the change under the advice of the City Attorney, Liz Ellison.

Policy 4.02 Overtime states that employees may receive compensation time at the discretion of the employee with approval of their supervisor. None of the non-exempt employees requested compensation time in lieu of overtime payment.


Additionally, the City Policy for compensation time is the employee has 90 days to use the time earned. Due to being uninformed of the compensation time for several weeks as well as being understaffed it is unreasonable for each employee to use their time in the allotted timeframe, certainly without other employees accruing additional time making up for the absence of employees using their time. Therefore, it is our request the compensation time accrued by each Police Department employees between May 9, 2020 and October 9, 2020 to be available for use indefinitely, to include use or payment at the end of one's employment if necessary or paid in full by the October 23, 2020 pay ending date per the discretion of each employee.


Policy 8.10 Allowance of Handguns

"Open Carry – No employee may openly carry any weapon while on duty."

Other than the policy stating, "As provided in State law," there is no distinction between Public Works, City Hall or the Police Department employees. This policy is contrary to the regular and necessary duties of the Police Department and is violated daily by each member of the Police Department. Taking account for reasonableness, no disciplinary action for the violation has ever been taken on any employee in reference to this policy. It is our opinion the verbiage of this policy leaves unnecessary room for liability against the City. We recommend amending the policy to exclude the Police Department which has its own policies regarding the possession and use of firearms.

Respectfully,


Chief of Police Ross Allen


Sergeant Garrett Scallom



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 7

MEETING DATE: **November 10, 2020**

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of a Resolution of the City Council of the City of Johnson City, Texas implementing GASB Statement 54 requirements; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date.

EXECUTIVE SUMMARY:

The Governmental Accounting Standards Board (GASB) requires that each municipality implement Statement 54 requirements.

GASB Statement 54 excerpt:

The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the assigned fund balance

classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. Early implementation is encouraged. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented.

FINANCIAL: Not applicable.

ATTACHMENTS:

- Proposed Resolution

SUGGESTED ACTION:

Motion to approve a Resolution of the City Council of the City of Johnson City, Texas implementing GASB Statement 54 requirements; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date.

PREPARED BY: City Staff

DATE SUBMITTED: November 5, 2020

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS IMPLEMENTING GASB STATEMENT 54 REQUIREMENTS; AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO TAKE ALL NECESSARY STEPS TO IMPLEMENT THE PROVISIONS OF THIS RESOLUTION; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; AND ADOPTING AN EFFECTIVE DATE.

WHEREAS, the Governmental Accounting Standards Board (GASB) adopted Statement 54, a new standard for governmental fund balance reporting and governmental fund type definitions, in February 2009; and

WHEREAS, GASB Statement 54 became effective after June 15, 2010; and

WHEREAS, the City Council desires to implement GASB Statement 54 requirements and apply such requirements to municipal financial statements commencing on October 1, 2020 and continuing in subsequent fiscal years; and

WHEREAS, on January 1, 2020, Senate Bill 346 became effective and, generally, relates to the consolidation, allocation, classification, and repeal of certain criminal court costs and other court-related costs, fines, and fees; imposes certain court costs and fees; and increases and decreases the amounts of certain other court costs and fees.

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

Section One. Adoption of Fund Policy.

(a) Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet.

(b) The City of Johnson City shall report governmental fund balances per GASB Statement 54 definitions on the balance sheet in the following manner:

(1) Non-spendable

Non-spendable funds that cannot be expended because they are not in a spendable form, or they are legally required to be maintained (e.g. inventory, permanent endowment funds, et cetera).

(2) Restricted

Restricted funds that can only be expended in a certain manner or on certain goods or services because constraints are externally imposed on said funds by creditors, grantors, law, or constitutional provisions.

(3) Committed

Committed funds are formally designated by the City Council for a particular purpose, and only City Council can alter such designation of funds.

(4) Assigned

Assigned funds are similar to committed funds; however, the City Council has formally delegated authority to assign fund amounts to another official or entity.

(5) Unassigned

Unassigned funds constitute the residual amount of monies within the General Fund that do not qualify for any of the aforementioned fund classifications.

(c) The City Council shall approve, modify, or remove all fund commitments by formal resolution, and such fund commitments must take place prior to fiscal year end in order to ensure that fund commitments are established on the balance sheet of subsequent fiscal years. Actual dollar amounts associated with fund commitments may be determined after fiscal year end.

(d) It is the policy of the City Council to not delegate the authority to assign fund amounts to another official or entity.

(e) It is the policy of the City Council to utilize funds in the following spending order:

- (1) Restricted;
- (2) Committed; and
- (3) Unassigned.

(f) Unless otherwise budgeted by the City Council, restricted, committed, and unassigned funds may be expended by the Chief Administrative Officer for unbudgeted purposes.

(g) Committed, restricted, and unassigned funds shall be expended in accordance with the annual budget(s) approved by the City Council.

Section Two. Non-spendable Funds.

(a) The City Council designates the municipally-owned land, buildings, vehicles, equipment, and infrastructure as Non-spendable Funds and, accordingly, assigns the use of said Funds in accordance with local law or policy.

Section Three. Restricted Funds.

(a) The City Council designates the following as Restricted Funds and, accordingly, restricts the use of said Funds in accordance with Federal, State, and local law or policy:

- (1) General Fund Balances
 - (i) Police Forfeiture (State)
Funds collected from the sale of seized assets as a result of Local and State agency activities.
 - (ii) Police Forfeiture (Federal)
Funds collected from the sale of seized assets as a result of Local and Federal agency activities.
 - (iii) Court Technology
Funds collected through specific citation fees, as allowed by the State.
 - (iv) Court Security
Funds collected through specific citation fees, as allowed by the State.
 - (v) Local Truancy Prevention and Diversion
Funds collected through specific citation fees, as allowed by the State.
 - (vi) Municipal Jury
Funds collected through specific citation fees, as allowed by the State.
 - (vii) Hotel Occupancy Tax
Funds collected through hotel occupancy taxes, as allowed by the State.
 - (viii) Vehicle Equipment Replacement Program
Funds collected through water and wastewater fees, as authorized by City Council.

(ix) Parks and Recreation
Funds collected through facility rental fees, as authorized by City Council.

(2) Interest and Sinking Fund Balance
Funds collected from the portion of annual ad valorem tax revenue assigned to Interest and Sinking.

Section Four. Committed Funds.

(a) The City Council designates the Capital Replacement Fund and Water and Wastewater Utility Fund as Committed Funds and, accordingly, commits the use of said Funds in accordance with local law or policy:

(i) Capital Replacement Fund Balance
Funds formally designated by City Council for capital replacement purposes.

(ii) Water and Wastewater Utility Fund Balance
Funds formally designated by City Council for water and wastewater operation and improvement purposes.

Section Five. Unassigned Funds.

(a) The City Council designates the following unbudgeted balance of the General Fund as Unassigned Funds and, accordingly, assigns the use of said Funds in accordance with local law or policy:

(1) General Fund Balance
Funds from the collection of maintenance and operation portions of ad valorem tax, sales tax, franchise fees, Court fines and fees, and other municipal licenses, fees, and activities.

Section Six. Authorization. The City Council of the City of Johnson City authorizes the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution.

Section Seven. Findings. The City Council finds all of the above recitals to be true and correct and incorporates the same in this Resolution as findings of fact.

Section Eight. Severability. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Resolution. The City Council hereby declares that it would have passed this Resolution, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared void.

Section Nine. Effective Date. This Resolution shall be effective immediately upon the approval of the City Council.

PASSED, ADOPTED, AND APPROVED by the City Council of the City of Johnson City this the 10th day of November 2020.

APPROVED:

Rhonda Stell
Mayor

ATTEST:

Rick Schroder
Chief Administrative Officer / City Secretary



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 8

MEETING DATE: November 10, 2020

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of a Resolution of the City Council of the City of Johnson City, Texas designating the Johnson City Record Courier as the official newspaper for the City of Johnson City, Texas for fiscal year ending (FYE) 2021; providing that all official public notifications be published in said newspaper; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date. (Staff)

EXECUTIVE SUMMARY:

Each municipality is required by State Law to designate an official newspaper each fiscal year for publication of its official notices.

Section 52.004 of the Texas Local Government Code:

Sec. 52.004. OFFICIAL NEWSPAPER. (a) As soon as practicable after the beginning of each municipal year, the governing body of the municipality shall contract, as determined by ordinance or resolution, with a public newspaper of the municipality to be the municipality's official newspaper until another newspaper is selected.

(b) The governing body shall publish in the municipality's official newspaper each ordinance, notice, or other matter required by law or ordinance to be published.

FINANCIAL: Not applicable.

ATTACHMENTS:

- Proposed Resolution

SUGGESTED ACTION:

Motion to approve a Resolution of the City Council of the City of Johnson City, Texas designating the Johnson City Record Courier as the official newspaper for the City of Johnson City, Texas for fiscal year ending (FYE) 2021; providing that all official public notifications be published in said newspaper; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date.

PREPARED BY: City Staff

DATE SUBMITTED: November 5, 2020

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS DESIGNATING THE JOHNSON CITY RECORD COURIER AS THE OFFICIAL NEWSPAPER FOR THE CITY OF JOHNSON CITY, TEXAS FOR FISCAL YEAR ENDING (FYE) 2021; PROVIDING THAT ALL OFFICIAL PUBLIC NOTIFICATIONS BE PUBLISHED IN SAID NEWSPAPER; AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO TAKE ALL NECESSARY STEPS TO IMPLEMENT THE PROVISIONS OF THIS RESOLUTION; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; AND ADOPTING AN EFFECTIVE DATE.

WHEREAS, Section 52.004 of the Texas Local Government Code provides that the governing body of a municipality shall designate a public newspaper to be the municipality’s official newspaper, and that each ordinance, notice, or other matter, as required by law or ordinance, be published in said official newspaper; and

WHEREAS, in order to comply with the provisions of Section 52.004, it is necessary for the City Council of the City of Johnson City, Texas to take action accomplished and evidenced by this Resolution.

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

Section One. In accordance with Section 52.004 of the Texas Local Government Code, the Johnson City Record Courier be designated as the City’s official newspaper for the Fiscal Year Ending September 30, 2021.

Section Two. All City ordinances, notices, or other matters required to be published by law shall be published in the Johnson City Record Courier.

Section Three. The Chief Administrative Officer is hereby authorized to take all necessary steps to implement the provisions of this Resolution.

Section Four. This Resolution shall take effect immediately upon its adoption.

Section Five. The City Council finds all of the above recitals to be true and correct and incorporates the same in this Resolution as findings of fact.

Section Six. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Resolution. The City Council hereby declares that it would have passed this Resolution, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared void.

PASSED AND APPROVED this 10th day of November 2020.

Rhonda Stell
Mayor

ATTEST:

Rick Schroder
Chief Administrative Officer / City Secretary



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NOS. 9, 10 & 11

MEETING DATE: **November 10, 2020**

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of a Resolution of the City Council of the City of Johnson City, Texas approving an investment policy and strategy for public investment purposes; repealing Resolution Nos. R20-037 and R20-038 and the Cash Management and Fixed Asset Policy; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date. (Staff)

Approval of a Resolution of the City Council of the City of Johnson City, Texas designating investment officer(s) for public investment purposes; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date. (Staff)

Approval of a Resolution of the City Council of the City of Johnson City, Texas approving a list of approved brokers / dealers for public investment purposes; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date. (Staff)

EXECUTIVE SUMMARY:

Pursuant to the Texas Public Funds Investment Act, municipalities are required to individually review and adopt an investment policy and strategy, designate an investment officer(s), and approve a list of brokers / dealers for public investment purposes on an annual basis.

Texas Government Code Chapter 2256:

Sec. 2256.005. INVESTMENT POLICIES; INVESTMENT STRATEGIES; INVESTMENT OFFICER. (a) The governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control.

(b) The investment policies must:

- (1) be written;
- (2) primarily emphasize safety of principal and liquidity;
- (3) address investment diversification, yield, and maturity and the quality and capability of investment management; and
- (4) include:

- (A) a list of the types of authorized investments in which the investing entity's funds may be invested;
- (B) the maximum allowable stated maturity of any individual investment owned by the entity;
- (C) for pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio;
- (D) methods to monitor the market price of investments acquired with public funds;
- (E) a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and
- (F) procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

(e) The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

(f) Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees of the state agency, local government, or investment pool as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity....In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the governing body of the investing entity retains ultimate responsibility as fiduciaries of the assets of the entity.

(j) The governing body of an investing entity may specify in its investment policy that any investment authorized by this chapter is not suitable.

(k) A written copy of the investment policy shall be presented to any business organization offering to engage in an investment transaction with an investing entity... The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

- (1) received and reviewed the investment policy of the entity; and
- (2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy...

(l) The investment officer of an entity may not acquire or otherwise obtain any authorized investment described in the investment policy of the investing entity from a business organization that has not delivered to the entity the instrument required by Subsection (k).

The proposed investment policy and strategy authorizes the following types of investments:

1. Obligation of the United States, its agencies and instrumentalities, excluding mortgage backed securities and with a final stated maturity not to exceed two years.
2. Fully insured or collateralized depository certificates of deposit or term share certificate of any bank or credit union doing business in Texas with a stated maturity date not to exceed eighteen (18) months. Certificates of deposit may be purchased through the CDARS program with a bank in Texas.
3. AAA-rated, constant dollar local government investment pools which strive to maintain a stable \$1.00 net asset value and comply with SEC Rule 2a-7.
4. Fully collateralized repurchase agreements purchased through a primary government securities dealer, as defined by the Federal Reserve, with a stated maturity not to exceed six (6) months. A "flex" repurchase agreement may be used for bond proceeds beyond six (6) months but must not exceed the expenditure plan of the funds.
5. AAA-rated SEC registered money market mutual funds which strive to maintain a \$1 net asset value and comply with SEC Rule 2a-7.
6. Interest bearing accounts in any bank or credit union in Texas fully insured by FDIC / NCUSIF or collateralized in accordance with this Policy.
7. Fully FDIC-insured / NCUSIF-insured brokered certificate of deposit securities from banks in any state within the United States of America delivered versus payment to the City's safekeeping depository, not to exceed one (1) year to maturity. Investment Officers must verify the FDIC / NCUSIF status of the bank on www.2fdic.gov/idasp/main_bankfind.asp or www.NCUSIF.gov to assure that the bank is FDIC / NCUSIF insured.

Moreover, the proposed policy and associated Resolution authorize the following investment officers for the City:

1. Rick Schroder, CAO/City Secretary; and
2. Whitney Walston, Deputy City Secretary.

Lastly, the final Resolution establishes four (4) brokerage firms through which the City can purchase securities, such as Treasuries and brokered certificates of deposit:

1. Loop Capital;
2. Raymond James;
3. Stifel Nicolaus; and
4. Wells Fargo.

The aforementioned firms are recommended by Linda Patterson, President of Patterson and Associates. City Staff has consulted with Ms. Patterson on Agenda Item Nos. 8, 9, 10, and 16. Ms. Patterson's biography follows:

Ms. Patterson has been a hands-on manager of public funds since 1983. She is a registered adviser and certified finance administrator. Linda teaches nationally on the full range of treasury functions including investment strategy, investments, benchmarking, cash flow, cash handling and banking. During her 20 years in public finance, Ms. Patterson was the City Treasurer of Fort Worth, TX and Deputy State Treasurer for Texas. Ms. Patterson is an active member of multiple public finance professional organizations and has authored two books on public investing. She holds a Masters degree in Public Administration and was a Fulbright Scholar in Germany.

FINANCIAL: Not applicable.

ATTACHMENTS:

- Proposed Resolutions

SUGGESTED ACTION:

Motion to approve:

A Resolution of the City Council of the City of Johnson City, Texas approving an investment policy and strategy for public investment purposes; repealing Resolution Nos. R20-037 and R20-038 and the Cash Management and Fixed Asset Policy; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date;

A Resolution of the City Council of the City of Johnson City, Texas designating investment officer(s) for public investment purposes; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date; and

A Resolution of the City Council of the City of Johnson City, Texas approving a list of approved brokers / dealers for public investment purposes; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Resolution; incorporating recitals; providing for severability; and adopting an effective date.

PREPARED BY: City Staff

DATE SUBMITTED: November 5, 2020

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY APPROVING AN INVESTMENT POLICY AND STRATEGY FOR PUBLIC INVESTMENT PURPOSES; REPEALING RESOLUTION NOS. R20-037 AND R20-038 AND THE CASH MANAGEMENT AND FIXED ASSET POLICY; AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO TAKE ALL NECESSARY STEPS TO IMPLEMENT THE PROVISIONS OF THIS RESOLUTION; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; AND ADOPTING AN EFFECTIVE DATE.

WHEREAS, Chapter 2256 of the Government Code, commonly known as the "Public Funds Investment Act" (the "Act"), requires the City of Johnson City (the "City") to, at least annually, adopt an Investment Policy by rule, order, ordinance, or resolution; and

WHEREAS, the goal of the City is to create an Investment Policy to insure the safety of all funds entrusted to the City, while making available those funds for the payment of all necessary obligations of the City and providing for the investment of funds not immediately required; and

WHEREAS, the safety of principal invested shall always be the primary concern of the City; and

WHEREAS, the attached Investment Policy and incorporated Strategy comply with the Act and authorize the investment of City funds in safe and prudent investments; and

WHEREAS, the City Council of the City has reviewed the current Investment Policy and made the changes summarized below and shown on the attached Policy and does hereby approve the Investment Policy, effective immediately. Changes made were:

- Complete revision.

