



# CITY COUNCIL AGENDA

---

NOTICE IS GIVEN THAT THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS, WILL MEET IN A SPECIAL CALLED MEETING AT 5:30 P.M. ON TUESDAY, SEPTEMBER 1, 2015, 601 SOUTH FIRST STREET, FOR THE PURPOSE OF CONSIDERING AND TAKING OFFICIAL ACTION ON THE FOLLOWING ITEMS:

---

1. **CALL TO ORDER:**
2. **INVOCATION:**
3. **CONSENT AGENDA:** All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.
  - a. **APPROVAL OF MINUTES:** Approval of the minutes of the council meeting held August 25, 2015.
4. **REPORT BY MUNICIPAL GOLF BOARD REGARDING MANAGEMENT, MAINTENANCE AND BEAUTIFICATION OF THE MUNICIPAL GOLF COURSE:** Report provided by President Ronnie Angeley of the Municipal Golf Board.
5. **APPOINTMENT – MUNICIPAL GOLF BOARD MEMBER TO FILL UNEXPIRED TERM OF ABARISTO OGEDA:** Consider passing a resolution appointing one (1) member to the Municipal Golf Board, to fill the unexpired term of Abaristo Ogeda, for a partial one (1) year term ending on December 31, 2015. *(Mario Dimas has been recommended by the Municipal Golf Board to fill the vacancy of Abaristo Ogeda. Mr. Mario Dimas has agreed to serve).*
6. **INDEPENDENT AUDITOR – LETTER OF AGREEMENT:** Consider appointing an independent auditor for Fiscal Year 2014-2015, and to authorize the Mayor to enter into a letter of engagement to provide for an audit of the books of the City in accordance with the provisions of the City Charter.
7. **PERSONNEL POLICY AMENDMENT:** Consider passing a resolution approving amendments to the Personnel Policy of the City of Lamesa.
8. **INVESTMENT POLICY:** Consider passing a resolution approving the investment policy for all city funds for Fiscal Year 2015-2016 as required by state law.
9. **PUBLIC HEARING - FISCAL YEAR 2015-2016 BUDGET:** Convene a public hearing, in accordance with State Law (Government Code, Chapter 102), to hear a report from the City Manager and to hear comments from the public regarding the proposed Annual Budget for Fiscal Year 2015-2016 beginning on October 1, 2015. ***THE PROPOSED BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN AMOUNT OF \$91,715 WHICH IS A 4.95615 PERCENT INCREASE FROM LAST YEAR'S BUDGET.***

10. **PUBLIC HEARING - AD VALOREM TAX RATE – 2015:** 2<sup>nd</sup> Public Hearing on a proposed hearing on a proposed property tax rate of 0.740000 for 2015. This tax rate will raise \$1,948,672 which is \$91,715 more than taxes imposed last year. ***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE}.***
11. **FISCAL YEAR OCTOBER 2015-2016 BUDGET - ADOPTION:** Consider passing an ordinance on first reading providing funds for the Fiscal Year beginning October 1, 2015, and ending September 30, 2016, by approving the budget for said period and appropriating and setting aside the necessary funds out of the General Fund, Water/Wastewater and Solid Waste funds for the maintenance and operation of the various departments and for various activities and improvements to the City. ***THE PROPOSED BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN AMOUNT OF \$91,715 WHICH IS A 4.95615 PERCENT INCREASE FROM LAST YEAR'S BUDGET.***
12. **RATIFY THE PROPERTY TAX INCREASE REFLECTED IN THE FISCAL YEAR 2015-2016 BUDGET:** Consider ratifying the property tax increase reflected in the Fiscal Year 2015-2016 budget that raises more property taxes than the Fiscal year 2014-2015 budget. ***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE}.***
13. **AD VALOREM TAX RATE – 2015 (DEBT SERVICE TAX RATE):** Consider establishing an ad valorem tax rate for Fiscal Year 2015-2016 by passing on first reading an ordinance establishing the ad valorem tax rate which will raise the amount of revenue required to pay Debt Service at a rate of \$.031522 per hundred dollar assessed valuation for Fiscal Year beginning October 1, 2015 and ending September 30, 2016. ***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE}.***

14. **AD VALOREM TAX RATE – 2015 (MAINTENANCE AND OPERATION TAX RATE):** Consider establishing an ad valorem tax rate for Fiscal Year 2015-2016 by passing on first reading an ordinance establishing the ad valorem tax rate which will raise the amount of revenue needed to fund Maintenance and Operation expenditures at a rate of \$**.708478** for Fiscal Year beginning October 1, 2015 and ending September 30, 2016. ***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE}.***
15. **AD VALOREM TAX RATE – 2015:** Consider establishing an ad valorem tax rate for Fiscal Year 2015-2016 by passing on first reading an ordinance establishing the ad valorem tax rate of \$**.740000** per hundred dollar assessed valuation for the Fiscal Year beginning October 1, 2015 and ending September 30, 2016, and adopting the provisions of Section 31.05 of the State Property Tax Code to provide for discounts under certain conditions. ***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE}.***
16. **ADJOURNMENT:**




## Open Meetings Information



### CLOSED MEETINGS

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 matters listed above, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

### PUBLIC PARTICIPATION

 The meeting will be held pursuant to the provisions of the Texas Open Meetings Act (Govt. Code, Chapter 551). Discussion and actions are limited to the agenda items listed above. Persons desiring to address the City Council or express their opinion about a particular item on this agenda should notify the City Secretary before the meeting. Persons desiring to present other business or discuss matters not on this agenda should submit a request in writing to the City Secretary/City Manager by the end of business hours on the Wednesday before the next meeting in order to be considered for inclusion on that agenda.