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

SECTION ONE. Approval. The City has complied with the requirements of the Act, and the Investment Policy and Strategy for Fiscal Year Ending 2021, attached hereto, is hereby adopted effective immediately.

SECTION TWO. Repealer. City of Johnson City Resolution Nos. R20-037 and R20-038 and the Cash Management and Fixed Asset Policy are hereby repealed in their entirety.

SECTION THREE. Authorization. The Chief Administrative Officer is hereby authorized to take all necessary steps to implement the provisions of this Resolution.

SECTION FOUR. Effective Date. This Resolution shall take effect immediately upon its adoption.

SECTION FIVE. Recitals. The City Council finds all of the above recitals to be true and correct and incorporates the same in this Resolution as findings of fact.

SECTION SIX. Severability. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Resolution. The City Council hereby declares that it would have passed this Resolution, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared void.

PASSED, ADOPTED, AND APPROVED by the City Council of the City of Johnson City, Texas this the 10th day of November 2020.

APPROVED:

ATTEST:

Rhonda Stell, Mayor

Rick Schroder
Chief Administrative Officer and City Secretary

CITY OF JOHNSON CITY, TEXAS INVESTMENT POLICY AND STRATEGY

Adopted November 10, 2020

PURPOSE

The Investment Policy of the City of Johnson City, Texas (the “City”) is established to provide specific policy and strategy guidelines for the investment of the City’s funds in order to achieve the City’s goals of safety, liquidity, diversification, and yield. Investments shall be made in a manner which will provide for reasonable yield and maximum security, while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. It sets forth policies and procedures to enhance opportunities for prudent investment of assets. The Policy is to be implemented to assure municipal residents of the City its ability to meet its financial obligations in the near, short, and long term and to assure the public’s trust in the City as a steward of its public funds.

This Policy satisfies the statutory requirements of the Texas Government Code, Chapter 2256, the Public Funds Investment Act (the “Act”).

SCOPE

The Investment Policy applies to all financial assets and investment transactions of the City and all funds under the control of the City. These funds are reported in the City’s Annual Financial Report (AFR) and include:

Operating and General Funds;
Interest and Sinking Funds;
Capital Replacement Funds;
Water and Wastewater Utility Funds;
Parks and Recreation Funds;
Municipal Court Technology and Security Funds;
Hotel Occupancy Tax Funds;
Vehicle Equipment Replacement Program / Recycling Funds;

and all other funds which may be created are included under this Policy, unless specifically excluded by the City Council.

OBJECTIVES

The primary objectives, in priority order, of the City's investment activities are:

1. **Safety.** Preservation and safety of principal is the City’s primary objective. Investments shall be made in a manner that seeks to ensure the preservation of capital in the overall portfolio, guarding against security defaults or erosion of market value.
2. **Liquidity.** The City's investment portfolio shall remain sufficiently liquid to enable the

City to meet all operating requirements which might be reasonably anticipated. This shall be achieved by matching investment maturities with forecasted cash flow liabilities and maintaining additional liquidity for unexpected liabilities.

3. **Diversification.** The portfolio shall be diversified by market sector and maturity in order to avoid market risk.
4. **Yield.** The City's investment portfolio will be designed with the objective of attaining a yield commensurate with the City's investment risk constraints and the cash flow operating requirements. Yield is of secondary importance to the safety and liquidity objectives described above.

BENCHMARK

The benchmark for the City's total portfolio shall be the six-month Treasury Bill, designated for its comparability to the City's expected average cash flow pattern. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment policies.

STANDARD OF CARE

The standard of care governing the investment process shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio, rather than a consideration as to the prudence of a single investment:

Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investment Officers acting in accordance with this Policy and written supporting procedures and exercising due diligence shall be relieved of personal liability for any individual security's credit risk or market price change, provided deviations from expectations are reported in a timely fashion to the City Council and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy.

STRATEGY

The City may maintain one commingled portfolio for investment purposes which incorporates the specific investment strategy considerations and the unique characteristics of the fund groups represented in the portfolio.

- A. **Operating Funds.** The investment strategy for the operating, general, water and wastewater, and restricted funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. This may be accomplished by purchasing high quality, short- to medium-term maturity securities (0-2 years) which will

complement each other in a laddered maturity structure permitting some extension for yield enhancement. The dollar weighted average maturity of the portfolio will be calculated using the stated final maturity date of each security.

- B. Capital Replacement Funds. The investment strategy for capital replacement funds will have as its primary objective assurance that anticipated cash flows are matched and adequate investment liquidity provided. At least 10% total liquidity is planned to provide flexibility and for unanticipated project outlays. The stated final maturity dates of securities held may not exceed two years or the estimated project completion date.
- C. Interest and Sinking Funds. The investment strategy for interest and sinking funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before any investment extension. Since payment of debt is one of the highest priorities of the City, safety of principal should be of the highest priority when selecting an investment. The stated final maturity dates of securities held may not exceed six months.
- D. Interest and Sinking Reserve Funds. The investment strategy for interest and sinking reserve funds shall have as its primary objective the ability to generate a revenue stream to the debt service funds from high credit quality securities with a low degree of volatility. Securities should be high credit quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate-term maturities. The stated final maturity dates of securities held may not exceed two years.

The City intends to match investments with projected cash flow and liquidity needs of the City. In no case will the average weighted maturity of the total portfolio exceed one year. The maximum final stated maturity of any investment shall not exceed two years. The six-month Treasury Bill for the comparable reporting time period will be used as the benchmark for the overall portfolio reflecting the City's primary market and the cash flow objectives of the portfolio.

The City shall pursue a conservative buy-and-hold portfolio management strategy. Securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade, but the strategy will be primarily buy-and-hold. The Investment Officers will continuously monitor the contents of the portfolio, the available markets, and the relative value of competing instruments to adjust the portfolio in response to market conditions.

DELEGATION OF AUTHORITY AND RESPONSIBILITIES

Investment Officers

Authority to manage the City's investment program is derived from State statutes and City resolution. The City Council will, by resolution, designate the Chief Administrative Officer / City Secretary and Deputy City Secretary as the Investment Officers to invest and reinvest funds of the City in accordance with the City's Investment Policy, the Act, and the Public Funds Collateral Act (Government Code 2257). Responsibility for the operation of the investment program is hereby delegated to the Investment Officers. The Chief Administrative Officer / City Secretary and Deputy City Secretary shall establish written procedures and controls for the

operation of the program and Investment Officers shall act in accordance with the established written procedures and internal controls.

Investment Officers shall be familiar with this Policy and may not engage in an investment transaction except as provided under the terms of this Policy and the procedures established. The Investment Officers shall be responsible for all transactions undertaken and shall regulate the activities of subordinate officials. Investment Officers will review the Investment Policy annually to suggest any changes necessary to the Council, will monitor all counterparties, and will prepare quarterly reports for the City Council.

The City will provide for investment training required by the Act (Sec. 27.56.008) for the City's Investment Officers. The Investment Officers shall attend at least one, ten (10) hour training session within twelve months after taking office or assuming duties. Training includes education in investment controls, security risks, strategy risks, market risks, and compliance with the Act. Investment Officers must complete eight (8) hours of investment training in each succeeding two-year period.

Conflicts of Interest

An Investment Officer who has any personal or business relationship with any entity seeking to sell an investment to the City will file a statement disclosing that personal or business interest with the City Secretary. The Investment Officer shall file a statement disclosing that relationship, as required by Texas Local Government Code Chapters 171 and 176, as applicable. These statements must be filed with the City Secretary, disclosed to the City Council, and approved by the City Council before any business is transacted with said entity or individual. Investment Officers shall not undertake personal investment transactions with the same individual with which business is conducted on behalf of the City. If statutory levels are reached, certain disclosure must be made to the Texas Ethics Commission per the Act.

City Council Responsibilities

The City Council retains ultimate fiduciary responsibility for the investment program. The Council will designate investment officers and training sources and annually adopt the Investment Policy and Strategy, approve authorized broker/dealers, provide for training, and quarterly receive and review investment reports.

INTERNAL CONTROLS

The Investment Officers are responsible for establishing and maintaining an internal control structure that will be reviewed annually with the City's auditor. The internal control structure will be designed to ensure that City assets are protected from loss, theft, or misuse and to provide reasonable assurance that these objectives are met. The consent of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by the Investment Officers.

Internal controls will address the following points at a minimum:

- i. Control of collusion;
- ii. Separation of transaction authority from accounting and record keeping;

- iii. Safekeeping;
- iv. Clear delegation of authority; and
- v. Written confirmation of all transactions for investments and wire transfers.

Procedures should be developed to support the internal control objectives and should include safekeeping, delivery vs. payment, investment accounting, and collateral / depository agreements.

Investment officers shall perform internal audits for compliance to this Policy and the Act.

Change in Ratings

The Investment Officer or investment adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by the Policy, the Investment Officer shall notify the City Council of the loss of rating, conditions affecting the rating, and possible loss of principal with liquidation options available, by the next, regularly-scheduled City Council meeting after the loss of the required rating.

Monitoring Insurance Coverage

The Investment Officer or investment advisor shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered certificates of deposit owned by the City based upon information from the FDIC / NCUSIF / SIPC. If any bank has been acquired or merged with another bank in which brokered certificates of deposit are owned, the Investment Officer shall immediately liquidate any brokered certificate of deposit which places the City above the FDIC / NCUSIF / SIPC insurance level.

Delivery versus Payment

All security transactions will be executed on a Delivery versus Payment (DVP) basis which ensures that securities are deposited in safekeeping prior to the release of City funds. All securities shall be registered in the name of the City, safekept by the City's primary depository or an independent custodian approved by the City and evidenced by safekeeping receipts.

Cash Flow Analysis

Cash flow analysis is a control designed to protect and sustain cash flow requirements of the City. The Investment Officers will maintain a cash flow analysis process designed to monitor and forecast cash balances for investment purposes.

INVESTMENT POLICY CERTIFICATION

A written copy of the City's Investment Policy shall be presented to any pool in which the City participates. The authorized representative of the pool seeking to sell an authorized investment shall execute a written instrument substantially to the effect that:

- The pool has received and thoroughly reviewed the Investment Policy of the City; and
- Acknowledges that the firm has implemented reasonable procedures and controls in an effort to preclude transactions conducted between the firm and the City that are not authorized by the City's Investment Policy, except to the extent that authorization is

dependent on an analysis of the makeup of the entire portfolio or requires an interpretation of subjective investment standards.

The Investment Officers of the City may not use any pool which has not delivered a Policy Certification to the City.

AUTHORIZED FINANCIAL COUNTERPARTIES AND INSTITUTIONS

The Investment Officers will provide a list of no less than three brokers / dealers for City Council approval at least annually. Brokers / dealers must be authorized before transactions are made. All brokers / dealers who desire to become qualified for investment transactions will be required to supply the following information which will be maintained by the Investment Officers:

- i. Annual audited financial statements;
- ii. Proof of Financial Industry Regulatory Authority (FINRA) certification;
- iii. FINRA CRD registration number;
- iv. Proof of Texas state registration; and
- v. A completed City questionnaire.

The Investment Officers will at least annually review the service, financial condition, and registration of brokers / dealers for recommendations to the Council. The investment adviser may retain all documents for the City.

An expanded list of counterparties, including local government pools and financial institutions authorized to provide investment transactions, will be maintained by the Investment Officers. This list need not be approved by the City Council because of frequency in bank changes resulting from competitive bids. All pools require specific action by the Council for participation.

The City is under no obligation to transact business with any financial institution or firm.

DEPOSITORIES

City Banking Services Depository

At least every five years, a City banking services depository shall be selected through a competitive request for proposal (RFP) process in accordance with the Texas Government Code 105.017. In selecting this depository, the services, cost of services, credit worthiness, earnings potential, and collateralization by the institution shall be considered. The City may utilize a depository outside the City limits for this purpose. This primary banking services depository will safe-keep securities owned by the City and will not be authorized as a broker for the City in order to perfect delivery versus payment settlement.

Additional Depositories

Time and demand deposits may be purchased from any bank in Texas. Banks seeking to establish eligibility for the City's competitive certificate of depository or demand deposit programs shall submit for review annual financial statements, evidence of federal insurance, and

other information as required by the Investment Officers. Deposits exceeding FDIC / NCUSIF insurance coverage will require a written depository agreement and collateralization in accordance with this Policy.

COLLATERALIZATION

Time and Demand Bank Deposits – Pledged Collateral

All time and demand deposits shall be collateralized above FDIC / NCUSIF coverage in accordance with this Policy. The total of FDIC / NCUSIF insurance and the market value of collateral must be at least 102% of the total principal and accrued interest on deposit daily. The depository is responsible for monitoring and maintaining margins daily.

All pledged securities must be safekept at an independent institution outside the holding company of the pledging bank. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary collateral before deposits are made and receipts provided within one business day. The City's depository will be responsible for monitoring and maintaining collateral levels daily. The independent custodian, or bank, will provide the City with a monthly report on the collateral pledged. City representatives will have the right to inspect the records for pledged collateral at any time. Collateral may be substituted; however, any substitution of collateral must be approved in writing by the City.

The City shall have a depository / collateral contract with each bank in which funds exceed the FDIC insurance coverage and that agreement will comply with the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (FIRREA) to ensure that the City's security interest in collateral pledged to secure deposits is enforceable against the receiver of a failed financial institution.

Collateral Owned under Repurchase Agreements

Collateral is owned under a repurchase agreement. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the transaction, and such collateral must be in place before the transaction takes place. The collateral shall be held by an independent third-party financial institution approved by the City. The counterparty is liable for monitoring and maintaining the collateral and margin daily. A Bond Market Association Master Repurchase Agreement shall be executed for the transaction.

Authorized Collateral

City funds must be secured only by:

- Obligations of the United States Government, its agencies and instrumentalities including mortgage backed securities and CMOs passing the bank test;
- Obligations issued by any state, its agencies, or political subdivisions rated A or above by two nationally recognized rating agencies;
- Federal Home Loan Bank Irrevocable Letters of Credit;
- State and local debt instruments rated A or better; and
- FDIC-insured brokered certificates of deposit.

If a depository offers collateral pooling as collateral for deposits, the Investment Officers will analyze the costs and risks of such program to the City. Before entering into a pooled collateral program, the Investment Officers must receive approval from the City Council.

SAFEKEEPING

The laws of Texas, this Policy, and prudent treasury management requires that all securities be settled on a delivery versus payment basis and held in safekeeping by an independent third-party financial institution approved by the City.

All safekeeping arrangements shall be approved by the Investment Officers and an agreement of the terms executed in writing. The third-party safekeeping agent shall be required to issue safekeeping receipts to the City clearly indicating the ownership by or pledge to the City.

AUTHORIZED INVESTMENTS

City funds may be invested only in the following instruments, as further defined by the Act. If changes are made to the authorized investments in the Act, they will not be authorized for City use until this Policy is amended and adopted by the City Council.

All investments will be made on a competitive basis. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. The City portfolio will have a maximum weighted average maturity of one year. At all times, liquid funds will represent no less than 10% of the portfolio to meet unanticipated liabilities.

1. Obligation of the United States, its agencies and instrumentalities, excluding mortgage backed securities and with a final stated maturity not to exceed two years.
2. Fully insured or collateralized depository certificates of deposit or term share certificate of any bank or credit union doing business in Texas with a stated maturity date not to exceed eighteen (18) months. Certificates of deposit may be purchased through the CDARS program with a bank in Texas.
3. AAA-rated, constant dollar local government investment pools which strive to maintain a stable \$1.00 net asset value and comply with SEC Rule 2a-7.
4. Fully collateralized repurchase agreements purchased through a primary government securities dealer, as defined by the Federal Reserve, with a stated maturity not to exceed six (6) months. A "flex" repurchase agreement may be used for bond proceeds beyond six (6) months but must not exceed the expenditure plan of the funds.
5. AAA-rated SEC registered money market mutual funds which strive to maintain a \$1 net asset value and comply with SEC Rule 2a-7.
6. Interest bearing accounts in any bank or credit union in Texas fully insured by FDIC / NCUSIF or collateralized in accordance with this Policy.

7. Fully FDIC-insured / NCUSIF-insured brokered certificate of deposit securities from banks in any state within the United States of America delivered versus payment to the City's safekeeping depository, not to exceed one (1) year to maturity. Investment Officers must verify the FDIC / NCUSIF status of the bank on www.2fdic.gov/idasp/main_bankfind.asp or www.NCUSIF.gov to assure that the bank is FDIC / NCUSIF insured.

Any investment that requires a minimum rating by this Policy will not qualify as authorized during the period the investment does not have that minimum rating. Investment Officers shall inform the Council and take all prudent measures to liquidate the downgraded investment in a reasonable time period if ratings have dropped.

Any investment purchased when the investment type was authorized by Policy need not be liquidated if the Policy is modified to un-authorize the investment. The Investment Officers will review the investment and act in a reasonable manner for the overall good of the portfolio(s).

Diversification

The City's investments shall be diversified to eliminate risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector and maturities selected shall provide for stability of income and reasonable liquidity. Laddered maturities shall be used based on the anticipated cash flow of funds.

INVESTMENT RESTRICTIONS AND PROHIBITED TRANSACTIONS

To provide for the safety and liquidity of the City's funds, the following transactions are not authorized:

- a. Borrowing for re-investment purposes ("Leverage").
- b. Investment in any mortgage backed security, including inverse floaters, principal only securities, interest only securities, and floaters.
- c. Investment in any equity linked securities.
- d. Investment in options, futures, swaps, caps, floors, and collars.

INVESTMENT REPORTING

No less than quarterly, the Investment Officers shall jointly prepare, sign, and submit to the City Council a written quarterly investment report in accordance with the Act (2256.023). The report must include at a minimum:

- A detailed description of the investment position of the City on the date of the report;
- The book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
- A summary statement of each portfolio stating:
 - o Beginning and ending market value for the period,
 - o Beginning and ending amortized book value for the period,

- Change in market value for the period,
 - The overall yield of the portfolio and the comparable period yield of the benchmark;
 - The weighted average maturity, and
 - The earnings for the period recognizing both accrued interest and net amortization;
- The maturity date of each separately invested asset;
 - The maturity date of each separately invested asset that has a maturity date;
 - The portfolio/fund for which each individual investment was acquired; and
 - A statement of compliance to the Investment Policy and Strategy and the Act.

Market prices will be obtained from independent sources for the reports.

AUDIT

The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the City's Investment Policy.

If the City has invested in other than money market funds, investment pools, and certificates of deposit, the quarterly investment reports shall be formally reviewed by the City's independent auditor. The result of this review shall be submitted to the City Council with the annual financial audit.

POLICY ADOPTION

The City of Johnson City Investment Policy and Investment Strategy shall be reviewed and adopted by the City Council no less than annually. Any changes to the Policy or Strategy shall be recorded in the adopting ordinance / resolution.

CITY OF JOHNSON CITY, TEXAS

BROKER / DEALER QUESTIONNAIRE

Name of Firm: _____
CRD #: _____

Address: _____

Primary Representative on account: _____
Telephone: _____
Fax: _____
E-Mail: _____
CRD# _____

Backup representative or trading assistant: _____
Telephone: _____
E-mail: _____

Branch Manager: _____
Telephone: _____
Fax: _____
E-Mail: _____

Is the firm designated as a Primary Dealer by the Federal Reserve?
Yes _____ No _____

Is the firm registered with the Texas State Securities Board?
Yes _____ No _____

Is the firm and representative registered with FINRA?
Yes _____ No _____

How long has the designated representative been an institutional fixed income broker at this firm? _____ Years in total? _____

What market sectors does the account representative specialize in?

Delivery instructions: _____

All transactions will be completed delivery versus payment.

BROKER / DEALER QUESTIONNAIRE

Page 2 – To be completed only by Non-Primary Dealers

Name of Firm: _____
CRD #: _____

Years in business at this location: _____
Total years in business: _____

Indicate the approximate sales volume in the following sectors for the previous year:

US Treasuries - _____
Repo - _____
US Agencies - _____
MBS - _____
CP - _____
Other? - _____

Has your firm, or this account representative, been subject to a regulatory agency, state of _____, or federal investigation for alleged improper, disreputable, unfair, [or] fraudulent activities related to the sale of securities or money market instruments in the past five years? Are there any outstanding claims? If yes, please explain:

Please attach a sample of your standard confirmation to be provided to clients. Please provide the firm's most recent audited financial statements (Required annually).

What portfolio information do you require from your clients?

What research information will you be providing on a regular basis?

Attached is our Investment Policy. The representatives assigned to the account must acknowledge that they have received, read, and understood the Policy by completing the attached Policy Certification form.

POLICY CERTIFICATION FORM
as required by Texas Government Code 2256.005 (k)

CITY OF JOHNSON CITY, TEXAS

_____ (the "Firm")

I, as an authorized representative for the Firm named above, hereby certify that I and the broker covering this account, have received and reviewed the Investment Policy of the City of Johnson City, Texas.

We acknowledge that this firm has implemented reasonable internal procedures and controls in an effort to preclude investment transactions conducted between this Firm and the City of Johnson City that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Firm: _____

Signature: _____

Name: _____

Title: _____

Date: _____

Proposed to be repealed.

CITY OF JOHNSON CITY

RESOLUTION NO. R20-037

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS,
AMENDING THE “CASH MANAGEMENT AND FIXED ASSET POLICY” OF THE
CITY; AND PROVIDING FOR AN EFFECTIVE DATE**

Recitals

WHEREAS, in 2013, the City Council (“City Council”) of the City of Johnson City (“City”) approved and enacted its “Cash Management and Fixed Asset Policy” (“Policy”), subsequently amended in September 2019; and

WHEREAS, the City Council desires to update and revise the Policy to provide for efficient management of city funds; and

WHEREAS, pursuant to Texas Local Government Code Chapter 105 (Depositories for Municipal Funds) and Texas Government Code Chapter 2256 (the Public Funds Investment Act), the City Council has authority to establish procedures regarding the payment process of city funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Johnson City:

SECTION 1. FINDINGS OF FACT

The foregoing recitals are adopted as facts and are incorporated fully herein.

SECTION 2. AMENDMENTS AND ENACTMENT

A. The City Council of the City of Johnson City hereby amends Section E of the “Cash Management and Fixed Asset Policy”, as follows (underlined text is new text and strikethroughs are deleted text):

E. Authorized Check Signers.

The signatures required for issuance of payroll checks and expenditure account checks shall be for amounts as follows:

(a) Under \$1,000: Chief Administrative Officer or Deputy City Secretary or the Mayor in the absence of both the Chief Administrative Officer and the Deputy City Secretary.

(b) \$1,000 to \$10,000: Chief Administrative Officer.

(c) Over \$10,001: Chief Administrative Officer and Mayor (or Mayor Pro-Tem on unavailability of Mayor).

B. The City Council hereby adopts and enacts the amendments to the “Cash Management and Fixed Asset Policy” as depicted herein.

SECTION 3. REPEALER AND SEVERABILITY

Repealer: All resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters regulated, herein.

Severability: Should any of the clauses, sentences, paragraphs, sections or parts of this Resolution be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Resolution.

SECTION 4. EFFECTIVE DATE

This Resolution shall be effective immediately upon passage.

PASSED AND APPROVED this, the 3rd day of March, 2020, by a vote of the City Council of Johnson City, Texas.

CITY OF JOHNSON CITY, TEXAS

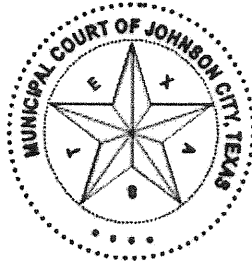


Rhonda Stell, Mayor

Attest:



Anthony Holland
Chief Administrative Officer and City Secretary



CITY OF JOHNSON CITY

CASH MANAGEMENT AND FIXED ASSET POLICY

PREFACE

These policies and procedures, having been approved by the City Council of Johnson City, Texas, are adopted in accordance with the Public Funds Investment Act (Government Code, Chapter 2256) and Local Government Code, Chapter 105, Depositories for Municipal Funds. As required therein, the chief investment officer and the “designated officer” is the City Administrator. The City Secretary, as the assistant investment officer, shall assist the City Administrator in discharging the duties of investment officer and the designated officer. The City Administrator is also the chief financial officer, exercising general control and supervision over all departments, officials and positions created and approved by the City Council. Final review and approval of all actions by the City Administrator are reserved for the Mayor, who is the Chief Executive Officer on matters of subject not specifically delegated by the Council to department heads and/or other members of the supporting staff. The Mayor, through the City Administrator, is responsible for overall control and prudent investment of City Funds.

I. CASH MANAGEMENT

A. Bank Accounts.

The City checking account shall be managed so as to maintain, without intentionally over drafting the account, the minimum balance necessary to fund routine/recurring operating expenses. Sufficient cash shall be kept in a City money market account or money market fund sweep account to transfer to the checking account to pay for unforeseen and upcoming expenses and for overdraft protection.

B. Purchase Approval and Funds Disbursement. Department heads and the City Administrator shall ensure that expenditures are allocated to the correct budget accounts and that sufficient funds remain in the budget accounts to cover the expenditures. Budget account numbers shall be annotated on all invoices/statements. Invoices/statements shall be reviewed and initialed by department heads or designated alternates and the City Administrator or Mayor, in the absence of the City Administrator, to authorize preparation of checks for payment. Completed invoices/statements shall be attached to checks and presented for final review and approval to those City officials authorized to sign checks. Checks shall not be drawn on accounts containing time deposits, unless notice has been given and has expired under the terms of the depository bank contract. Checks shall not be drawn on accounts designated for bonded indebtedness, except to pay on the principal or interest of the indebtedness, or to invest the funds as provided by law.

C. Collections and Receivables. The City will collect all funds due on a timely basis. The City Administrator will establish a system for monitoring collections and receivables so that funds are received and deposited on a timely basis.

D. Cash Handling. All funds collected throughout the City's operations will be deposited in the appropriate City bank account by a daily deposit, or as soon as possible thereafter. The chief financial officer is authorized to promulgate rules for establishing procedures for the receipt, handling, and deposit of municipal cash by municipal employees. For the purpose of this policy, city employees, volunteers and all other persons involved in cashier related functions involving municipal cash are covered by the terms of this policy.

1. Duties of City Departments. A department that receives municipal cash on a regular basis in the course of its activities shall:

- (a) Designate an employee as principal municipal cash custodian for receiving and depositing municipal funds for that department;
- (b) Collaborate with the chief financial officer to establish and maintain a system of procedures, documentation and reporting of receipts, cash handling and depositing of funds to the municipal depository; and
- (c) Notify the Police Department of any loss or theft of municipal cash immediately upon discovery.

2. Duties of City Employees. Any municipal employee who receives cash in the normal scope and course of his/her duties shall:

- (a) Ensure the delivery or deposit is made in compliance with the regulation of deposits provisions;
- (b) Comply with the rules promulgated by the chief financial officer for handling and processing of municipal cash;
- (c) Notify his/her supervisor and department head of any loss or theft of municipal money immediately upon discovery; and
- (4) Count, balance, report and relinquish cash drawer collections in excess of the till cash amount to the department's principal municipal cash custodian no later than the end of his/her shift each day.

3. Establishment/Increase of Cash Funds. All requests for the establishment of cash funds (i.e. till cash and petty cash funds) must be made to the chief financial officer, who will maintain a complete listing of all cash funds. The department custodian and the dollar value of the cash fund are to be maintained on this written listing.

- (a) A check request signed by the department head specifying the type of fund, the amount being requested, and an explanation describing the basis for the requested funds is required to be submitted to the chief executive officer.
- (b) It is not permissible for cash funds to be established out of cash receipts by any department.
- (c) It is not acceptable to use petty cash funds as till cash, nor is it acceptable to use till cash as petty cash.

4. Termination of Cash Funds. When the need arises to close a municipal cash fund, the department head shall notify the chief financial officer that the cash fund is to be closed by providing a memorandum specifying the reason for the closure. At the point funds are to be relinquished, an audit of the cash fund shall be performed in the presence of the department head or cash fund custodian. Any discrepancy from the proper balance shall be noted and addressed at that time.

Upon completion of the cash audit and relinquishment of the funds to the chief financial officer or designee, the cash will be deposited into the municipal depository and appropriate accounting entries recorded.

5. Petty cash Funds. Petty cash funds are available for making emergency or immediate purchases of small dollar items that are not routinely carried by department in their operating supplies inventory. Petty cash funds are not to be commingled with other cash funds. Petty cash funds are to be maintained only for the purpose of providing petty cash as needed, and no department shall possess a petty cash fund without establishing the fund as described above.

6. Security of Cash Funds.

- (a) Funds must be secured in a safe when not being used operationally or receipts are not being prepared for deposit.
- (b) Only the department head and cash fund custodian should maintain keys and have access to municipal cash funds on hand when they are not in operational use or being prepared for deposit.
- (c) Bank bags must be locked and kept out of sight when transporting municipal funds for deposit.
- (d) Cash register tills shall not be left unattended without the cash register being locked and the register's key removed and retained on the responsible employee.
- (e) Cash register tills, including till cash, shall be removed from each cash register before the close of business each day, relinquished to the department head or principle cash fund custodian and placed in a vault or safe.

7. Regulation of Deposits. Deposits shall be made in accordance with a procedure established by the chief financial officer.

- (a) Preparation of receipts.
 - (1) Receipts should be pre-numbered and have duplicate copies.
 - (2) A receipt should be produced for all payments received.
 - (3) All Receipts should be used in numerical order and need to be accounted for, including voided receipts.
 - (4) "For deposit only" shall be stamped on the back of each check.
- (b) Maintenance of Bank Bags and Keys.

Bank bags with deposits shall be kept locked at all times when not preparing or verifying deposits. The keys to the bank bags will be maintained by the cash fund custodian for each department. It will be the responsibility of the department head to secure and limit access to bank bag keys. Personnel changes

which affect the possession of keys or the preparation of deposits should be reported to the chief financial officer.

E. Authorized Check Signers. Payroll checks and expenditure account checks shall require two signatures, as follows:

(a) Checks for *under* \$1,000:

- (1) City Administrator and City Secretary.
- (2) If either the City Administrator or City Secretary is unavailable, it shall be acceptable to obtain the second signature from the Mayor or Mayor Pro Tem.

(b) Checks for \$1,000 *and over*:

- (1) Mayor or Mayor Pro-Tem; and
- (2) City Administrator or City Secretary.

F. Monthly Financial Statements. The City Secretary shall prepare a comparative monthly financial statement to include balance sheets and statements of budgeted and actual revenues and expenditures for the general fund, debt service fund, and capital projects fund, and a schedule of investments. The financial statements will be distributed to the City Council as soon as they are available but not later than the fourth Friday of each month. The City Secretary will brief the City Council each quarter on the financial condition of the City.

G. Account Adjustments. If necessary, the City Secretary shall make quarterly adjustments to the financial statements and complete all required adjustments within thirty days after the close of the fiscal year.

H. Depository Bank Contract. A request for proposals for banking services shall be competitively bid and negotiated at least once every five years. The City has adopted a policy that applications from banks and savings association not doing business within the City will be considered if it is in the best interest of the City. To become effective, the depository bank contract must be approved by the City Council.

II. FIXED ASSETS

A. General. Positive control over general fixed assets is needed to determine adequacy of insurance coverage, to safeguard assets, and to provide accurate disclosure in the City's financial statements. General fixed asset categories are:

Land
Equipment
Construction in progress
Buildings and improvements


B. Fixed Asset Acquisition. An asset acquired by the City having a useful life of more than one year and costing more than \$300.00 shall be capitalized at cost, to include ancillary charges for freight, installation and set-up. The expenditure shall be charged to the Capital Outlay account of the department incurring the expense and shall also be recorded in the General Fixed Assets Account Group. The following guidelines should be used in the treatment of costs that are incurred after the acquisition of an asset:

1. If the expenditure does not materially add to the value of the asset or appreciably prolong its life, the expenditure should not be capitalized.
2. If an existing asset is replaced, the existing asset should be removed from the General Fixed Asset Account group. The cost of the new asset should be recorded as stated above.

C. Fixed Asset Retirement. All general fixed asset retirement requests should be in writing and should be approved by the City Administrator. The request should include the reason for retirement and the method of disposition.

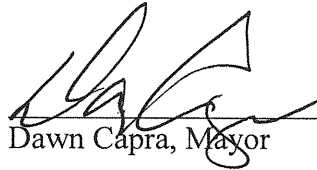
PASSED AND APPROVED by the City Council of the City of Johnson City, Texas, this 5th day of November 2013.

ATTEST:



Anthony Holland, City Secretary

CITY OF JOHNSON CITY, TEXAS



Dawn Capra, Mayor

Proposed to be repealed.

CITY OF JOHNSON CITY

RESOLUTION NO. R20-038

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY REVIEWING AND APPROVING THE CITY'S INVESTMENT POLICY; AND PROVIDING FOR AN EFFECTIVE DATE

RECITALS

WHEREAS, Chapter 2256 of the Texas Government Code, the Public Funds Investment Act ("Act"), requires the City of Johnson City ("City") to adopt a written investment policy regarding the investment of its funds and funds under its control and to review the policy on an annual basis; and

WHEREAS, the City previously adopted an investment policy, and in accordance with the Act, has reviewed and recorded any changes; and

WHEREAS, the attached investment policy and incorporated revisions comply with the Act, and authorize the investment of city funds in safe and prudent investments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Johnson City:

1. The foregoing recitals are adopted as facts and are incorporated fully herein.
2. The City Council hereby amends, approves and adopts as the official investment policy of the City, the *City of Johnson City Investment Policy for FY 2019-2020* attached hereto as "*Attachment A*", and incorporated fully herein for all intents and purposes.
3. In accordance with §2256.005(f) of the Act, the City hereby designates the City's Chief Administrative Officer as the City's investment officer to be responsible for the investment of its funds consistent with the investment policy.
3. This Resolution shall be effective immediately upon approval.

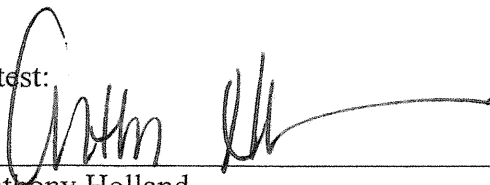
PASSED AND APPROVED this, the 12th day of May, 2020, by a vote of the City Council of Johnson City, Texas.