### MEETING ACCESSIBILITY

Upon request, auxiliary aids and services will be provided to an individual with a disability in order to allow them to effectively participate in the city council meeting. Those requesting auxiliary aids or services should notify the contact person listed below at least twenty-four hours prior to the meeting by mail, telephone or RELAY Texas (1-800-735-2989)

**Contact: Shawna Burkhart at 806-872-4321**

✉ 601 South First Street, Lamesa, Texas 79331

☎ **Telephone** - (806) 872-4321

☎ **Fax** - (806) 872-4338

### CERTIFICATION OF NOTICE



I certify this agenda was posted at the City Hall, 601 South First Street, Lamesa, Texas at **4:45 p.m., August 28, 2015** in accordance with Chapter 551.041 of the Government Code.

Shawna D. Burkhart, City Manager

# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEMS: 1 & 2**

1. **CALL TO ORDER:** *Announcement by the Mayor.* “This meeting is being held in accordance with the provisions of the Texas Open Meetings Act (Govt. Code, Chapter 551). Discussion and actions are limited to the agenda items as posted. Persons desiring to address the City Council or express their opinion about a particular item on this agenda should complete a request at this time. Persons desiring to present other business or discuss matters not on this agenda should submit a request in writing to the City Secretary in order to be considered for inclusion on the agenda of the next meeting. A quorum being present as evidenced by the presence of \_\_\_\_ members of the City Council, this meeting is hereby called to order.”

The following members are present:

DAVE NIX	Mayor
JOSH STEVENS	Council Member – District 1
MARIE A. BRISENO	Mayor Pro-tem/Council Member – District 2
FABIAN RUBIO	Council Member – District 3
BOBBY G. GONZALES	Council Member - District 4
FRED VERA	Council Member – District 5
CHANCE BRITT	Council Member – District 6

City Staff members present at the meeting:

SHAWNA D. BURKHART	City Manager
VACANT	City Secretary
RUSSELL CASSELBERRY	Attorney

Members of the press present at the meeting:

Members of the public present at the meeting:

2. **INVOCATION:**  
**AND PLEDGE OF ALLEGIANCE.**



# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 3**

SUBJECT: **CONSENT AGENDA ITEMS**  
PROCEEDING: Approval  
SUBMITTED BY: City Staff

### **SUMMARY STATEMENT**

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.

- a. **APPROVAL OF THE MINUTES:** Approval of the minutes of the council meeting held on August 25, 2015.

### **COUNCIL ACTION**

Motion by Council Member \_\_\_\_\_ to approve Item 3a. Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

**VOTING:** "AYE" \_\_\_\_\_ "NAY" \_\_\_\_\_ "ABSTAIN" \_\_\_\_\_

### **CITY MANAGER'S MEMORANDUM**

These items are considered non-controversial but do require formal council approval. If a council member objects to a consent item, it is removed from the list and separate action is taken on the item(s). If a council member questions a consent item, but not so strongly as to require that it be removed from the list, his/her "no" vote or abstention can be entered in the minutes when the consent vote is taken. Recommend approval.

THE STATE OF TEXAS }  
COUNTY OF DAWSON }  
CITY OF LAMESA }

**MINUTES OF THE CITY COUNCIL SPECIAL CALLED MEETING:  
AUGUST 25, 2015**

On this the 25th day of August, 2015, at 5:30 P.M. there came on and was held a special called session of the City Council of the City of Lamesa, Dawson County, Texas. Notice of such meeting having been posted at the City Hall at 601 South First Street in the City of Lamesa, Texas in accordance with the provisions of the Texas Open Meetings Act (Texas Govt. Code, Chapter 551). The following items were listed on the notice and the following proceedings were had, viz.:

**CALL TO ORDER:** Mayor Nix announced that the meeting was being held in accordance with the provisions of the Texas Open Meetings Act (Texas Govt. Code, Chapter 551), and that discussion and actions are limited to the agenda items as posted. A quorum being present as evidenced by the presence 7 the Council Members were present:

DAVE NIX	MAYOR
MARIE BRISENO	COUNCIL MEMBER – DISTRICT 2
JOSH STEVENS	MAYOR PRO-TEM /COUNCIL MEMBER – DISTRICT 1
FABIAN RUBIO	COUNCIL MEMBER – DISTRICT 3
BOBBY G. GONZALES	COUNCIL MEMBER – DISTRICT 4
FRED VERA	COUNCIL MEMBER – DISTRICT 5
CHANCE BRITT	COUNCIL MEMBER - DISTRICT 6

City staff members present at the meeting:

SHAWNA D. BURKHART	CITY MANAGER
VACANT	CITY SECRETARY
RUSSELL CASSELBERRY	CITY ATTORNEY

Members of the public present at the meeting:

Regina Crutcher	Dale Alwan	Victor Dimas	Sylvia Dimas
Larry Duyck	Terri Stahl	Wayne Chapman	Tommy Arguijo
Irma Ramirez	Robert Ramirez	Sandy Trevino	John Farris
Martha Blomstrom	Dale Newberry	Pat Newberry	Jane Schwartz
Joe Vera			

Invocation was given by Council Member Josh Stevens.

**CONSENT AGENDA:** All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.

- a. **APPROVAL OF THE MINUTES:** Approval of the minutes with correction of the council meeting held on August 18, 2015.
- b. **Bills for July 2015:** Approval of the bills paid by the City of Lamesa for the month of July 31<sup>st</sup>, 2015.

Motion by Council Member Rubio to approve items 3a and 3b. Motion seconded by Council Member Britt and upon being put to a vote the motion passed.

VOTING:                    "AYE" 7            "NAY" 0            "ABSTAIN" 0

**REQUEST FOR ZONE CHANGE (STEVEN HATCHETT):** Consider taking action on the appeal of Steven Hatchett appealing the decision of the Planning & Zoning Commission denying his application for a zone change from R-1 (Single Family Residential) to C-1 (Local Retail) of the following property to-wit:

All of Lot 2, Block 5, Park Terrace Addition to the Town of Lamesa, Dawson County, Texas. (204 North Avenue S)

Motion by Council Member Vera to pass an ordinance on second and final reading issuing a specific use permit for a home occupation to Stephen Hatchett All of Lot 2, Block 5, Park Terrace Addition to the Town of Lamesa, Dawson County, Texas. (204 North Avenue S) a R-1 Zone, Single Family Residential (home occupation – hair salon). Motion seconded by Council Member Gonzales to and upon being put to a vote the motion passed.