CITY OF JOHNSON CITY, TEXAS



Rhonda Stell, Mayor

Attest:



Anthony Holland
Chief Administrative Officer and City Secretary

City of Johnson City Investment Policy
for
FY 2019-2020

Approved May 12, 2020

INVESTMENT POLICY

Scope. This Policy applies to the investment of all City funds and any funds under the City control.

Objectives and Strategies. The policy of the City is to invest public funds in a manner which will provide a reasonable market investment return with the maximum security while meeting the daily cash fund demands of the City and conforming to all state and local statutes and bond covenants regarding investment of public funds. All purchases of securities will be made on a competitively bid basis. The primary objectives of City investments are, in priority order:

1. **Safety.** Safety of principal is the foremost objective of City investments. Investments shall be made so as to ensure the preservation of principal.
2. **Liquidity.** The City investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
3. **Return.** The City investment portfolio will be designed to attain a return commensurate with City investment risk constraints and cash flow needs for operating expenses.
4. **Diversification.** Diversification will be a priority to minimize market, liquidity and credit risk and to limit potential losses on individual securities.
5. **Marketability.** The portfolio will have securities with active and efficient secondary markets. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

Investment Strategy – General Fund. The primary investment objectives for the investment of general funds are safety of principal and liquidity. To attain these objectives, investments will be diversified in suitable, high credit quality, short-term investments to maintain liquidity and assure adequate cash flow. Anticipated liabilities will be matched with a laddered portfolio structure to provide that liquidity. Diversification requirements may be met through use of an investment pool. The weighted average maturity of the funds will not exceed six (6) months.

Investment Strategy – Capital Project Funds. The primary investment objectives for the investment of capital project funds are safety of principal and liquidity to meet construction needs. To attain these objectives, investments will be diversified in suitable, high credit quality, short-term investments to maintain liquidity and assure adequate cash flow. Anticipated construction liabilities will be matched with a laddered portfolio structure to provide that liquidity and not exceed the planned expenditure schedule of the projects. Diversification requirements may be met through use of an investment pool. The weighted average maturity of the funds will not exceed the average maturity of the capital project funds.

Standard of Care. Investments shall be made with the same degree of care and judgment, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in

management of their own funds, for investment and not for speculation, considering the probable safety of capital as well as the potential income to be realized.

Delegation of Authority. Authority to manage the City's investment program is derived from state statutes and City resolutions. Council will designate the City Administrator by resolution as the chief "investment officer" and the City Secretary, City Treasurer/Assistant City Treasurer, and the City CPA, as the "assistant investment officers" with authority to invest funds in accordance with the City's Investment Policy. The officers shall be responsible for all transactions made and records maintained.

Internal Controls. The City Administrator shall be responsible for establishing written internal controls to protect assets and investments of the City. The procedures will apply to all designated investment officers and subordinates involved in the investment process. The control procedures will be designed to reduce collusion, provide for the separation of responsibilities, and provide for complete record-keeping of all investment transactions.

Investment Training. The City will pay for the training of investment officers as required by the Public Funds Investment Act (Gov't Code Section 2256.008). Specifically, the City Treasurer, Assistant City Treasurer, City Administrator, City Secretary and City CPA shall attend at least one training session within twelve months after taking office or assuming duties and ten hours of training in each succeeding two-year period. Such training shall include education in investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act.

Ethics and Conflicts of Interest. Investment officers having a personal business relationship with an entity seeking to sell the City an investment will file a statement disclosing that personal business interest. An investment officer who is related within the second degree of affinity or consanguinity, as determined under Gov't Code Chapter 573, to an individual seeking to sell the City an investment shall file a statement disclosing that relationship. These statements must be filed with the Texas Ethics Commission and the City Council.

Collateralization of Investments. In accordance with the Public Funds Collateral Act (Texas Gov't Code 2257), all public funds must be insured by the FDIC or its successor or by collateral pledged to the City to the extent of the total principal and accrued interest of any amount not insured. Acceptable pledged collateral includes:

Securities of the United States Government, US Agencies or US Instrumentalities (excluding mortgage backed securities); and

Securities or Obligations of the State of Texas, Texas Agencies or Political Subdivisions.

Collateral will be provided for both time and demand deposits and a written collateral agreement will be executed specifying all terms of the arrangement. Collateral will be held by an independent third party financial institution outside the holding company of the bank and original safekeeping receipts will be supplied to the City. The financial institution pledging the collateral will be

responsible for monitoring and maintaining a 102% margin (on market value) of collateral at all times. The financial institution pledging the collateral will provide the City with a monthly report on collateral pledged and a City representative will have the right to inspect pledged collateral records at any time. Substitution of collateral must be approved in writing by the City prior to substitution.

Safekeeping and Custody. All securities owned by the City will be cleared on a delivery versus payment (DVP) basis and held by an independent third party safekeeping agent approved by the City.

Broker/Dealers and Financial Intermediaries. A copy of the City's Investment Policy shall be sent to any person or firm seeking to sell the City an investment (brokers, dealers, banks, or pools). An authorized representative of the business organization seeking to sell an investment shall execute a written instrument substantially to the effect that the firm has received and thoroughly reviewed the City's Investment Policy and acknowledges that the firm has implemented reasonable procedures and controls to preclude investment transactions conducted between the City and the firm that are not authorized by the City's Policy. City investment officers may not purchase securities from persons or firms unless such written certification has been submitted. Certification will be maintained on file in the City.

The City Council will not less than annually approve the list of authorized broker/dealers and other firms/organizations authorized to do business with the City.

Authorized Investments. The following investments, as defined by the Public Funds Investment Act, are authorized for investment of City funds:

1. Obligations of the United States, its Agencies and Instrumentalities with a maximum maturity of two (2) years and excluding mortgage backed securities. (Gov't Code 2256.009)
2. Other obligations fully guaranteed by the United States Government with a maximum maturity of two (2) years. (Gov't Code 2256.009)
3. Collateralized certificates of deposit from banks or savings bank doing business in Texas with a maximum maturity of two (2) years. Certificates will be collateralized to 102% of principal and interest at all times. (Gov't Code 2256.010)
4. Local Government Investment Pools whose net asset value, to the extent reasonably possible, is stabilized at \$1 and which are continuously rated no lower than AAA or AAA-m or an equivalent by at least one nationally recognized rating service. (Gov't Code 2256.016 and 2256.019)
5. Money Market Mutual Funds whose net asset value, to the extent reasonably possible, is stabilized at \$1 and which are continuously rated no lower than AAA or AAA-m or an equivalent by at least one nationally recognized rating service and/or insured bank money market funds. (Gov't Code 2256.014(a))

Investment Reports. Not less than quarterly, the Investment Officers shall prepare and submit to the City Council a quarterly written investment report in compliance with the Public Funds Investment Act (Gov't Code 2256.023). The report must:

- describe in detail the investment position of the City on the date of the report,
- state the book value and fair market value of each separately invested asset at the beginning and the end of the quarter by the type of asset and fund type invested,
- state the change in market value during the quarter,
- state the accrued interest received in the period,
- state the final maturity date of each separately invested asset that has a maturity date,
- state the fund for which each individual investment was acquired, and state the compliance of the investment portfolio of the City as it relates to the Investment Policy and the Public Funds Investment Act, and
- be prepared jointly and signed by all City Investment officers.

Benchmark. The performance benchmark for the City's portfolio will be the average yield on the six month US Treasury Bill for the same period.

Compliance Audit. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the City Investment Policy. If City funds are invested in other than CDs or local government investment pools; the auditor shall also review the quarterly reports as part of the annual audit.

Investment Policy Adoption. The City Investment Policy shall be adopted by resolution of the City Council at least annually. It is the City's intent to comply with state laws and regulations. Changes made to comply with changing laws and regulations or to improve operations shall be included in the adopted resolution.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS (CITY) DESIGNATING INVESTMENT OFFICER(S) FOR PUBLIC INVESTMENT PURPOSES; AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO TAKE ALL NECESSARY STEPS TO IMPLEMENT THE PROVISIONS OF THIS RESOLUTION; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; AND ADOPTING AN EFFECTIVE DATE.

WHEREAS, the Public Funds Investment Act, codified in the Texas Government Code Chapter 2256, governs local government investment; and

WHEREAS, the City intends to fulfill the requirements of the Public Funds Investment Act in order to secure the safety of its funds; and

WHEREAS, the Public Funds Investment Act (Section 2256.005f) states that:

Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers as investment officer(s) to be responsible for the investment of its funds consistent with the adopted Investment Policy and Investment Strategy. Authority granted to a person to invest an entity's funds is effective until rescinded by the City Council or until the expiration of the officer's term or termination of employment.

In the administration of the duties of an Investment Officer, the Officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the City Council retains ultimate responsibility as fiduciaries of the assets. The Investment Officer(s) may deposit, withdraw, transfer, or manage the funds in any other manner; and

WHEREAS, the Public Funds Investment Act and the City's Investment Policy require the Investment Officer(s) to perform certain duties and report regularly to the City Council on the investment program.

NOW, THEREFORE, BE IT RESOLVED that:

Section One. Designation of Investment Officer(s). The City has complied with the requirements of the Public Funds Investment Act and its Investment Policy and designates the following individuals to serve as Investment Officers:

- Rick A. Schroder, Chief Administrative Officer / City Secretary
- Whitney Walston, Deputy City Secretary

to exercise the judgment and care, under circumstances then prevailing, that a prudent person would exercise in the management of the person's own affairs and to perform all requirements of the Act.

Section Two. Assignment of Responsibility. The aforementioned Investment Officer(s) are hereby assigned the responsibility for the investment, management, and safekeeping of all funds, regardless of their source or form, at all times.

Section Three. Authorization. The Chief Administrative Officer is hereby authorized to take all necessary steps to implement the provisions of this Resolution.

Section Four. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section Five. Recitals. The City Council finds all of the above recitals to be true and correct and incorporates the same in this Resolution as findings of fact.

Section Six. Severability. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Resolution. The City Council hereby declares that it would have passed this Resolution, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared void.

PASSED, ADOPTED, AND APPROVED by the City Council of the City of Johnson City this the 10th day of November 2020.

APPROVED:

Rhonda Stell
Mayor

ATTEST:

Rick Schroder
Chief Administrative Officer / City Secretary

11

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS APPROVING A LIST OF APPROVED BROKERS / DEALERS FOR PUBLIC INVESTMENT PURPOSES; AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO TAKE ALL NECESSARY STEPS TO IMPLEMENT THE PROVISIONS OF THIS RESOLUTION; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; AND ADOPTING AN EFFECTIVE DATE.

WHEREAS, the Public Funds Investment Act governs local government investments; and

WHEREAS, the Public Funds Investment Act requires the governing body, no less than annually, to review, revise, and adopt a list of qualified broker/dealers which are authorized to engage in investment transactions with the City; and

WHEREAS, the following brokers/dealers are recommended for approval and will be sent a copy of the City Investment Policy for written certification of their review in accordance with the Act and the Investment Policy.

NOW, THEREFORE, BE IT RESOLVED that:

Section One. Approval. The following entities are authorized as brokers / dealers for the City:

- Loop Capital,
- Stifel Nicolaus, and
- Raymond James,
- Wells Fargo.

Section Two. Banking Institutions. In accordance with the City Investment Policy, any qualified Texas bank used for time or demand deposits may be approved by the Investment Officers, as identified through the competitive process, without further Council action.

Section Three. Compliance. The City has complied with the requirements of the Public Funds Investment Act, and the list of authorized brokers/dealers is hereby adopted.

Section Four. Authorization. The Chief Administrative Officer is hereby authorized to take all necessary steps to implement the provisions of this Resolution.

Section Five. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section Six. Recitals. The City Council finds all of the above recitals to be true and correct and incorporates the same in this Resolution as findings of fact.

Section Seven. Severability. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Resolution. The City Council hereby declares that it would have passed this Resolution, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared void.

PASSED, ADOPTED, AND APPROVED by the City Council this the 10th day of November 2020.

APPROVED:

Rhonda Stell
Mayor

ATTEST:

Rick Schroder
Chief Administrative Officer / City Secretary



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NOS. 12 & 13

MEETING DATE: **November 10, 2020**

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of a Resolution of the City Council of the City of Johnson City, Texas approving participation in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts, pursuant to §271.081 of the Local Government Code; establishing an Agent of Record and Secondary Contact; and adopting an effective date. (Staff)

Approval of a Resolution of the City Council of the City of Johnson City, Texas approving participation in The Local Government Purchasing Cooperative, pursuant to Chapter 791 of the Texas Government Code; establishing an Authorized Representative; and adopting an effective date. (Staff)

EXECUTIVE SUMMARY:

In order to enroll into the Texas SmartBuy Membership Program and the Texas Local Government Purchasing Cooperative, the City Council must adopt resolutions approving said participation and authorized Municipal representatives.

Texas SmartBuy Membership Program excerpt:

The Texas SmartBuy Membership Program is the new name for the State of Texas Cooperative (CO-OP) Purchasing Program. We're your Texas trusted purchasing partner for local government and state funded assistance organization buyers for over 30 years. As a service from the Comptroller's office, the state purchasing cooperative promotes best value procurements through state contract usage at the local level. The state offers Texas sized savings from its multi-billion dollar purchasing volume as the estimated #10 economy in the world. The Texas SmartBuy Membership Program empowers state funded local buyers such as cities, counties and school districts with access to the same best value and competitively bid statewide contracts as our state agencies. A Texas SmartBuy Membership harnesses the state's purchasing power and puts it to work in your local community.

Members are provided access to purchase from a wide variety of state term contracts, TXMAS contracts, DIR technology contracts, purchase card, fuel and travel contracts for qualified entities — all leveraged by the buying power of the state of Texas.

Texas Local Government Purchasing Cooperative (BuyBoard) excerpt:

The Local Government Purchasing Cooperative is an administrative agency created in accordance with Section 791.001 of the Texas Government Code. Its purpose is to obtain the benefits and efficiencies that can accrue to members of a cooperative, to comply with state bidding requirements, and to identify qualified vendors of commodities, goods, and services. The Cooperative also relieves the burdens of governmental purchasing by effectively using current technology and realizing economies of scale.

The Texas Association of School Boards (TASB) administers and handles the day-to-day activities of the Cooperative. The Cooperative is endorsed by the Texas Municipal League (TML), the Texas Association of Counties (TAC), and the Texas Association of School Administrators (TASA), and is a Strategic Partner of the Texas Association of School Business Officials (TASBO).

The Cooperative is governed by an eleven-member board of trustees. Four trustees are elected officials or employees of school districts, two are elected officials or employees of municipalities, one is an elected official or employee of a county, and four are at-large positions from any type of participating governmental entity.

FINANCIAL:

Texas SmartBuy Membership Program - \$100 annual membership fee.

Texas Local Government Purchasing Cooperative (BuyBoard) - The cost of BuyBoard is primarily borne by participating vendors; however, for vehicles, BuyBoard does charge members a flat amount per purchase order:

- Vehicles and trucks - \$400;
- Ambulances and school buses - \$800; and
- Fire apparatus - \$1,500.

ATTACHMENTS:

- Proposed Resolutions

SUGGESTED ACTION:

Motion to approve:

A Resolution of the City Council of the City of Johnson City, Texas approving participation in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts, pursuant to §271.081 of the Local Government Code; establishing an Agent of Record and Secondary Contact; and adopting an effective date.

A Resolution of the City Council of the City of Johnson City, Texas approving participation in The Local Government Purchasing Cooperative, pursuant to Chapter 791 of the Texas Government Code; establishing an Authorized Representative; and adopting an effective date.

PREPARED BY: City Staff

DATE SUBMITTED: November 5, 2020



RESOLUTION

State of Texas
County of Blanco

Whereas, the Texas Comptroller of Public Accounts is authorized to provide purchasing services for local governments pursuant to §§ 271.082 and 271.083 of the Local Government Code;

and **WHEREAS**, the City Council
(e.g., Commissioner's Court, City Council, School Board, Board of Directors)

of Johnson City, is a: (Check one of the following.)
(Name of Qualified Entity)

- | | |
|--|--|
| <input type="radio"/> County | <input type="radio"/> Independent School District |
| <input checked="" type="radio"/> Municipality | <input type="radio"/> Junior College District |
| <input type="radio"/> Political Subdivision (Utility, Appraisal Districts) | <input type="radio"/> Mental Health and Mental Disability Community Center |
| <input type="radio"/> State-funded Assistance Organization | <input type="radio"/> Housing and Transportation Authority |

defined as an entity qualified to participate in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts pursuant to § 271.081 of the Local Government Code; and

WHEREAS, in accordance with the requirements of 34 TAC §20.85 administrative rules, the Agent(s) of Record,
Rick Schroder CAO/City Secretary
(Name of Person, primary contact) (Title)

(and Whitney Walston Dep. City Secretary) is/are authorized to execute
(Name of Person, secondary contact) (Title)

any and all documentation for City of Johnson City pertaining to its participation in the Texas
(Entity Name)

Comptroller of Public Accounts Cooperative Purchasing Program; and

WHEREAS, City of Johnson City acknowledges its obligation to pay annual participation fees
(Entity Name)

established by the Texas Comptroller of Public Accounts.

NOW, THEREFORE BE IT RESOLVED, that request be made to the Texas Comptroller of Public Accounts to approve
City of Johnson City for participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program.
(Entity Name)

Adopted this _____ day of November, 2020 by City of Johnson City
(Entity Name)

By: _____
(Signature of Chair)
Rhonda Stell
(Printed Name)
Mayor
(Title of Chair)

(Signature of primary Agent of Record)
R. Schroder CAO/City Secretary
(Name/Title of primary Agent of Record)

(Signature of secondary Agent of Record)
Whitney Walston Dep. City Secretary
(Name/Title of secondary Agent of Record)



Texas SmartBuy Membership Program

What is the the Texas SmartBuy Membership Program?

Created by legislation in 1979, the Texas Comptroller of Public Accounts' (CPA) Texas SmartBuy Membership Program offers members a unique opportunity to make the most of their purchasing dollars and efforts by using the State of Texas volume buying power.

Who can join?

- Local governments
- School Districts
- Utility Districts
- Appraisal Districts
- Junior Colleges
- MHMR community centers
- State-funded assistance organizations
- Housing and Transportation Authorities
- Assistance organizations

Sections 271.081-271.083, Local Government Code, and Sections 2155.202 and 2175.001(1), Government Code, provide the legal authority for the program.

Why should you join the Texas SmartBuy Membership Program?

- **Get Best Value for Your Purchases** – Our purchasers competitively bid and award hundreds of contracts in accordance with state purchasing statutes and competitive bidding requirements. You reap the savings for your organization and ultimately for the citizens of Texas.
- **Save Valuable Time and Effort** – No bidding, just order from hundreds of established state contracts.
- **Search Thousands of Vendors** – Looking for something not on one of our negotiated contracts? Use our Centralized Master Bidder's List to identify vendors from our database of over 9,000 companies (including HUBs). <https://comptroller.texas.gov/purchasing/vendor/cmb/>
- **Post Bid and Award Notices on the Electronic State Business Daily** – As a member, set up FREE password access to the Electronic State Business Daily (ESBD) where you can post your entity's solicitations to increase vendor participation and provide public notice of awards. <http://www.txsmartbuy.com/sp/>
- **Save Money on Travel** – Qualified members may use the State Travel Management Program for discounted rates on rental cars, thousands of hotels and airline tickets.

If you have any questions or need more information about our program please feel free to e-mail members@cpa.texas.gov or call 512-463-3368.



Texas SmartBuy Membership Program

Accessing the Texas SmartBuy Membership Program on the Internet

Go to the Texas SmartBuy Membership web site: comptroller.texas.gov/purchasing/members/

- **Membership Forms:** Includes the application, name change form, proof of eligibility and school bus specifications.
- **TxSmartBuy.com:** The state's online ordering system, Texas SmartBuy, will generate a state purchase order on your behalf, forwarding a copy to you and to the vendor. The vendor will then ship the merchandise and invoice your entity directly. CPA has awarded contracts for many commodities and services, including:

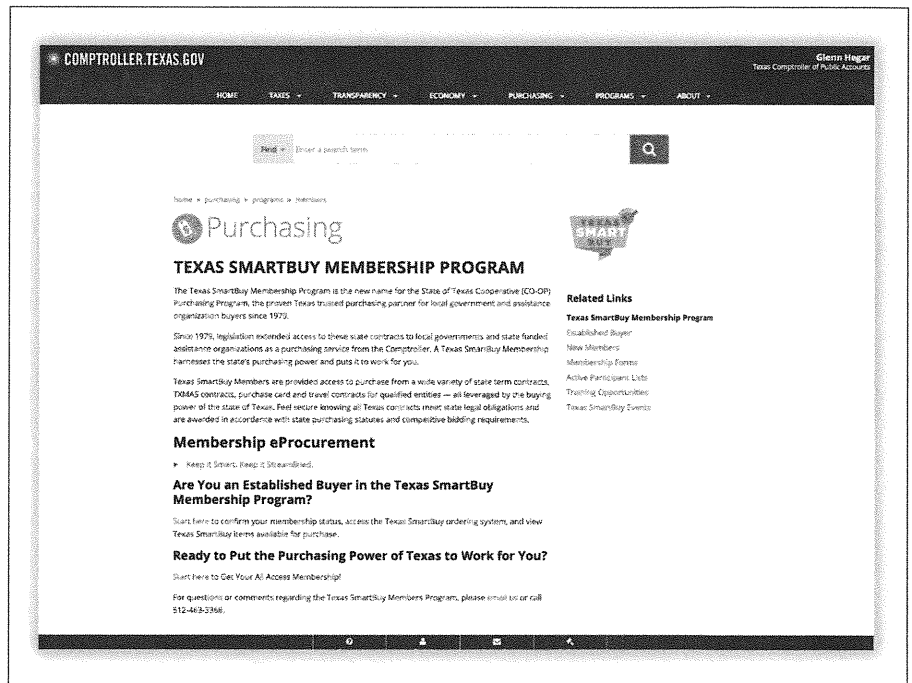
- Vehicles
- Office Supplies
- Furniture
- Procurement Card Services
- Appliances
- Road and Highway Equipment
- Police Equipment
- Pharmaceuticals
- Cleaning Supplies
- Food

- **TXMAS Information:** Texas Multiple Award Schedules (TXMAS). TXMAS contracts feature the most favored customer pricing and the possibility of negotiation. TXMAS can be used as alternative volume contracts.

- **CMBL Search:** This feature enables you to access the state Centralized Master Bidders List (CMBL) to create a bid list by product/service code. You may narrow the search

by entering a county, city or zip code. This is a vendor list only. You should use this only as a vendor resource. You will need to follow your local bid requirements to purchase from these vendors.

- **State Travel Management Program:** Texas Government Code, Sections 2171.001-2171.055 extend the state travel management contracts to certain members of the Texas SmartBuy Membership program. Eligible entities include Municipalities, Counties, School Districts, Public Junior and Community Colleges, and Emergency Communication Districts, hospital districts and transit/transportation districts.





Texas SmartBuy Membership Program

Texas SmartBuy Membership Application

Rick Schroder

Name of Authorized Individual

(NOTE: Please list 2 people who are authorized to sign for purchases and will receive all correspondence from CPA. Additional authorized signers or Agents of Record may be listed on the resolution with the signatures documented at the bottom of the resolution.)

Whitney Walston

Name of Authorized Individual (secondary contact)

City of Johnson City

Organization/Qualified Entity Name

303 E. Pecan/PO Box 369

Address

Johnson City, TX 78636

City, State, Zip Code

rschroder@johnsoncitytx.org

Primary Email Address

830-868-7111

Phone Numbers

wwalston@johnsoncitytx.org

Secondary Email Address

830-868-7718

Fax Number

The annual membership fee for participation in the Texas SmartBuy Membership Program is:

\$100.00 – FEE IS NON-REFUNDABLE

Please make checks payable to:

Texas Comptroller of Public Accounts

Please mail to:

Texas Comptroller of Public Accounts

P.O. Box 13186

Austin, TX 78711

**PLEASE RETURN THIS FORM WITH PAYMENT
AND ALL REQUIRED DOCUMENTS AND SIGNATURES**

Questions? Contact the Texas SmartBuy Membership Program at 512-463-3368 or at members@cpa.texas.gov.



Texas SmartBuy Membership Program

Documents required for proof of eligibility

Submit all documentation required as proof of eligibility at the time you apply for membership in the program. All documentation must be on file with the Texas SmartBuy Membership Program BEFORE a determination of eligibility can be made.

Local Governments

County, Independent School District, Municipality, Jr. College District, Volunteer Fire Department

Documents required:

- ✓ Board approved resolution

MHMR Community Centers

Documents required:

- ✓ Board approved resolution

Special Districts or Other Legally Constituted Political Subdivisions of the State

Documents required:

- ✓ Board approved resolution
- ✓ Documentation evidencing creation of entity including statutory citation.
This can be in the form of:
 - a. Legislation in which the entity was created by name
 - b. A resolution passed by a city or a county stating that there is a need for the entity to exist and actually creating the entity

Assistance Organizations

Non-profit organizations that receive state funds **and** provide educational, health, or human services or provide assistance to homeless individuals

Documents required:

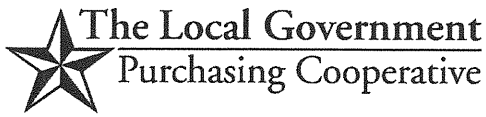
- ✓ Board approved resolution
- ✓ Articles of Incorporation and Certificate of Incorporation. A letter from the Secretary of State with the entity's charter number evidencing that the entity filed for incorporation will be accepted in lieu of a Certificate of Incorporation. **The State of Texas CO-OP cannot accept by-laws in lieu of Articles of Incorporation**
- ✓ Current contract or grant from a State agency to prove State funding. This document must show beginning and end dates for the current State of Texas Fiscal Year, and these dates must be valid at the time the application is reviewed.

Texas Rising Star Providers

Childcare providers certified as Texas Rising Star Providers by Texas Workforce Commission

Documents required:

- ✓ Board Approved Resolution



BOARD RESOLUTION

of

City Of Johnson City

(Name of Local Government)

Cooperative Member

WHEREAS, the City of Johnson City, (hereinafter “Cooperative Member”) desires to participate in a local government cooperative purchasing program pursuant to the authority granted by Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act (“Act”);

WHEREAS, the City of Johnson City has elected to be a Cooperative Member in the The Local Government Purchasing Cooperative (hereinafter “Cooperative”), a local government purchasing cooperative program created by local governments in accordance with and pursuant to the Act and Section 271.101, *et seq.*, of the Texas Local Government Code;

WHEREAS, the Cooperative Member, is of the opinion that participation in the Cooperative’s purchasing program will be highly beneficial to the taxpayers of the local government through the efficiencies and potential savings to be realized; and

WHEREAS, the Cooperative Member desires to participate and join with other local governments in an Interlocal Participation Agreement (“Agreement”) for the purpose of fulfilling and implementing their respective public and governmental purposes, needs, objectives, programs, functions and services;

NOW, THEREFORE, BE IT RESOLVED, that the Cooperative Member requests that the Cooperative include its stated needs for all categories, including but not limited to, instructional, maintenance, custodial, and food service goods and services, in the Cooperative’s purchasing program and select vendors for those items, whereby the Cooperative Members may be allowed to purchase those items from the Cooperative’s contracts; and that Cooperative is authorized to sign and deliver necessary requests and other documents in connection therewith for and on behalf of the Cooperative Members that have elected to participate.

FURTHER, BE IT RESOLVED, that the Board of Trustees of the Cooperative Member authorizes its Board President, Superintendent or other officer to execute the Interlocal Participation Agreement which includes the adoption and approval of the Organizational Interlocal Agreement previously executed and adopted by two or more local governments.

FINALLY, BE IT RESOLVED that the execution of this Resolution shall evidence the election of Cooperative Member and eligible local governments to become members of the Cooperative upon the terms and conditions stated. The Board of Trustees has, and at the time of adoption of this Resolution had, full power and lawful authority to adopt the foregoing Resolution and to confer the obligations, powers, and authority to the persons named, who are hereby granted the power to exercise the same.

I certify that the foregoing is a true and correct copy of the resolution duly adopted by City of Johnson City, on the 10th day of November in
(Name of Local Government)
the year 2020, and that the same now appears of record in its official minutes.

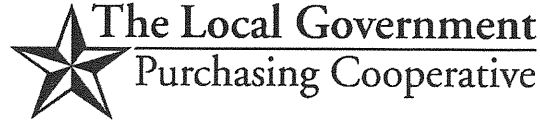
City of Johnson City, Cooperative Member
(Name of Local Government)

By: _____ Date: _____
Authorized Representative

CAO/City Secretary
(Title)

ATTEST:

Secretary of the Board Date: _____



INTERLOCAL PARTICIPATION AGREEMENT

This Interlocal Participation Agreement ("Agreement") is made and entered into by and between The Local Government Purchasing Cooperative ("Cooperative"), an administrative agency of cooperating local governments, acting on its own behalf and the behalf of all participating local governments, and the undersigned local government of the State of Texas ("Cooperative Member").

I. RECITALS

WHEREAS, a local government entity is authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, to agree with other local government entities to form a purchasing cooperative; and

WHEREAS, the Cooperative is further authorized as a local purchasing cooperative organization as set forth in Section 271.101, *et seq.*, of the Texas Local Government Code; and

WHEREAS, the purpose of this Agreement is to facilitate compliance with state procurement requirements, to identify qualified vendors of commodities, goods and services, to relieve the burdens of the governmental purchasing function, and to realize the various potential economies, including administrative cost savings, for Cooperative Members;

NOW THEREFORE, in consideration of the mutual covenants, promises and obligations contained herein, the undersigned Cooperative Member and the Cooperative agree as follows.

II. TERMS AND CONDITIONS

1. **Adopt Organizational Interlocal Cooperation Agreement.** The Cooperative Member by the execution or acceptance of this Agreement hereby adopts and approves the Organizational Interlocal Agreement dated January 26, 1998, which agreement is incorporated herein by reference (and is available from the Cooperative upon request). The Organizational Interlocal Agreement established the Cooperative as an administrative agency of its collective participants, and Cooperative Member agrees to become a participant or additional party to that Organizational Interlocal Agreement.
2. **Term.** The initial term of this Agreement shall commence on the date it is executed by both parties and shall automatically renew for successive one-year terms unless sooner terminated in accordance with the provisions of this Agreement. If the Cooperative Member is an existing Cooperative Member that joined the Cooperative by executing a participation agreement which authorized amendment upon the Cooperative providing 60 days notice, then this Agreement will be deemed an Amendment by Notice,

which will be effective on the 61st day that the Cooperative Member is sent notice of this document. In addition, this Agreement will continue to automatically renew for successive one-year terms on the anniversary date of the Cooperative Member's initial term (not the effective date of the Amendment by Notice), unless the Agreement is sooner terminated in accordance with the provisions herein.

3. **Termination.**

- (a) **By the Cooperative Member.** This Agreement may be terminated by the Cooperative Member at any time by thirty (30) days prior written notice to the Cooperative, provided any amounts owed to the Cooperative and any vendor have been fully paid.
- (b) **By the Cooperative.** The Cooperative may terminate this Agreement by:
 - (1) Giving ten (10) days notice by certified mail to the Cooperative Member if the Cooperative Member breaches this Agreement; or
 - (2) Giving thirty (30) days notice by certified mail to the Cooperative Member with or without cause.
- (c) **Termination Procedure.** If the Cooperative Member terminates its participation under this Agreement or breaches this Agreement, or if the Cooperative terminates participation of the Cooperative Member, the Cooperative Member shall bear the full financial responsibility for all of its purchases made from vendors under or through this Agreement. The Cooperative may seek the whole amount due, if any, from the terminated Cooperative Member. In addition, the Cooperative Member agrees it will neither be entitled to a refund of any membership dues paid nor a distribution which may occur after the Cooperative Member terminates from the Cooperative.

4. **Payments by Cooperative Member.**

- (a) The Cooperative Member agrees to pay membership fees as may be required by the Cooperative. The Cooperative will provide the Cooperative Member with 60 days prior written notice of any change in the membership fee before such fee becomes effective. Membership fees are payable by Cooperative Member within 30 days of receipt of an invoice from the Cooperative or its designee, unless otherwise provided by law. A late charge amounting to the maximum interest allowed by law, but not less than the rate of interest under Section 2251.021, *et seq.*, Texas Government Code, shall begin to accrue daily on the 46th day following the due date and continue to accrue until the membership fees and late charges are paid in full. The Cooperative reserves the right to collect all funds that are due to the Cooperative in the event of termination by Cooperative Member or breach of this Agreement by Cooperative Member.
- (b) In addition to membership fees, the Cooperative Member will make timely payments to the vendor for the goods, materials and services received in accordance with the terms and conditions of the bid invitation, instructions, and all other applicable procurement documents. Payment for goods, materials and services and inspections and acceptance of goods, materials and services ordered by the procuring Cooperative Member shall be the exclusive obligation of

the procuring Cooperative Member, and not the Cooperative. Furthermore, the Cooperative Member is solely responsible for negotiating and securing ancillary agreements from the vendor on such other terms and conditions, including provisions relating to insurance or bonding, that the Cooperative Member deems necessary or desirable under state or local law, local policy or rule, or within its business judgment.

5. **Payments by Vendors.** The parties agree that the Cooperative will require payment from vendors which are selected to provide goods, materials or services to Cooperative Members. Such payment (hereafter "Vendor Fees") may be up to two percent (2%) of the purchase price paid by Cooperative Members or a flat fee amount that may be set from time to time by the Cooperative Board of Trustees. Cooperative Member agrees that these Vendor Fees fairly compensate the Cooperative for the services and functions performed under this Agreement and that these Vendor Fees enable the Cooperative to pay the administrative, endorsement, licensing, marketing, and other expenses involved in successfully operating a program of electronic commerce for the Cooperative Members. Further, Cooperative Member affirmatively disclaims any rights to such Vendor Fees, acknowledging all such fees are the property of the Cooperative. Similarly, in no event shall a Cooperative Member be responsible for payment of Vendor Fees.
6. **Distribution.** From time to time, and at the sole discretion of the Cooperative Board of Trustees, the Cooperative may issue a distribution to Cooperative Members under a plan developed by the Cooperative Board of Trustees. Cooperative Member acknowledges that a distribution is never guaranteed and will depend on the overall financial condition of the Cooperative at the time of the distribution and the purchases made by the Cooperative Member.
7. **Administration.** The Cooperative may enter into contracts with others, including non-profit associations, for the administration, operation and sponsorship of the purchasing program provided by this Agreement. The Cooperative will provide reports, at least annually, to the Cooperative Member electronically or by mail. Cooperative Member will report purchase orders generated under this Agreement to the Cooperative or its designee, in accordance with instructions of the Cooperative.
8. **BuyBoard®.** Cooperative Member will have a non-exclusive license to use the BuyBoard electronic purchasing application during the term of this Agreement. Cooperative Member acknowledges and agrees that the BuyBoard electronic application and trade name are owned by the Texas Association of School Boards, Inc. and that neither the Cooperative nor the Cooperative Member has any proprietary rights in the BuyBoard electronic application or trade name. Cooperative Member will not attempt to resell, rent, or otherwise distribute any part of the BuyBoard to any other party; nor will it attempt to modify the BuyBoard programs on the server or acquire the programming code. Cooperative Member may not attempt to modify, adapt, translate, distribute, reverse engineer, decompile, or disassemble any component of the application. Cooperative Member will use the BuyBoard in accordance with instructions from the Cooperative (or its designee) and will discontinue use upon termination of participation in the Cooperative. Cooperative Member will maintain equipment, software and conduct testing to operate the BuyBoard system at its own expense.