VOTING:                    "AYE" 7            "NAY" 0            "ABSTAIN" 0

**Ord. No. O-12-15**

**Ord. Book No. 11**

**Pages 318-319**

**FINANCIAL REPORT:** Director of Finance Wayne Chapman, to report on the city's finances.

**EMPLOYEE ASSISTANCE PROGRAM (EAP) AGREEMENT WITH TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER:** Consider approving an agreement with Texas Tech University Health Sciences Center to provide an Employee Assistance Program (EAP) to benefit City Employees and volunteer firefighters. This is a renewal of an existing contract.

Motion by Council Member Stevens to approve an agreement with Texas Tech University Health Sciences Center to provide an Employee Assistance Program (EAP) to benefit City Employees and volunteer firefighters. Motion seconded by Council Member Briseno and upon being put to a vote the motion passed.

VOTING:                    "AYE" 7            "NAY" 0            "ABSTAIN" 0

**PERSONNEL POLICY ADMENDMENTS:** Consider passing a resolution approving amendments to the Personnel Policy of the City of Lamesa.

Motion by Council Member Stevens to approve amendments to the Personnel Policy of the City of Lamesa. Motion seconded by Council Member Vera and upon being put to a vote the motion passed.

VOTING:                    "AYE" 7            "NAY" 0            "ABSTAIN" 0

**Res. No. R-18-15**

**Ord. Book No.11**

**Pages 320-325**

**AD VALOREM TAX RATE – 2015:** 1<sup>ST</sup> Public Hearing on a proposed hearing on a proposed property tax rate of 0.740000 for 2015. This tax rate will raise \$ 1,948,672 which is \$91,715 more than taxes imposed last year.



Mayor Nix announced the opening of a public hearing on a proposed hearing on a proposed property tax rate of 0.740000 for 2015. This tax rate will raise \$ 1,948,672 which is \$91,715 more than taxes imposed last year.

John Farris spoke in favor of the tax rate increase, stating the increase is needed for infrastructure repairs and to continue the current services that the City provides.

Dale Newberry spoke in favor of the tax rate increase stating that the increase is needed to keep the City's streets and parks at a constant level of care. He also stated that the increase is needed due to recent tax notes and for future capital needs.

There being no other person wishing to speak, the public hearing was closed.

**BUDGET AMENDMENT II:** Consider amending Ordinance No.O-18-14 on first reading with respect to October 1, 2014 fiscal year budget to appropriate funds for;

	<u>Revenues</u>	<u>Expenditures</u>
Forfeiture Fund (Fund 24)	\$5,000	\$5,000

Motion by Council Member Vera to amend Ordinance No.O-18-14 on first reading with respect to October 1, 2014 fiscal year budget. Motion seconded by Council Member Gonzales and upon being put to a vote the motion passed.

VOTING:                      "AYE" 7                      "NAY" 0                      "ABSTAIN" 0

**Ord. No. O-13-15**

**Ord. Book No. 11**

**Pages 326-327**

**BUDGET WORK SESSION IV:** Council met with city staff to discuss and set priorities for the 2015 – 2016 operating budget.

**ADJOURNMENT:** Mayor Nix announced that the next special called meeting of the City Council of the City of Lamesa, Texas would be held on September 1, 2015 and the next regular called meeting of the City Council of the City of Lamesa, Texas would be held on September 15, 2015. There being no other business, the meeting was adjourned.

Pursuant to the provisions of the Texas Open Meetings Act, the City Council certifies that the items above are a full record of the subject matter of each deliberation and indicates each vote, order, decision or other action taken by the City Council of the City of Lamesa, Texas at the meeting held on the date indicated above. Ratified and approved at the special called meeting of the City Council of the City of Lamesa, Texas held on August 25, 2015.

ATTEST:

APPROVED:

\_\_\_\_\_  
Shawna D. Burkhardt  
City Manager

\_\_\_\_\_  
Dave Nix  
Mayor

# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 4**

---

**SUBJECT: REPORT BY MUNICIPAL GOLF BOARD REGARDING  
MANAGEMENT, MAINTENANCE AND BEAUTIFICATION OF  
THE MUNICIPAL GOLF COURSE**

**SUBMITTED BY:** Municipal Golf Board President Ronnie Angeley and City Staff

**AUTHORITY:** *Code of Ordinances, Chapter 1, Section 1.09.036*

### **SUMMARY STATEMENT**

Under Section 1.09.036 of the Code of Ordinance, the municipal golf board shall function as an advisory board only and in this capacity shall advise the city council from time to time concerning the management, maintenance and beautification of the golf course. Report requested by Councilman Gonzales.

### **COUNCIL ACTION**

No City Council action required.

# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 5**

**SUBJECT: APPOINTMENT – MUNICIPAL GOLF BOARD MEMBER TO  
FILL UNEXPIRED TERM OF ABARISTO OGEDA**

**PROCEEDING:** Approval

**SUBMITTED BY:** Recommendation of the Municipal Golf Board and City Staff

**AUTHORITY:** *Code of Ordinances, Section 1.09.035*

### **SUMMARY STATEMENT**

Consider passing a resolution appointing one (1) member to the Municipal Golf Board, to fill the unexpired term of Abaristo Ogeda, for a partial one (1) year term ending on December 31, 2015. *(Mario Dimas has been recommended by the Municipal Golf Board to fill the vacancy of Abaristo Ogeda. Mr. Mario Dimas has agreed to fill the vacancy for the unexpired term). "Any vacancy in the membership of the municipal golf board shall be filled by the City Council for the unexpired term of the member whose place has become vacant."*

### **COUNCIL ACTION**

Motion by Council Member \_\_\_\_\_ to approve \_\_\_\_\_ to fill the unexpired term of Abaristo Ogeda (term ending December 2015). Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

**VOTING:** "AYE" \_\_\_\_\_ "NAY" \_\_\_\_\_ "ABSTAIN" \_\_\_\_\_

### **CITY MANAGER'S MEMORANDUM**

The golf member selected will serve a partial term ending December 2015. In November 2015, the Municipal Golf Board plans to meet to recommend the filling of this board vacancy for the upcoming four year term. This item will come before the City Council in December 2015.

# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 6**

SUBJECT: **INDEPENDENT AUDITOR – LETTER OF AGREEMENT**  
PROCEEDING: Appointment and Approval  
SUBMITTED BY: Finance Director and City Staff  
EXHIBITS: Engagement letter  
AUTHORITY: City Charter - Article IV, Sec. 29. Audit and examination of the city books and accounts.

### **SUMMARY STATEMENT**

Consider appointing an independent auditor for Fiscal Year 2014-2015, and to authorize the Mayor to enter into a letter of engagement to provide for an audit of the books of the City in accordance with the provisions of the City Charter.

### **COUNCIL ACTION**

Motion by Council Member \_\_\_\_\_ to approve appointing Davis Kinard & Co. PC as the independent auditor for Fiscal Year 2014-2015 and authorize the Mayor to enter into the letter of engagement to provide for an audit of the books of the City in accordance with the provisions of the City Charter. Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

**VOTING:** "AYE" \_\_\_\_\_ "NAY" \_\_\_\_\_ "ABSTAIN" \_\_\_\_\_

### **CITY MANAGER'S MEMORANDUM**

Recommend the appointment Davis Kinard & Co. for the City audit firm and authorizing the Mayor to enter into agreement with them for audit services.

August 14, 2015

To the Honorable Mayor, Dave Nix and  
Members of City Council  
**City of Lamesa, Texas**  
C/O Mr. Wayne Chapman  
601 S. 1<sup>st</sup> Street  
Lamesa, Tx. 79331

We are pleased to confirm our understanding of the services we are to provide **City of Lamesa, Texas** for the year ended September 30, 2015. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of **City of Lamesa, Texas** as of and for the year ended September 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement **City of Lamesa, Texas's** basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to **City of Lamesa, Texas's** RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Budgetary Comparison Schedule – General Fund
- Texas Municipal Retirement System Trend Data – Schedule of Funding Progress

We have also been engaged to report on supplementary information other than RSI that accompanies **City of Lamesa, Texas's** financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- Financial Data Schedules required by the U.S. Dept. of HUD
- Combining Nonmajor Governmental Fund Financial Statements
- Comparative Financial Statements

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of **City of Lamesa, Texas** and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of **City of Lamesa, Texas's** financial statements. Our report will be addressed to the Mayor and members of the City Council of **City of Lamesa, Texas**. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that **City of Lamesa, Texas** is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements.

However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of **City of Lamesa, Texas's** compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Services**

We will also assist in preparing the financial statements and related notes of **City of Lamesa, Texas** in conformity with U.S. generally accepted accounting principles based on information provided by you and the agreed-upon procedures engagement required by the Texas Commission on Environmental Quality relating to the City's sanitary landfill. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

## **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those



audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Management is responsible for assuring that the electronic submission of required annual financial and compliance data to HUD's Real Estate Assessment Center (REAC) is complete, accurate, and timely, in accordance with your regulatory and contractual obligations to HUD. Performance of the agreed-upon procedure required by HUD relating to the electronic submission of your financial information will be addressed in a separate letter.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Davis Kinard & Co, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Secretary of Housing and Urban Development, the HUD Inspector General, or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Davis Kinard & Co, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Secretary of Housing and Urban Development, the HUD Inspector General, or their designee. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately November 16, 2015. Jeromy Stephens is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$22,250 for the audit of the City, \$4,150 for the Section 8 HUD agreed-upon procedures and \$3,500 for Single Audit procedures, if applicable. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoice for this fee will be rendered upon completion of the engagement and is payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* (2011 Version) requires that audit firms make their most recent peer review report publicly available. Our peer review report is available at [aicpa.org](http://aicpa.org) and/or upon request.

We appreciate the opportunity to be of service to **City of Lamesa, Texas** and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Finally, please circulate a copy of the executed engagement letter to the Mayor and members of the City Council so they are informed of the planned scope and timing of the audit.

Very truly yours,

DAVIS KINARD & CO, PC



Jeromy Stephens, CPA  
Audit Shareholder

RESPONSE:

This letter correctly sets forth the understanding of **City of Lamesa, Texas**.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

August 14, 2015

To the Honorable Mayor, Dave Nix and  
Members of City Council  
**City of Lamesa, Texas**  
C/O Mr. Wayne Chapman  
601 S. 1<sup>st</sup> Street  
Lamesa, Tx. 79331

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the **City of Lamesa, Texas** (the City).

We will apply the agreed-upon procedures that the City has specified, as of and for the year ended September 30, 2015. We will perform the procedures enumerated below, which are agreed to by the City, solely to assist you in connection with the "Letter from the Chief Financial Officer", **City of Lamesa, Texas, Texas** (the Letter), applicable to the year ended September 30, 2015, and addressed to the Texas Commission on Environmental Quality (TCEQ). The letter is a required communication to TCEQ to support the Local Government Financial Test specified in Subchapter C of 30 Texas Administrative Code 37.271.