III. GENERAL PROVISIONS

1. **Amendment by Notice.** The Board may amend this Agreement, provided that prior written notice is sent to the Cooperative Member at least 60 days prior to the effective date of any change described in such amendment and provided that the Cooperative Member does not terminate its participation in the Cooperative before the expiration of said 60 days.
2. **Authorization to Participate and Compliance with Local Policies.** Each Cooperative Member represents and warrants that its governing body has duly authorized its participation in the Cooperative and that the Cooperative Member will comply with all state and local laws and policies pertaining to purchasing of goods and services through its membership in the Cooperative.
3. **Bylaws.** The Cooperative Member agrees to abide by the Bylaws of the Cooperative, as they may be amended, and any and all written policies and procedures established by the Cooperative.
4. **Cooperation and Access.** The Cooperative Member agrees that it will cooperate in compliance with any reasonable requests for information and/or records made by the Cooperative. The Cooperative reserves the right to audit the relevant records of any Cooperative Member. Any breach of this provision shall be considered material and shall make the Agreement subject to termination on ten (10) days written notice to the Cooperative Member.
5. **Coordinator.** The Cooperative Member agrees to appoint a program coordinator who shall have express authority to represent and bind the Cooperative Member, and the Cooperative will not be required to contact any other individual regarding program matters. Any notice to or any agreements with the coordinator shall be binding upon the Cooperative Member. The Cooperative Member reserves the right to change the coordinator as needed by giving written notice to the Cooperative. Such notice is not effective until actually received by the Cooperative.
6. **Current Revenue.** The Cooperative Member hereby warrants that all payments, fees, and disbursements required of it hereunder shall be made from current revenues budgeted and available to the Cooperative Member.
7. **Defense and Prosecution of Claims.** The Cooperative Member authorizes the Cooperative to regulate the commencement, defense, intervention, or participation in a judicial, administrative, or other governmental proceeding or in an arbitration, mediation, or any other form of alternative dispute resolution, or other appearances of the Cooperative in any litigation, claim or dispute which arises from the services provided by the Cooperative on behalf of its members, collectively or individually. Neither this provision nor any other provision in this Agreement will create a legal duty for the Cooperative to provide a defense or prosecute a claim; rather, the Cooperative may exercise this right in its sole discretion and to the extent permitted or authorized by law. The Cooperative Member shall reasonably cooperate and supply any information necessary or helpful in such prosecution or defense. Subject to specific revocation, the Cooperative Member hereby designates the Cooperative to act as a class representative on its behalf in matters arising out of this Agreement.

8. **Governance.** The Board of Trustees (Board) will govern the Cooperative in accordance with the Bylaws.
9. **Jurisdiction/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and, to the extent permitted by law, venue for all disputes arising under this Agreement shall lie in Travis County, Texas.
10. **Legal Authority.** The Cooperative Member represents and warrants to the Cooperative the following:
 - a) It meets the definition of “Local Government” or “State Agency” under the Interlocal Cooperation Act (“Act”), Chapter 791 of the Texas Government Code.
 - b) The functions and services to be performed under the Agreement will be limited to “Administrative Functions” as defined in the Act, which includes purchasing.
 - c) It possesses the legal authority to enter into this Agreement and can allow this Agreement to automatically renew without subsequent action of its governing body.
 - d) Purchases made under this Agreement will satisfy all procedural procurement requirements that the Cooperative Member must meet under all applicable local policy, regulation, or state law.
 - e) All requirements—local or state—for a third party to approve, record or authorize the Agreement have been met.
11. **Disclaimer.** THE COOPERATIVE, ITS ENDORSERS (TEXAS ASSOCIATION OF SCHOOL BOARDS, INC., TEXAS ASSOCIATION OF COUNTIES, AND TEXAS MUNICIPAL LEAGUE) AND SERVICING CONTRACTOR (TEXAS ASSOCIATION OF SCHOOL BOARDS, INC.) DO NOT WARRANT THAT THE OPERATION OR USE OF COOPERATIVE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE.

THE COOPERATIVE, ITS ENDORSERS AND SERVICING CONTRACTORS, HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

12. **Limitation of Liability.** Without waiver of the disclaimer or other limitation of liability in this Agreement, the parties agree that:
 - (a) Neither party waives any immunity from liability afforded under law;
 - (b) In regard to any lawsuit or formal adjudication arising out of or relating to this Agreement, neither party shall be liable to the other under any circumstance for special, incidental, consequential, or exemplary damages;
 - (c) The maximum amount of damages recoverable will be limited to the amount of fees which the Cooperative received as a direct result of the Cooperative Member’s membership fee and purchase activity, within 24 months of when the lawsuit or action was filed; and
 - (d) In the event of a lawsuit or formal adjudication the prevailing party will be entitled to recover reasonable attorney’s fees pursuant to Section 271.159 of the Texas Local Government Code.

Without waiver of the disclaimer or other limitation of liability in this Agreement, the parties further agree to limit the liability of the Cooperative’s servicing contractor, endorsers and sponsors (including,

but not limited to, the Texas Association of School Boards, Inc., Texas Association of Counties, Texas Municipal League, and educational service centers) up to the maximum amount each received from or through the Cooperative, as a direct result of the undersigned Cooperative Member's membership fee and purchase activity, within 24 months of the filing of any lawsuit or action.

13. **Limitation of Rights.** Except as otherwise expressly provided in this Agreement, nothing in this Agreement, is intended to confer upon any person, other than the parties hereto, any benefits, rights, or remedies under or by reason of this Agreement.
14. **Merger/Entirety.** This Agreement, together with the Cooperative's Bylaws and Organizational Interlocal Agreement, represents the complete understanding of the Cooperative and Cooperative Member. To the extent there exists any conflict between the terms of this Agreement and that of prior agreements, the terms of this Agreement shall control and take precedence over all prior participation agreements.
15. **Notice.** Any written notice to the Cooperative shall be made by first class mail, postage prepaid, and delivered to the BuyBoard Administrator, Texas Association of School Boards, Inc., P.O. Box 400, Austin, Texas 78767-0400. Notices to Cooperative Member may be made by first class mail, postage prepaid, and delivered to the Cooperative Member's Coordinator or chief executive officer (e.g., superintendent, city manager, county judge or mayor).
16. **Severability.** If any portion of this Agreement shall be declared illegal or held unenforceable for any reason, the remaining portions shall continue in full force and effect.
17. **Signatures/Counterparts.** The failure of a party to provide an original, manually executed signature to the other party will not affect the validity, enforceability or binding effect of this Agreement because either party may rely upon a facsimile signature as if it were an original. Furthermore, this Agreement may be executed in several separate counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.
18. **Warranty.** By the execution and delivery of this Agreement, the undersigned individuals warrant that they have been duly authorized by all requisite administrative action required to enter into and perform the terms of this Agreement.

IN WITNESS WHEREOF, the parties, acting through their duly authorized representatives, accept this Agreement.

TO BE COMPLETED BY THE COOPERATIVE:

The LOCAL GOVERNMENT PURCHASING COOPERATIVE,
as acting on behalf of all other Cooperative Members

By: _____ Date: _____
James B. Crow, Secretary

TO BE COMPLETED BY COOPERATIVE MEMBER:

[Signature required unless accepted as an Amendment by Notice as described in the Agreement.]

City of Johnson City
(Name of Local Government)

By: _____ Date: _____
Signature of authorized representative of Cooperative Member

Printed name and title of authorized representative

Coordinator for the
Cooperative Member is:

Rick Schroder
Name

CAO/City Secretary
Title

PO Box 369
Mailing Address

Johnson City
City

Texas, 78636
(zip)

830-868-7111
Telephone

830-868-7718
Fax

rschroder@johnsoncitytx.org
Email



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 14

MEETING DATE: November 10, 2020

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of a Texas Municipal Retirement System (TMRS) City Portal Use Agreement establishing access to a web-based online portal for cities that are participating members of TMRS to access information and provide certain functionality to participating municipalities, as necessary for its official governmental functions; establishing a City Portal Administrator; and adopting an effective date. (Staff)

EXECUTIVE SUMMARY:

The proposed Portal Use Agreement must be approved by City Council prior to Staff access. Once completed, Rick Schroder will be the City Portal Administrator, and Staff will be able to print invoices, access employee TMRS records, et cetera.

FINANCIAL: N/a

ATTACHMENTS:

- Proposed Agreement

SUGGESTED ACTION:

Motion to approve a Texas Municipal Retirement System (TMRS) City Portal Use Agreement establishing access to a web-based online portal for cities that are participating members of TMRS to access information and provide certain functionality to participating municipalities, as necessary for its official governmental functions; establishing a City Portal Administrator; and adopting an effective date.

PREPARED BY: City Staff

DATE SUBMITTED: November 5, 2020

**Texas Municipal Retirement System
City Portal Use Agreement**

This City Portal Use Agreement (the "Agreement") is entered into by and among the Texas Municipal Retirement System, the City of Johnson City, Texas, and the City Portal Administrator (defined below), to be effective as set forth below.

RECITALS

WHEREAS, the Texas Municipal Retirement System ("TMRS") is offering access to a web-based, online portal (the "City Portal") for cities that are participating members of TMRS to access information and provide certain functionality to participating municipalities as necessary for its official governmental functions; and

WHEREAS, the City of Johnson City, Texas (the "City") is a municipality that participates in TMRS and desires access to the TMRS City Portal for official City business purposes; and

WHEREAS, Rick A. Schroder is an individual employee of the City, is an authorized contact for the City with the Texas Municipal Retirement System, and will be the main contact and administrator for the purposes of the TMRS City Portal, as further described herein (the "City Portal Administrator"); and

WHEREAS, the City Portal Administrator will have the authority to grant access and permissions to the City Portal to other City employees and officers who are TMRS authorized City contacts ("City Portal User(s)", including the City Portal Administrator, where applicable); and

WHEREAS, TMRS will grant City Portal Users the authority to access TMRS data relating to City employees and retirees via the City Portal in a form identifiable with a specific individual pursuant to Section 855.115(a)(1)(C) of the Texas Government Code, which information TMRS must protect pursuant to Sections 552.101 and 855.115 of the Texas Government Code (attached as Exhibit B, and incorporated by reference); and

WHEREAS, the City, the City Portal Administrator, and the City Portal Users understand that they may violate provisions of and be subject to potential civil and criminal penalties under the Texas Public Information Act for failure to comply with the terms of this Agreement or any applicable provisions of the Texas Public Information Act with respect to any Confidential Information; and

WHEREAS, TMRS is willing to disclose such information only upon acknowledgement and agreement of the City and the City Portal Administrator of the terms and conditions required for access to the information:

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing premises, the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, TMRS, the City, and the City Portal Administrator hereby agree to the terms and conditions below:

1. The City and City Portal Administrator represent and warrant that all information requested by any City Portal User will be information that is reasonably necessary to the performance of the duties

of the City Portal User requesting such information. The City Portal Administrator hereby attests that he/she has attended and completed training by TMRS on the City Portal. The City Portal Administrator hereby agrees that only persons meeting the following criteria may be trained to become a City Portal User: (i) a contributing TMRS member, and (ii) job duties require access to the Confidential Information. The City and the City Portal Administrator agree that all City Portal Users shall be trained by the City Portal Administrator on the obligations and responsibilities set forth in this Agreement and shall ensure that any City Portal User shall agree in writing to be bound by the same terms and conditions contained in this Agreement prior to such City Portal User's access to the City Portal.

2. The City and the City Portal Administrator each represents, warrants, and covenants that any City Portal User, or any City employee, officer, representative, contractor or agent (collectively, "Representatives") who will receive any Confidential Information (defined below), shall, prior to receiving such information, be given a copy of this Agreement and shall **sign** an acknowledgement agreement, in the form attached hereto as Exhibit A, in which such person agrees to be bound by all terms and conditions contained in this Agreement regarding the use and protection of the Confidential Information. Each City Portal User is responsible for maintaining the confidentiality of his or her password. City Portal Users shall not share passwords, or allow any unauthorized person or groups of persons to use one password to access the City Portal. The City Portal Administrator shall promptly terminate the access rights of any City Portal User that is no longer employed by the City, or who is no longer authorized by the City to have access or no longer requires access to the City Portal for the performance of such persons' duties, or who violates the terms and conditions set forth in this Agreement. The City and the City Portal Administrator each agrees to use its reasonable best efforts to cause all City Portal Users and any Representatives who receive any Confidential Information to observe the terms and conditions of this Agreement, and agrees that the City will be responsible for any breach of any terms of this Agreement by any of its City Portal Users or Representatives.

3. The City, the City Portal Administrator, the City Portal Users and the Representatives each agree that all Confidential Information (a) shall be maintained in accordance with Section 855.115 of the Texas Government Code, as amended from time to time (a current copy of which is attached hereto as Exhibit B), and in strict confidence except as required by an order of a court of competent jurisdiction or other legal process; (b) shall not be disclosed to any third party other than the authorized employees or agents of the City who have a need to know the information in connection with the performance of their official duties for the City; (c) shall not be used for any purpose other than for the purpose of, and only to the extent it is reasonably necessary to, the performance of his/her official duties for the City, and (d) shall, at the City's option and expense, be returned to TMRS or be destroyed by the City (in either case, including all originals and copies of all Confidential Information) upon completion of the set task for which it is required or at the end of an appropriate record retention period. The City must notify TMRS if it chooses to destroy or return the Confidential Information and will confirm the completion of such destruction to TMRS in writing, if it chooses to destroy the Confidential Information.

4. The City, the City Portal Administrator, the City Portal Users, and the Representatives shall not publish any report, press release, data or other information regarding or derived from such Confidential Information to the extent the report, press release, data or other information includes individual participant or retiree data in a form identifiable with a specific individual and whose release would be prohibited by Section 855.115 of the Texas Government Code, unless otherwise required by applicable law.

5. The parties agree that if a breach of this Agreement occurs with respect to the Confidential Information, TMRS shall suffer irreparable harm and significant injury and loss to a degree which would be difficult to ascertain and which would not be fully compensable by damages alone, and that TMRS

shall have the right to invoke the jurisdiction of the courts to seek immediate temporary or permanent injunctive relief, specific performance or other equitable relief, without bond, and without prejudice to any other rights and remedies available to TMRS. To the extent permitted by applicable state law, the City shall indemnify and hold harmless TMRS from all damages, losses, expenses and costs whatsoever, including but not limited to attorney's fees, resulting from breach of this Agreement by the City, the City Portal Administrator, or a City Portal User.

6. For the purposes of this Agreement, "Confidential Information" shall mean all TMRS data which is subject to Section 855.115 of the Texas Government Code, including, but not limited to, any information concerning an individual member, retiree, annuitant, or beneficiary, whether in electronic or written form, provided by TMRS to the City, the City Portal Administrator or any City Portal User during the term of this Agreement. Confidential Information will not include any information which (i) is or becomes publicly available other than as a result of a disclosure by the City, the City Portal Administrator, a City Portal User, or any Representative, (ii) is already in the City Portal Administrator's or City's possession prior to its disclosure through the use of the City Portal, as demonstrated by written or documented evidence, and not otherwise subject to the confidentiality provisions of Section 855.115 of the Texas Government Code; (iii) is or becomes available to the City Portal Administrator or City on a non-confidential basis from a source other than TMRS, provided that such source is not subject to any legal, contractual, or fiduciary obligation to keep such information confidential, or (iv) is independently developed by the City Portal Administrator on the City's behalf, as demonstrated by written or documented evidence, without violating any of the obligations hereunder.

7. TMRS reserves the right to deny access to the City Portal for any City Portal User for any reason, and may require any City Portal User to change a password for any reason.

8. TMRS, MyTMRS and the TMRS "Star Design" logo are trademarks and service marks of TMRS and are used and registered in the United States. Use of these trademarks and service marks without permission is prohibited, and the City and City Portal Administrator agree that no City Portal User will use any of these trademarks and service marks without the prior written consent of TMRS to the specific intended use.

9. The information and materials contained in the City Portal, and the terms, conditions, and descriptions that appear, are subject to change at any time. Estimates provided through the City Portal are subject to the limitations stated on the City Portal website and the terms and conditions listed thereon. The City, the City Portal Administrator, and the City Portal Users are not agents of TMRS and shall not represent that they have authority to represent or certify information on behalf of TMRS.

10. Unauthorized use of the City Portal or any of the TMRS systems, or misuse of any information posted on the City Portal is strictly prohibited. Use of the City Portal or any Confidential Information (i) for any purpose other than as reasonably necessary for the performance of duties of a City employee or official, (ii) for any illegal activity, or (iii) to engage in conduct that is defamatory, libelous, threatening or harassing or that infringes on a third party's intellectual property or other proprietary rights, is prohibited.

11. This Agreement is to be governed by, construed and interpreted in accordance with the laws of the State of Texas without regard to its conflicts of laws principles. It is agreed that venue shall be in the District Court of Travis County, Texas. Each party hereto hereby irrevocably submits, for itself and its property, to the jurisdiction of the courts of Travis County, Texas in any action, suit, or proceeding brought against it related to or in connection with this Agreement.

12. If any third person or entity requests or seeks to compel the City or any City Portal User to disclose or produce any information provided to the City or any City Portal User by TMRS, through the City Portal or otherwise, under this Agreement which is subject to Section 855.115 of the Texas Government Code, or claims an entitlement to any such information on the grounds that such information is alleged or claimed to be generally available to the public or to constitute in whole or in part a public record, document or report under applicable law, the City agrees to file a timely request for an opinion of the Texas attorney general seeking to withhold the information under the Texas Public Information Act. In addition, the City agrees to use its best efforts to notify TMRS within two (2) business days of its receipt of such a request, but in no case later than is reasonably necessary to provide TMRS an adequate opportunity to request a legal opinion or to consent to or seek to prevent such disclosure through protective order or other appropriate remedy.

13. Each party agrees that no failure or delay by any party in exercising or enforcing any right, power, privilege or remedy under this Agreement will constitute a waiver thereof, and a waiver under one circumstance will not constitute a waiver under any other circumstance.

14. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

15. This Agreement may be unilaterally amended by TMRS at any time upon 60 days prior written notice to the City Portal Administrator. No party may assign any of its rights or delegate any of its duties under this Agreement to any other person or entity without the prior written consent of the other parties hereto. A transfer by operation of law, including by merger or consolidation, is an assignment subject to the provisions of this Section.

16. This Agreement may be terminated by either TMRS or the City, for any reason, upon 30 days prior written notice of termination to the other party. Any provision of this Agreement which, by its nature, may become performable by a party after termination of this Agreement will survive termination of this Agreement.

17. In the event of any suit, action, or arbitration proceedings (whether based on contract, tort, or any other theory of liability) to enforce any provision of this Agreement, to recover damages for a breach hereof, or to secure or preserve the rights of any party against any other party to any property which is the subject of this Agreement, the prevailing party will be entitled to recover reasonable attorney fees (other than fees computed on a contingency fee basis), court costs, and expenses of arbitration and litigation expended in the prosecution or defense thereof.

18. The City and the City Portal Administrator each represent and warrant that the City Portal Administrator has the requisite right and authority to execute this Agreement on behalf of the City and to bind the City, the City Portal Administrator, and the City Portal Users to the provisions hereof. The parties further agree that this Agreement contains the entire understanding of the parties with respect to the subject matter hereof and that there are no other agreements or understandings with respect to the subject matter. No party will be liable or bound to any party in any manner by any warranties, representations, or covenants other than those set forth in this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

19. This Agreement may be executed by the parties in multiple original counterparts, and each such counterpart will constitute an original hereof.

IN WITNESS WHEREOF, this TMRS City Portal Use Agreement shall be effective for all purposes on the date fully executed, as evidenced by the signatures below.

CITY:

(CITY OF) Johnson City, Texas

BY: _____
(SIGNATURE)

PRINTED NAME: Rhonda Stell

TITLE: Mayor

DATE: November 10, 2020

CITY PORTAL ADMINISTRATOR:

SIGNATURE: _____

PRINTED NAME: Rick A. Schroder

TITLE: Chief Administrative Officer / City Secretary

CITY OF Johnson City, Texas

DATE: November 10, 2020

TMRS:

TEXAS MUNICIPAL RETIREMENT SYSTEM:

BY: Type text here
(SIGNATURE)

PRINTED NAME: **ERIC DAVIS**
TITLE: **DEPUTY EXECUTIVE DIRECTOR**

DATE: _____

EXHIBIT A

**ACKNOWLEDGEMENT AGREEMENT
TO TMRS CITY PORTAL USE AGREEMENT**

I, Rick A. Schroder, for the purpose of being designated as a City Portal User under the terms and conditions of that certain Texas Municipal Retirement System City Portal Use Agreement, as amended from time to time (the "Agreement") by and among the Texas Municipal Retirement System ("TMRS"), the City of Johnson City, Texas (the City"), and the City Portal Administrator (as defined in the Agreement), hereby represent, warrant, acknowledge and agree that (i) I have received and read a full and complete copy of the Agreement, and (ii) I agree to comply with and be bound by all terms and conditions of the Agreement, including but not limited to the use and protection of Confidential Information (as defined in the Agreement).

I understand that I may violate provisions of and be subject to potential civil and criminal penalties under the Texas Public Information Act if I fail to comply with the terms of this Agreement or any applicable provisions of the Texas Public Information Act with respect to any Confidential Information.

(Signature)

Name: Rick A. Schroder

Date: November 10, 2020

[CITY PORTAL ADMINISTRATOR: RETAIN THIS AGREEMENT WITH YOUR FILES]

Exhibit B
Section 855.115 of the Texas Government Code

Sec. 855.115. CONFIDENTIALITY OF INFORMATION ABOUT MEMBERS, RETIREES, ANNUITANTS, OR BENEFICIARIES. (a) Information contained in records that are in the custody of the retirement system concerning an individual member, retiree, annuitant, or beneficiary is confidential under Section 552.101, and may not be disclosed in a form identifiable with a specific individual unless:

(1) the information is disclosed to:

(A) the individual or the individual's attorney, guardian, executor, administrator, conservator, or other person who the director determines is acting in the interest of the individual or the individual's estate;

(B) a spouse or former spouse of the individual after the director determines that the information is relevant to the spouse's or former spouse's interest in member accounts, benefits, or other amounts payable by the retirement system;

(C) a governmental official or employee after the director determines that disclosure of the information requested is reasonably necessary to the performance of the duties of the official or employee; or

(D) a person authorized by the individual in writing to receive the information;

or

(2) the information is disclosed pursuant to a subpoena and the director determines that the individual will have a reasonable opportunity to contest the subpoena.

(b) This section does not prevent the disclosure of the status or identity of an individual as a member, former member, retiree, deceased member or retiree, or beneficiary of the retirement system.

(c) The director may designate other employees of the retirement system to make the necessary determinations under Subsection (a).

(d) A determination and disclosure under Subsection (a) may be made without notice to the individual member, retiree, annuitant, or beneficiary.



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 15

MEETING DATE: November 10, 2020

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of a Resolution of the City Council of the City of Johnson City, Texas approving Authorized Representatives and allowing said Representatives to transmit funds for investment in TexPool / TexPool Prime, withdraw funds, issue letters of instruction, and take all other actions deemed necessary or appropriate for the investment of local funds; and adopting an effective date. (Staff)

EXECUTIVE SUMMARY:

The proposed Resolution replaces Anthony Holland as a TexPool authorized representative with Rick Schroder. In addition, the Resolution adds Deputy City Secretary Whitney Walston as an authorized representative. Lastly, the Resolution adds City Attorney Elizabeth Elleson as an authorized viewer with no transaction authority.

Mayor Stell and Mayor Pro Tempore Dildine remain on the accounts.

FINANCIAL: N/a

ATTACHMENTS: Proposed Resolution

SUGGESTED ACTION:

Motion to approve a Resolution of the City Council of the City of Johnson City, Texas approving Authorized Representatives and allowing said Representatives to transmit funds for investment in TexPool / TexPool Prime, withdraw funds, issue letters of instruction, and take all other actions deemed necessary or appropriate for the investment of local funds; and adopting an effective date.

PREPARED BY: City Staff

DATE SUBMITTED: November 5, 2020



Resolution Amending Authorized Representatives

Please complete this form to amend or designate Authorized Representatives. *This document supersedes all prior Authorized Representative forms.*

*** Required Fields**

1. Resolution

WHEREAS,

The City of Johnson City, Texas Participant Name* Location Number*

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool / Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Name Title
 Phone Fax Email
 Signature

2. Name Title
 Phone Fax Email
 Signature

3. Name Title
 Phone Fax Email
 Signature

1. Resolution (continued)

4. Whitney Walston Deputy City Secretary
 Name Title
 8 3 0 8 6 8 7 1 1 1 8 3 0 8 6 8 7 7 1 8 wwwalston@johnsoncitytx.org
 Phone Fax Email
 Signature

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Rick Schroder
 Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. *This limited representative cannot perform transactions.* If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Elizabeth Elleson City Attorney
 Name Title
 5 1 2 9 6 4 1 2 2 0 cityattorney@johnsoncitytx.org
 Phone Fax Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 10 day of November, 2020.

Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

City of Johnson City, Texas
 Name of Participant*

SIGNED
 Signature*
 Rhonda Stell
 Printed Name*
 Mayor
 Title*

ATTEST
 Signature*
 Rick Schroder
 Printed Name*
 Chief Administrative Officer / City Secretary
 Title*

2. Mailing Instructions

The completed Resolution Amending Authorized Representatives can be faxed to TexPool Participant Services at 1-866-839-3291, and mailed to:

TexPool Participant Services
1001 Texas Avenue, Suite 1150
Houston, TX 77002



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 16

MEETING DATE: November 10, 2020

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of a Bank Depository Services and Pledge Agreement between the City of Johnson City, Texas and Lone Star Capital Bank, N.A. for a term of five (5) years from November 10, 2020 to November 10, 2025, pursuant to Chapter 105 of the Local Government Code. (Staff)

EXECUTIVE SUMMARY:

The Bank Depository Services and Pledge Agreement between the City of Johnson City and Lone Star Capital Bank that was approved by the City Council in March 2020 was never provided to, nor executed by the Bank. Consequently, no Agreement is currently in place.

Although troubling, the lack of a current Agreement provides the City the opportunity to improve the original Agreement. Amendments include:

1. Custodian, TIB, is named in amended Agreement;
2. Pledged collateral increased from \$1,020,000 to \$2,500,000;
3. Bank's annual audited statement and collateral report emailed to the City annually and monthly, respectively;
4. Agreement adopted by the Bank through a resolution of the Bank Board in order to fulfill the requirements of FIRREA;
5. Surety bonds for collateral removed from Agreement;
6. Bank default cure period lowered from 30 to 3 days; and
7. Agreement term increased from 3 to 5 years, as allowed by State Law.

FINANCIAL: See rate sheet included within Bank's original submittal.

ATTACHMENTS: Proposed Agreement

SUGGESTED ACTION:

Motion to approve a Bank Depository Services and Pledge Agreement between the City of Johnson City, Texas and Lone Star Capital Bank, N.A. for a term of five (5) years from November 10, 2020 to November 10, 2025, pursuant to Chapter 105 of the Local Government Code.

PREPARED BY: City Staff

DATE SUBMITTED: November 5, 2020

BANK DEPOSITORY SERVICES AND PLEDGE AGREEMENT

This Bank Depository Services and Pledge Agreement (“Agreement”) is made and entered into by and between the City of Johnson City (“City”) and Lone Star Capital Bank, N.A. (“Bank”), a bank chartered by the State of Texas, (individually the “Party”, collectively “the Parties”).

WHEREAS, The City Council of the City designated, by action on July 7, 2020, Bank as its depository for the City’s funds and for banking services.

NOW THEREFORE, in consideration of the covenants and agreements contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties do mutually agree as follows:

1. **Term.** This Agreement is effective on November 10, 2020 and continues in effect until November 10, 2025.
2. **General.** Bank agrees to faithfully perform all of its duties and obligations required by the laws of the State of Texas for public funds depositories and shall upon presentation pay all checks drawn on it against collected funds on demand deposits, and shall, at the expiration of the Agreement, turn over to its successor, all funds, City-owned securities, property and things of value held as depository. All services rendered to City by Bank under this Agreement shall be performed in accordance with accepted commercial banking standards for public fund organizations and under the overall direction and instructions of City pursuant to Bank’s standard operations, policies, and procedures.
3. **Scope of Services.** Bank agrees to provide those services as described in the City’s Request for Proposals for Depository Bank Services (“RFP”), attached hereto as *Attachment A* and incorporated fully herein, and Bank’s Proposal to the RFP (“Proposal”), attached hereto as *Attachment B* and incorporated fully herein. Bank acknowledges that all services performed by Bank are subject to the approval of City. If any provisions of this Agreement, the RFP and the Proposal are in conflict, this Agreement, the RFP and the Proposal will control in that order.
4. **Custodian and Fees.** All pledged collateral must be held by a custodian or permitted institution as specified by the Public Funds Collateral Act, Texas Government Code, Chapter 2257. Upon execution of this Agreement, City and Bank shall designate a custodian (“Custodian”) to hold in trust the collateral described and pledged by Bank in accordance with the provisions of this Agreement. Said collateral or substitute collateral shall be kept and retained by Custodian in trust for the purposes stated herein so long as deposits of City remain with Bank. Any and all fees associated with Custodian’s holding of collateral for the benefit of City will be paid by Bank, and City will have no liability therefore. The City and Bank agree to utilize TIB (The Independent BankersBank, N.A.) as the Custodian for holding of collateral for the benefit of the City. Future amendments to the Custodian shall be approved by the Parties. The Custodian and/or Bank shall remit monthly to the City a collateral report demonstrating compliance with Paragraph 5 below.
5. **Collateralization.** All City funds on deposit with Bank shall be secured by collateral as provided for in the Public Funds Investment Act, Texas Government Code Chapter 2256, as amended, the Public Funds Collateral Act, Texas Government Code Chapter 2257, as amended, the City’s Investment Policy, as amended, and Bank’s Proposal.

Bank will pledge to the City approved securities in an amount of market value sufficient to adequately protect 102% of all City's deposits plus accrued interest minus applicable FDIC coverage daily during the term of this Agreement. Such collateral will be limited to U.S. Treasury or U.S. Government Agency securities, FDIC insured brokered CD's, Federal Home Loan Bank ("FHLB") letters of credit, and state and local debt (A and above rated)

The maximum dollar amount of collateral that Bank will provide is \$2,500,000.00 (two million five hundred thousand dollars). The market value of any pledged securities will be obtained from non-Bank-affiliated sources. Bank will monitor and maintain the required collateral margins and levels at all times. Bank grants a security interest in such collateral to City.

Substitution rights shall be granted if Bank obtains the City's prior approval and if substituting securities are received before previously pledged securities are removed from safekeeping. Collateral shall be evidenced by original safekeeping receipts/report sent directly to the City by the Custodian within one business day of receipt.

If at any time the collateral in the hands of Custodian shall have a market value in excess of the required balances, City may authorize the withdrawal of a specified amount of collateral, and Custodian shall deliver this amount of collateral to Bank.

If letters of credit are utilized, City shall agree as to the issuer and form of contract prior to the pledge. The amount of letters of credit will be at least equal to the minimum required amount as per this Agreement and the City's Investment Policy. The termination or expiration of any letters of credit shall be a minimum of two (2) business days after City anticipates withdrawing the secured deposit.

6. **Authorized City Representative.** For the term of this Agreement, by formal action, the City Council shall designate and authorize an officer(s) to represent and act for the City in any and all matters of every kind arising under this Agreement, including collateral assignment and substitution, execution of agreements and transfer of funds. Changes in designation shall be in writing and notice shall be provided to the other Party.
7. **Service Charges.** Bank will be compensated for any and all services rendered to City as set forth in the service charges of the Proposal to this Agreement.
8. **Bank Financial Position.** Bank shall provide to the City an annual statement audited by its independent auditors.
9. **Default by Bank.** Bank shall be in default if it fails to pay all or part of a demand deposit, a matured time deposit, or a matured certificate of deposit, including accrued but unpaid interest, at a specified maturity date.

Bank shall also be in default if ruled "bankrupt", "insolvent" or "failed" by a federal or state banking regulator, or if a receiver is appointed for the Bank. In the event of a default as a result of failure or insolvency of the Bank, City shall be deemed to have vested full title to all securities pledged under this Agreement. City is empowered to take possession of and transfer and or sell any and all securities. If the security is liquidated, any proceeds over the defaulted amount, plus expenses related to liquidation, shall be returned to Bank. This power is in addition to other remedies which City may

have under this Agreement and without prejudice to its rights to maintain any suit in any court for redress of injuries sustained by City under this Agreement.

Upon default, the City will give the Bank notice of the deficiency within seven (7) business days of the default event. Upon receipt of notice, Bank shall have three (3) days to cure the deficiency. If such deficiency is not corrected within the cure period, the City will issue to Bank a notice of failure to correct the deficiency and will have the option to terminate this Agreement, without penalty.