1. We will compare the following amounts presented in the Letter to the amounts presented in the audited basic financial statements of the **City of Lamesa, Texas, Texas** as of and for the year ended September 30, 2015: Sum of cash and marketable securities, total expenditures, annual debt service and total annual revenue.
2. We will recalculate the ratio of total cash and marketable securities to total expenditures to determine whether such ratio was greater than or equal to 0.05. We will recalculate the ratio of annual debt service to total expenditures to determine whether such ratio was less than or equal to 0.20. We will recalculate the ratio of total assured environmental costs to total annual revenues to determine whether such ratio was less than or equal to 0.43.
3. We will compare the following assertions presented in the Letter with the Independent Auditor's Report on the **City of Lamesa, Texas, Texas**' basic financial statements for the year ended September 30, 2015: The local government's financial statements are prepared in conformity with Generally Accepted Accounting Principles for governments, its financial statements have been audited by an independent Certified Public Accountant (CPA), and the local government has not received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent CPA.
4. We will compare the following assertion presented in the Letter with the **City of Lamesa, Texas, Texas**' audited basic financial statements for the years ended September 30, 2015 and 2014: The local government has not operated at a deficit equal to 5% or more of total annual revenue in each of the past two fiscal years.

The City's management is responsible for compliance with the Local Government Financial Test and for the data supporting such compliance. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described above either for the purpose for which our report has been requested or for any other purpose.

If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed above do not constitute an examination, we will not express an opinion on the City's compliance with the Local Government Financial Test. In addition, we have no obligation to perform any procedures beyond those listed above.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of the City and the TCEQ, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The attest documentation for this engagement is the property of Davis Kinard & Co, PC and constitutes confidential information. However, we may be requested to make certain attest documentation available to the TCEQ, or its designee, pursuant to authority given to it by law or regulation. We will notify you of any such request. If requested, access to such attest documentation will be provided under the supervision of Davis Kinard & Co, PC personnel. Furthermore, upon request, we may provide copies of selected attest documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You are responsible for the presentation of the Letter and for compliance with the Local Government Financial Test in accordance with the requirements of the TCEQ; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for assuming all management responsibilities and for overseeing all nonattest services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

Jeromy Stephens is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We plan to begin our procedures in February, 2016 and, unless unforeseeable problems are encountered, the engagement should be completed by March 31, 2016. At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for compliance with the Local Government Financial Test and for the data supporting such compliance, in accordance with the requirements established by the TCEQ.

We estimate that our fee for these services will be \$600. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoice for this fee is payable on presentation.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,  
DAVIS KINARD & CO, PC



Jeromy Stephens, CPA  
Audit Shareholder

RESPONSE:

This letter correctly sets forth the understanding of **City of Lamesa, Texas**.

Management signature: \_\_\_\_\_

Title: City Manager

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: Mayor

Date: \_\_\_\_\_

August 14, 2015

To the Honorable Mayor, Dave Nix and  
 Members of City Council  
**City of Lamesa Housing Authority**  
 C/O Mr. Wayne Chapman  
 601 S. 1<sup>st</sup> Street  
 Lamesa, TX 79331

We are pleased to confirm our understanding of the services we are to provide for **City of Lamesa Housing Authority** (the Authority).

We will apply the agreed-upon procedure which the U.S. Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC), has specified, listed below, to the electronic submission and related hard copy documents, listed below, of the Authority as of and for the year ended September 30, 2015. This engagement is solely to assist the Authority and the U.S. Department of Housing and Urban Development, REAC, in determining whether electronic submission of certain information agrees with the related hard copy documents. Our engagement to apply the agreed-upon procedure will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedure described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedure, we will describe any restrictions on the performance of the procedure in our report, or we will not issue a report as a result of this engagement.

The agreed-upon procedures consist of comparing the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column as shown in the chart below.

<b>UFRS Rule Information</b>	<b>Hard Copy Document(s)</b>
Balance Sheet, Revenue and Expense and Cash Flow Data (account numbers 1120 to 7100T and the S1200 series)	Supplemental Schedules with Financial Statement Data
Surplus Cash (S1300 series of accounts)	Computation of Surplus Cash, Distributions and Residual Receipts (Annual)
Footnotes (S3100 series of accounts)	Notes to the Audited Financial Statements
Type of Opinion on the Financial Statements and Auditor Reports (S3400, S3500 and S3600 series of accounts)	Auditor's Reports on the Financial Statements, Compliance and Internal Control
Type of Opinion on Supplemental Data (account number S3400-100)	Auditor's Report on Supplemental Data
Audit Findings Narrative (S3800 series of accounts)	Schedule of Findings and Questioned Costs
General Information (S3300, S3700 and S3800 series of accounts)	Schedule of Findings and Questioned Costs and OMB Data Collection Form

We will complete an attestation report in REAC listing the procedures performed and our findings. This report is intended solely for the use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Our report will include a statement indicating that we have not performed any additional auditing procedures after that date of our reports on the audited financial statements and supplemental information, including a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

You are responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for; evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the presentation of the electronic submission and related hard copy documents, listed above, of the Authority as of and for the year ended September 30, 2015 in accordance with the agreed-upon procedure which the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), has specified, listed above; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You agree to assume all management responsibilities for any nonattest services we provide. Further, you agree to oversee the nonattest services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and to accept responsibility for them.

You agree to retain a copy of the financial statement package in its entirety.

The attest documentation for this engagement is the property of Davis Kinard & Co, PC and constitutes confidential information. However, we may be requested to make certain attest documentation available to the Secretary of Housing and Urban Development or designee, the HUD Inspector General, or the U.S. Government Accountability Office or their representatives, pursuant to authority given to them by law or regulation. We will notify you of any such request. If requested, access to such attest documentation will be provided under the supervision of Davis Kinard & Co, PC personnel. Furthermore, upon request, we may provide copies of selected attest documentation to HUD or the Government Accountability Office representatives. HUD and the Governmental Accountability Office may decide to distribute the copies or information contained therein to others, including other governmental agencies.

I am the engagement partner responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin the engagement in approximately March, 2016 and to complete your engagement no later than June 30, 2016.

At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for the presentation of the electronic submission and the financial statements and supplemental information.

We estimate that our fee for these services will be \$4,150 (also included and individually identified in the engagement letter for the **City of Lamesa**), which includes travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a

new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered at the conclusion of the engagement and is payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified users of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of the procedure.

Very truly yours,  
DAVIS KINARD & CO, PC

A handwritten signature in black ink, appearing to read "Jeromy Stephens", with a long horizontal flourish extending to the right.

Jeromy Stephens, CPA  
Audit Shareholder

RESPONSE:

This letter correctly sets forth the understanding of **City of Lamesa Housing Authority**.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 7**

SUBJECT: **PERSONNEL POLICY AMENDMENT**  
PROCEEDING: Resolution  
SUBMITTED BY: Irma Ramirez, Personnel Director  
EXHIBITS: Resolution and Policy Amendment  
AUTHORITY:

### **SUMMARY STATEMENT**

Consider passing a resolution approving amendments to the Personnel Policy of the City of Lamesa.

### **COUNCIL ACTION**

Motion by Council Member \_\_\_\_\_ to approve the Personnel Policy Amendment as presented.  
Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

**VOTING:** "AYE" \_\_\_\_\_ "NAY" \_\_\_\_\_ "ABSTAIN" \_\_\_\_\_

### **CITY MANAGER'S MEMORANDUM**

Irma Ramirez, Personnel Director will provide an overview of the program's design with City Council.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS AMENDING THE PERSONNEL POLICY OF THE CITY OF LAMESA.**

On this the 1<sup>st</sup> day of September, 2015, there came on and was held at the regular meeting place, City Hall, an open meeting of the City Council of the City of Lamesa, Texas held pursuant to the provisions of the Texas Open Meetings Act (Art. 6252-17); there being a quorum present and acting throughout the meeting, the following resolution was formally submitted by motion and duly seconded for the consideration and action of the meeting, to-wit:

**WHEREAS**, the City Council of the City of Lamesa desires to amend the Personnel Policy of the City of Lamesa with respect to certain changes to the policy; and

**WHEREAS**, the City Council of the City of Lamesa finds that it is necessary and in the best interest of the City of Lamesa to pass a resolution effecting said amendments;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS:**

That the Personnel Policy of the City of Lamesa shall be amended to Chapter 7 – Employee Benefits, Section 7:11 Amendments contained in “Exhibit A” attached to this resolution and that all changes so enacted shall become effective immediately upon passage of said resolution and that all employees of the City of Lamesa shall be governed by said amendments from this date forward.

Upon being put to a vote, the resolution was Passed, Approved, and Adopted this 1<sup>st</sup> day of September, 2015 by a majority vote and ordered to be spread upon the minutes of the City Council of the City of Lamesa, Texas and recorded in the resolution book thereafter.

ATTEST:

\_\_\_\_\_  
Shawna D. Burkhart  
City Manager

APPROVED:

\_\_\_\_\_  
Dave Nix  
Mayor

**CITY OF LAMESA  
EMPLOYEE BENEFIT PLAN**

**Amendment No. 2  
Effective August 1, 2015**

The City of Lamesa Employee Benefit Plan (the "Plan") is hereby amended as follows:

1. Under **ARTICLE III DEFINITIONS**, the definitions of "**Dependent**" and "**Spouse**" are omitted and replaced with the following:

**"Dependent"**

"Dependent" shall mean one or more of the following person(s):

1. An Employee's lawfully married spouse possessing a marriage license who is not divorced from the Employee;
2. An Employee's common law spouse, based upon a common law marriage which is legally recognized in the jurisdiction in which the Employee has his or her principal residence;
3. An Employee's Child who is less than 26 years of age; or
4. An Employee's Child, regardless of age, who was continuously covered prior to attaining the limiting age under the bullets above, who is mentally or physically incapable of sustaining his or her own living. Such Child must have been mentally or physically incapable of earning his or her own living prior to attaining the limiting age under the bullets above. Written proof of such incapacity and dependency satisfactory to the Plan must be furnished and approved by the Plan within 31 days after the date the Child attains the limiting age under the bullets above. The time limit for written proof of incapacity and dependency is 31 days following the original eligibility date for a new or re-enrolling Employee. The Plan may require, at reasonable intervals, subsequent proof satisfactory to the Plan during the next two years after such date. After such two year period, the Plan may require such proof, but not more often than once each year.

"Dependent" does not include any person who is a member of the armed forces of any Country or who is a resident of a Country outside the United States.

The Plan reserves the right to require documentation, satisfactory to the Plan Administrator, which establishes a Dependent relationship.

**"Spouse"**

"Spouse" shall mean an Employee's lawfully married husband or wife, possessing a marriage license, who is not divorced from the Employee and meet the following requirements:

1. Employee and Spouse are married in accordance with Federal Law, and any other applicable law;
2. Employee and Spouse shall not have been engaged in a trial separation for more than 12 consecutive months upon the date a Clean Claim for Covered Medical Expense(s) provided to Spouse are received by the Plan; and
3. Employee and Spouse shall have been cohabitating at the same residence for the majority of the applicable Plan Year. When an Employee or Spouse is traveling or residing elsewhere as part of their profession, to care for a family member (due, for instance, to Illness or Injury), and/or is residing elsewhere due to their own Illness or Injury, for more than half of the applicable Plan Year (and thus residing with each other for less than the majority of the applicable Plan Year), but the primary residence of the Employee is also the Spouse's primary residence for all legal, regulatory, and statutory purposes, this constitutes cohabitation as required by this provision.

The Plan Administrator has discretionary authority to interpret these terms, and determine spousal status as defined herein, to the extent allowed by law.