10. **Entire Agreement and Amendment.** This Agreement, along with all Attachments and other incorporated documents shall constitute the entire Agreement between the parties. This Agreement supersedes any and all prior representations, statements, and agreements, whether written or oral. The terms and provisions of this Agreement may not be amended, altered, or waived except by mutual agreement evidenced by a written instrument signed by duly authorized representatives of both parties.
11. **Non-Assignability and Successors.** This Agreement is not assignable in whole or in part, but is binding on the parties, their successors and assigns.
12. **Notices.** Except as may otherwise be specified in the RFP and Proposal, all required notices shall be in writing and may be personally delivered or sent certified mail, return receipt requested, to the other party at the addresses indicated herein. Changes to notice information may be made by either party in writing.
13. **Termination.** This Agreement may be terminated:
 - a) by either City or Bank on giving sixty (60) days prior written notice to the other Party; or
 - b) upon default by Bank as defined in this Agreement.
14. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the parties, shall, if possible, agree on a legal, valid, and enforceable substitute provision that is as similar in effect to the illegal, invalid, or unenforceable provision as possible. The remaining portion of the Agreement not declared illegal, invalid, or unenforceable shall remain valid and in full force and effect for the term remaining.
15. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Texas. Venue for any lawsuit arising out of this Agreement shall be in Blanco County.
16. **Authority to Execute.** The individuals executing this Agreement represent that all appropriate and necessary action has been taken to authorize the individual to execute the Agreement on behalf of the party for which his or her signature appears, and that said signature is binding on the respective party.
17. **Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. A facsimile or electronic signature will also be deemed to constitute an original if properly executed.
18. **FIRREA.** This Agreement is approved and executed under the terms of the Financial Institutions Reform, Recovery, and Enforcement Act (“FIRREA”) through the adoption of a Resolution by the

Bank Board or Bank Loan Committee, said resolution attached hereto as *Attachment C* and incorporated fully herein.

IN WITNESS THEREOF, City and Bank have executed this Agreement as of the dates indicated herein.

CITY OF JOHNSON CITY

Rhonda Stell, Mayor
City of Johnson City
303 E Pecan Dr.
P.O. Box 369
Johnson City, TX 78636

Date

Attest:

Rick Schroder, City Secretary and
Chief Administrative Officer

Date

LONE STAR CAPITAL BANK

Lisa Mochel, Vice-President, Treasury Management
Lone Star Capital Bank, N.A.
403 U.S. Hwy 281
P.O. Box 518
Johnson City, Texas 78636
Regional Office:
150 N. Loop 1604 E
San Antonio, Texas 78232

Date

Attachment A - City's Request for Proposals for Depository Bank Services

See Attachment B. Bank's Proposal Utilizes City's RFP.

Attachment B - Bank's Proposal to the City's Request for Proposal for Depository Bank Services

September 26, 2019

Anthony Holland
Interim Chief Administrator
City of Johnson City
P.O. Box 369
303 E. Pecan Drive
Johnson City, Texas 78636

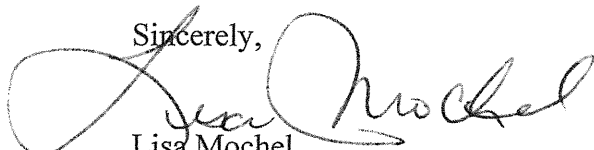
Ref: Proposal to Serve as Depository for City of Johnson City

Dear Mr. Holland:

Enclosed is our bid to serve as Depository for the purpose of assisting with the banking functions for checking account deposits of the City of Johnson City for the one-year period commencing November 1, 2019.

Thank you for the opportunity to submit this depository bid. If you have any questions or need any additional information, please feel free to call me at (210) 496-6116, ext. 1325

Sincerely,



Lisa Mochel
Vice President
Treasury Management

150 N Loop 1604 E
San Antonio, TX 78232



210.496.6116
www.LSCB.com



**REQUEST FOR PROPOSALS
DEPOSITORY SERVICES**

**Notice is hereby given that the City of Johnson City will
accept proposals for depository services.**

**Proposals may be mailed to P.O. Box 369, 303 E. Pecan
Drive, Johnson City, Texas 78636**

**A complete copy of the Request for Proposals-Depository Services may be
obtained at City Hall or by calling 1-830-868-7111**

REQUEST FOR PROPOSAL FOR BANKING SERVICES

I. INTRODUCTION

The City of Johnson City (City) is requesting proposals for a banking services contract to be awarded on October 1, 2019, with service to begin November, 2019 and extend through November, 2020, with up to two (2) twelve (12) month extensions, at the City's option. Through this contract, the City intends to minimize banking costs, improve operational efficiency, maximize investment capabilities and dollars earned on account balances, and comply with the requirements of Texas Local Government Code Chapter 105. This Request for Proposal (RFP) represents the cash management goals, specifies all banks' required qualifications, the banking services required, the method and terms of compensation, submission instructions and the contract award provisions.

All information provided on the number of transactions is based upon historical or anticipated activity to the best of the City's knowledge. Although this is the City's best estimate of volume, the City does not guarantee these volumes.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. MINIMUM QUALIFICATIONS

To assure a close working relationship, to facilitate available services, and to support local business, the City may give priority to those banks with full service capabilities within the City limits. The proposal submitted will become part of the final contract.

Qualified proposing financial institutions must meet the following minimum criteria:

- Must be a banking corporation incorporated under the laws of the State of Texas;
- Maintain a full-service branch with drive up and night depository capabilities within the city limits of the City of Johnson City.

B. PROPOSAL SUBMISSION INSTRUCTIONS

Each proposal should:

1. Specifically address each of the requirements described in the official request for proposal form. Submitters are instructed to clearly note on the official request for proposal form any proposed exceptions or alternatives to the specifications.
2. Include with the proposal the audited financial statement for the most recent fiscal year, sample account analysis and monthly statement, and the last two (2) quarterly FDIC Call Reports.
3. Include a statement by the institution which addresses the following:
 - Any recent or foreseen merger or acquisition; and
 - Whether the institution has been cited for violation of any state or federal banking laws in the past two (2) years.
4. Important factors for evaluating proposals will include interest rate(s) on investable balances and responsiveness of the proposal and to the City's banking service needs.
5. Three (3) hard copies of the proposal and one (1) hard copy or CD of the Required Financial Institution Information must be submitted in a sealed envelope and clearly marked "**Depository Proposal Due September 23, 2019**" addressed and delivered to:

Anthony Holland
Interim Chief Administrator
City of Johnson City
P.O. Box 369
303 E. Pecan Dr.
Johnson City, Texas 78636

Proposals must be received by 5:00 p.m. on Monday, September 23, 2019 at the above address. Facsimile or electronic submissions will not be accepted.

6. The City reserves the right to reject any and all proposals.

III. CRITERIA FOR EVALUATION

The City will review the submitted proposals carefully. The recommendations will be based on the proposal determined to be best on behalf of the City and the taxpayers. As an indication of what will be considered in the evaluation of the proposals, the following areas are listed:

1. Ability to perform the requested services in the RFP in the best interests of City.
2. Effective rates paid on the City's bank accounts.
3. Cost of proposed banking services, conversion & implementation.
4. Quality of reports requested.
5. Completeness and overall quality of proposal.
6. Ability to meet the legal qualifications and specified terms & conditions.
7. Strong Financial condition of banking institution.
8. Ability to provide sufficient collateral for deposits.
9. Securities clearance and safekeeping procedures.

IV. REQUIRED BANKING SERVICES

This section lists all of the services to be provided by the bank under this agreement. Attachment A lists each of the services. The bank should use this Attachment to provide the specific price for each service.

A. Account Structure.

The City's banking structure currently consists of several checking accounts and several Certificate of Deposits. The checking accounts are utilized for all payables of the City. The City desires all accounts to be interest bearing. Bank Agrees. Lone Star Capital Bank currently does not hold any Certificates of Deposit for the City of Johnson City.

B. Standard Deposit Services.

The bank must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and on all other checks based on the bank's published availability schedule. Bank Agrees.

C. Standard Disbursing Services.

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation. Checks drawn on City accounts at your institution presented by the City of Johnson City employees will be cashed at no charge. Bank Agrees.

D. On-line Banking.

The bank shall offer Internet access for the inquiry of account balances and activity for all bank accounts. This access should be available by using a password set by the City. In addition, the institution shall offer on-line transfer of City monies between accounts held within the institution. The transfers should be credited and debited to the related accounts on the same business day of the transfer, if the request is received by 5:00 p.m. Bank Agrees.

E. Direct Deposit

The bank must be able to provide direct deposit through a computer interface with the City via modem or internet. Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks. Lone Star Capital Bank provides ACH service for our customers through the online banking system. The daily cut off time to process ACH files is 4:00 p.m.

Include a schedule of funding for direct deposit so that payroll is available for City employees by 9 a.m. Friday. In order for funds to be available in participating banks, we suggest that the City of Johnson City sends the ACH file on the Wednesday by 4:00 p.m. prior to the Friday for funding.

F. Wire Transfer Services.

A standard wire transfer agreement will be executed with the bank. The City requires adequate security provisions and procedures. Bank Agrees.

G. Stop Payments.

The bank must provide the City with the ability to stop payments on an automated (phone or internet basis). Bank Agrees.

H. Investment of Idle Funds and Safekeeping of City Securities.

All certificates of deposit bought by the City will be bought on a competitive basis. The City has no obligation to invest its funds with or through the bank. Bank Agrees.

I. Bank Service Questions.

Provide your answer to each of the following by indicating no, or yes and fee amount:

	NO	YES	FEE
Will bank furnish deposit slips?	<u> X </u>	<u> </u>	<u> </u>
Will institution furnish night depository services including bags and keys?	<u> </u>	<u> X </u>	<u> </u>
Will institution provide coin counting services?	<u> </u>	<u> X </u>	<u> </u>
Do the on-line banking services allow for numerous user accounts with varying access restrictions?	<u> </u>	<u> X </u>	<u> </u>
Are monthly bank statements available on-line?	<u> </u>	<u> X </u>	<u> </u>

J. Reporting and Account Analysis.

All City bank statements must be received no later than ten (10) business days after the last day of the month. Bank Agrees. In lieu of paper statements, Lone Star Capital Bank customers may retrieve their bank statements through our online banking system if requested. All checks cleared (both front and back) must be returned to the City in paper or CD format. Lone Star Capital Bank does not provide CD's for our customers. Bank customers may retrieve copies of their check images through the Bank's online banking system. In addition, the City requires a detailed analysis which should include all charges against each account and a consolidated analysis. The City of Johnson City is requesting all accounts to be interest-bearing, therefore, a consolidated analysis charge is not available. Each account will get their own charge, if applicable. If the City chooses to have account on analysis, then the accounts can be consolidated. A sample analysis on the City of Johnson City's accounts is attached to this RFP. **PLEASE SEE ATTACHED EXHIBIT "A"**.

K. Automated Daily Balance Reporting.

The City requires an automated PC-based reporting system for access to the closing ledger and available balances. Stipulate the time at which the access is available and describe the system to be used. Reporting should include balance and detail reporting. Samples of the reports are to be included in the proposal. Bank agrees. Customers of Lone Star Capital Bank may use the bank's online banking system for their account(s) daily balance reporting. **PLEASE SEE ATTACHED EXHIBIT "B" FOR SAMPLE OF REPORT REQUESTED.**

L. Reconciliation

The following accounts are to be reconciled by the bank. Deadlines and requirements for tape receipt and procession time should be included in the proposal. N/A. Lone Star Capital Bank does not do account reconciliation for customers.

Account title:

General Fund Checking Account

Utility Fund Checking Account

Construction Fund Account

M. Account Executive.

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account should be assigned in the proposal. Stipulate the name and a brief biography of the account executive to be assigned to the City's account.

Gerald Watson, Vice President, Retail Banking Manager has been working in Operations and Retail Banking for 12 years. For the past 6 years Gerald has officed

out of Lone Star Capital Bank's Johnson City location, with a goal of offering exceptional service to all customers.

Lisa Mochel, Vice President Treasury Management has over 20 years of banking experience that includes 10 years of treasury management. Lisa advises and services her customers at the highest level, and is very relationship focused.

N. Collateralization of Deposits.

The bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insured limit. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the bank's holding company. The bank will execute a tri-party safekeeping agreement with the City and the Safekeeping bank for safekeeping of these securities. Collateral will be maintained at a minimum of 102% and marked to market at least once a month. Control will be shared jointly between the bank and the entity. Substitution will be approved by the City and not unduly withheld. Substitution of the collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will name the safekeeping bank for collateral. Bank Agrees.

O. Additional Services.

The City may desire to participate in other services at a future date. These services will be negotiated as part of a separate contract. Bank Agrees.

V. OTHER INSTITUTION REQUIREMENTS

On an annual basis the bank must provide an audited financial statement and call reports for each fiscal year the banking services agreement is in effect. These reports must be submitted to the Chief Administrative Officer within thirty (30) days of the completion of the bank's audit. The bank must provide the City with an updated list of the representatives at the institution responsible for processing activity on the City's accounts annually and upon change of status. Bank Agrees.

EXHIBIT A

CITY OF JOHNSON CITY

30-Sep-19

Average Ledger Balance		\$113,899.00
Less Average Daily Float		\$0.00
Average Collected Balance		\$113,899.00
Less Legal Reserves	10.00%	\$11,389.90
Average Available Balance		\$102,509.10
Balance Earnings Allowance	1.00%	\$84.25
Less Accrued Interest Checking		\$0.00
Plus Interest on Negative Available Balance	18.00%	\$0.00
Gross Account Earnings		\$84.25
Less Total Services Provided		\$146.10
Account Earnings Surplus / (Deficit)	Monthly Fee	(\$61.85)

Banking Services	Price Per Item	Minimum Charge	Activity	Actual Charges	Average Collected Balances Required
Item Processing					
Account Maintenance	10.00	0.00	3	30.00	39,247.31
Deposits	0.25	0.00	14	3.50	4,578.85
Checks Paid (Debits Posted / Checks Cashed)	0.14	0.00	18	2.52	3,296.77
Items Deposited (On Us / Local / Foreign)	0.08	0.00	35	2.80	3,663.08
NSF / Overdraft Items	28.00	0.00	1	28.00	36,630.82
Charge Back	5.00	0.00	0	0.00	0.00
Stop Payments Online Banking	28.00	0.00	0	0.00	0.00
Stop Payments	28.00	0.00	0	0.00	0.00
ACH Origination File	28.00	0.00	1	28.00	36,630.82
ACH Per Item	0.05	0.00	0	0.00	0.00
ACH Return Item	5.00	0.00	0	0.00	0.00
Incoming Wires	5.00	0.00	0	0.00	0.00
Outgoing Wires	5.00	0.00	0	0.00	0.00
International Wires	20.00	0.00	0	0.00	0.00
Online Banking	0.00	0.00	1	0.00	0.00
Currency Straps	0.40	0.00	0	0.00	0.00
Rolled Coin	0.09	0.00	0	0.00	0.00
Remote Deposit Capture	45.00	0.00	1	45.00	58,870.97
Other	0.00	0.00	0	0.00	0.00
Total Service Charges				139.82	182,918.62
FDIC Insurance Assessment	Rate 6.7100%	Days in Cycle	30	6.28	8,217.87
Gross Fee Before Earnings Credit and Balance Required to Offset Fee				146.10	191,136.49

This analysis represents an estimate of the fee that may be assessed based on the activity shown. The price for each item processed, FDIC insurance rate, and earnings allowance percentage are subject to change.

150 N Loop 1604 E
San Antonio, TX 78232



210.496.6116
www.LSCB.com



EXHIBIT "B"

Lone Star Capital Bank

Checking
*4002

Current Balance:
\$67.06

Available Balance:
\$67.06

Date	Description	Category	Amount	Balance
Thursday, August 29, 2019	INTERNET TRANSFER FROM CHK 4002 TO CHK 4010 1899450	Savings	-\$1.00	\$67.06
Friday, August 23, 2019	LSCB TEST 2	Education	-\$1.00	\$68.06
	LSCB TEST	Education	-\$1.00	\$69.06
Thursday, August 22, 2019	LSCB TEST ACH	Education	-\$1.00	\$70.06
	Deposit	Income	\$1.00	\$71.06
Wednesday, August 21, 2019	TRANSFER TO ACCOUNT #XXX4010	Savings	-\$20.00	\$70.06
	Deposit	Income	\$2.00	\$90.06
Monday, August 05, 2019	TRANSFER FROM ACCOUNT #XXX4010	Savings	\$20.00	\$88.06

Transaction Range: August 01, 2019 - August 31, 2019

Printed: September 24, 2019 3:12PM

Attachment C – FIRREA Compliance – Resolution by the Bank Board or Bank Loan Committee

**LONE STAR CAPITAL BANK, N.A.
CORPORATE RESOLUTION FOR
THE CITY OF JOHNSON CITY**

Lone Star Capital Bank is a National Association organized and operating under the laws of the State of Texas.

The Directors have determined that it is in the best interest of Lone Star Capital Bank to appoint certain officers representing the Bank for the Banking Depository Services and Pledge Agreement with The City of Johnson City.

The Directors consider that it is in the best interest of the Bank to enter into a contract with The City of Johnson City for banking depository services and pledging collateral.

Any one officer or director is authorized to execute the contract, sign documents and perform such acts as may be necessary or desirable to give effect to this resolution on behalf of Lone Star Capital Bank.

RESOLVED, that a public fund account/investment with Lone Star Capital Bank is hereby approved, and it is

RESOLVED FURTHER, that an appropriate agreement be entered into and executed by Lisa Mochel, Vice President, acting on behalf of the Bank, and it is

RESOLVED FURTHER, that, in accordance with state and federal law, bank agrees to pledge securities or other vehicles permissible under the Public Funds Collateral Act to secure such account/investment; and it is

RESOLVED FURTHER, that this approval and pledge shall be reflected in the Board minutes and shall be maintained as an official record of the Bank.

Signed this ____ day of November 2020.

LONE STAR CAPITAL BANK

By: _____
Christy McCoy, Executive Vice President
CFO