2. Under **ARTICLE IV SUMMARY OF BENEFITS**, the following information is **added**:

### **Cost Containment**

#### **Pre-Certification Procedures**

The Inpatient Utilization Management Service is simple and easy for Participants to use. Whenever a Participant is advised that Inpatient Hospital care is needed, it is the Participant's responsibility to call the pre-certification department at its toll free number, which located on the Participant's ID card. The review process will continue, as outlined below, until the Participant is discharged from the Hospital. Pre-certification is required for Inpatient admission to skilled nursing facilities, convalescent or rehabilitation facilities unless otherwise stated in this document.

#### Urgent Care or Emergency Admissions:

If a Participant needs medical care for a condition which could seriously jeopardize his or her life, obtain such care without delay, and communicate with the Plan as soon as reasonably possible.

If a Participant must be admitted on an Emergency basis, the Participant should follow the Physician's instructions carefully and contact the pre-certification department as follows:

1. For Emergency admissions after business hours on Friday, on a weekend or over a holiday weekend, a call to the pre-certification department must be made within 72 hours after the admission date, but no later than the first business day following the Emergency admission, by or on behalf of the covered patient; and
2. For Emergency admissions on a weekday, a call to the pre-certification department must be made within 24 hours after the admission date.

The Plan does not require the Participant to obtain approval of a medical service prior to getting treatment for an urgent care or Emergency situation, so there are no "Pre-service Urgent Care Claims" under the Plan. The Participant simply follows the Plan's procedures with respect to any notice which may be required after receipt of treatment, and files the claim as a Post-service Claim.

#### Non-Emergency Admissions:

For Inpatient Hospital stays that are scheduled in advance, a call to the pre certification department should be completed as soon as possible before actual services are rendered. Once the pre certification call is received, it will be routed to an appropriate review specialist who will create an on line patient file. The review specialist will contact the Participant's attending Physician to obtain information and to discuss the specifics of the admission request. An on line expert system that features state of the art, widely accepted clinical review criteria is used to effectively guide the review process. If appropriate, alternative care will be explored with the Physician.

If, after assessing procedure necessity, the need for an Inpatient confinement is confirmed, the review specialist will determine the intensity of management required and will remain in contact with the Physician or Hospital during the confinement.

If, at any time during the review process, Medical Necessity cannot be validated, the review specialist will refer the episode to a board certified Physician advisor who will immediately contact the attending Physician to negotiate an appropriate treatment plan. At the end of the Hospital confinement, the review specialist is also available to assist with discharge planning and will work closely with the attending Physician and Hospital to ensure that medically appropriate arrangements are made.

The pre certification department hours of operations are 8 A.M. to 5 P.M. On weekends and evenings, the Participant can call the phone number located on his/her ID card, and leave a message.

#### **Pre-Certification Penalty**

The program requires the support and cooperation of each Participant. If a Participant follows the instructions and procedures, he or she will receive the normal Plan benefits for the services. However, if a Participant fails to notify pre-certification department of any treatment, service or supply that requires pre-certification, as required herein, allowed charges will be reduced up to a maximum of \$250. The Participant will be responsible for payment of the part of the charge that is not paid by the Plan.

### **Second Surgical Opinion**

If a Physician recommends Surgery for a Participant, the Participant may request a second opinion as to whether or not the Surgery is Medically Necessary.

When a second opinion is requested, the Plan will pay in accordance with the schedule of benefits for that opinion along with laboratory, x-ray and other Medically Necessary services ordered by the second Physician without application of the Deductible. Second opinions for Cosmetic Surgery, normal obstetrical delivery and Surgeries that require only local anesthesia are not covered. If the second opinion does not concur with the first, the Plan will pay for a third opinion as outlined above. The second or third opinion must be given within 90 days of the first.

In all cases where a second opinion is requested, the original recommendation for Surgery must have been obtained from a Physician licensed in the medical specialty under which the recommended Surgery falls. The Physician consulted for the second opinion must be licensed in the same medical specialty and may not be a partner of or in association with the original Physician.

3. Under **ARTICLE XII TERMINATION OF COVERAGE**, **Termination Dates of Dependent Coverage** is *omitted* and *replaced* with the following:

#### **Termination Dates of Dependent Coverage**

The coverage for any Dependents of any Employee who are covered under the Plan will terminate on the earliest to occur of the following dates:

1. The date of termination of the Plan;
2. Upon the discontinuance of coverage for Dependents under the Plan;
3. The date of termination of the Employee's coverage for himself or herself under the Plan;
4. The date of the expiration of the last period for which the Employee has made a contribution, in the event of his or her failure to make, when due, any contribution for coverage for Dependents to which he or she has agreed in writing;
5. In the case of a Child age 26 or older for whom coverage is being continued due to mental or physical inability to earn his or her own living, the earliest to occur of:
  - a. Cessation of such inability;
  - b. Failure to furnish any required proof of the uninterrupted continuance of such inability or to submit to any required examination; or
  - c. Upon the Child's no longer being dependent on the Employee for his or her support;
6. On the date a Dependent spouse ceases to be a Dependent, as defined herein;
7. On the last day of the calendar month that a Dependent child ceases to be a Dependent, as defined herein; or
8. Immediately after an Employee or his or her Dependent submits, or has knowledge of the submission of, a fraudulent claim or any fraudulent information to the Plan, including enrollment information.

The Plan Document and Summary Plan Description will be amended to reflect this change. All other terms and conditions of the Plan which are not affected by this Amendment are unchanged.

Accepted:

City of Lamesa

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 8**

SUBJECT: **INVESTMENT POLICY**  
PROCEEDING: Resolution  
SUBMITTED BY: Wayne Chapman, Finance Director  
EXHIBITS: Resolution and Policy  
AUTHORITY: *State Law; Public Funds Investment Act, Govt. Code, Chapter 2256*

### **SUMMARY STATEMENT**

Consider passing a resolution approving the investment policy for all City funds for Fiscal Year 2015-2016 as required by state law.

### **COUNCIL ACTION**

**DISCUSSION:** \_\_\_\_\_  
Motion by Council Member \_\_\_\_\_ to the City's Investment Policy for FY 2015-2016. Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

**VOTING:** "AYE" \_\_\_\_\_ "NAY" \_\_\_\_\_ "ABSTAIN" \_\_\_\_\_

### **CITY MANAGER'S MEMORANDUM**

The City Council is required by State law to review and take action on the City's Public Investment Policy. We feel like the investment policy reflects how we are currently handling investments and will comply with the law. Finance Director, Wayne Chapman will present the Investment Policy. Recommend approval.

# CITY OF LAMESA

## INVESTMENT POLICY

### Section

- 22.001. In General.
- 22.002. Investment Authorities
- 22.003. Investment Policy
- 22.004. Investment Plan

### References

*City Charter* -. Depository, Art. IV, Sec. 22. The city council is authorized to select a depository for city funds in accordance with Chapter 3 of Title 47 of the Revised Statutes of 1925, as amended (Local Government Code, Chapter 105) and to follow all the terms and provisions of same.

*State Law* - Public Funds Investment Act, Government Code, Chapter 2256; Depositories for Municipal Funds, Local Government Code, Chapter 105.

*Library Reference* – Municipal Law & Practice (Singer), Sec. 308, The City Depository.

### 22.001. IN GENERAL.

- A. Purpose.** This policy is intended to cover all aspects of public fund investments under the authority of the City of Lamesa. It is enacted to guide the implementation and compliance with the Public Funds Investment Act, Government Code, Chapter 2256, as amended.
- B. Objective.** It is the policy of the City of Lamesa to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands on the city and conforming to all state statutes governing the investment of public funds.
- C. Basis and Authority for Investment Policy.** This policy is enacted to implement the stated purpose of Public Funds Investment Act, Government Code, Chapter 2256, as amended.
- D. Applicability of Investment Policy.** The provisions of this chapter shall apply to all financial assets of the City of Lamesa, Texas except for its deferred compensation plan which is separately administered by the ICMA Retirement Corporation. The investments of all of the city's funds shall be placed in a pooled fund group in order to maximize the investment potential of the city's investments. Funds included in the pooled fund group are:

**(1) Governmental Funds**

**(a) General Fund (01)**

General Fund Capital Reserve Account  
General Fund Investments  
2006 Tax Notes,  
2008 Tax Notes  
2012 Tax Notes Forrest Park Restroom and Softball field.

**(b) Special Revenue Funds**

- (1) Hotel-Motel Occupancy Tax Fund (12)
- (2) Housing Assistance Program Fund (08)
- (3) Community Development Grant Fund (15)
- (4) Special Revenue Fund(17)

**(2) Proprietary Funds**

**(a) Enterprise Funds**

**(1) Water and Wastewater Enterprise Fund (02)**

Water & Wastewater Capital Reserve Account

- Water Tower Reserve
- Lubbock Highway Lift station

Water & Wastewater Debt Service Account  
USDA Treatment Plan Reserve Account  
Capital Improvement Project-Water Elevated Tanks  
Customer's Deposits Account

**(2) Solid Waste Management Enterprise Fund (03)**

Solid Waste Post Closure Reserve Account  
Solid Waste Equipment Reserve Account

**(3) Municipal Golf Course**

**(b) Internal Service Fund**

- (1) Risk Management Fund (21)  
Risk Management & Safety Account  
Self-Funded Employee Medical Benefits Account

**(3) Trust and Agency Funds**

**(a) Expendable Trust Funds**

- (1) Forfeited Property Expendable Trust Fund (24)



General Account

Special Account

**(b) Agency Funds**

(1) State Agency Fund (05)

**E. Standard of Care.**

- (1) Prudence.** The standard of prudence to be used by the investment officers so named in this policy shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Said officers acting in accordance with written procedures and the investment policy and exercising due care shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- (2) Investment Objectives.** Investment of funds shall be governed by the following investment objectives, in order of priority:

  - (a)** Preservation and safety of principal.
  - D. Liquidity.
  - E. Yield.
- (3) Determination of Standard.** In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

  - (a)** the investment of all funds, or funds under the city’s control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
  - (b)** whether the investment decision was consistent with the provisions of this policy.

**F. Annual Policy Review and Approval by City Council.** The city council of the City of Lamesa shall review and approve this investment policy and investment strategies not less than annually. Said review may be included within the financial policy statement or annual budget as approved by the city council.

**G. Definitions.**

**Amortization.** To liquidate (a debt) by installment payments.

**Accretion.** Growth or increase in size by gradual external addition.

**Book Value.** The face or par value of an investment plus accrued interest or minus amortization or plus the accretion.

**Certificate of Deposit (CD).** A time deposit with a specific maturity evidenced by a certificate.

**Collateral.** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

**Demand Deposit.** A deposit of funds that may be withdrawn on the demand of the depositor, (i.e. city checking account).

**Funds.** Public funds in the custody of the city that:

- (a) are not required by law to be deposited in the state treasury; and
- (b) the city has authority to invest.

**Liquidity.** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes..

**Market Value.** The price at which a security is trading and could presumably be purchased or sold.

**Maturity.** The date upon which the principal or stated value of an investment becomes due and payable.

**Pooled Fund Group.** An internally created fund of the city in which one or more institutional accounts of the city are invested.

**Prudent Person Rule.** An investment standard that requires investments to be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence 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.

**Public Funds Investment Act.** Shall refer to the Texas Public Funds Investment Act codified as Chapter 2256 of the Government Code of Texas.

**Rate of return.** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

**Safety.** Refers to the ability of the issuer to redeem the instrument at maturity. U.S. Government guaranteed obligations are considered risk free and all other instruments are evaluated against this standard.

**Time Deposit.** A deposit of funds subject to a contract between the depositor and the depository under which the depositor may not withdraw any of the funds by check or by another manner until the expiration of a certain period following written notice of the depositor's intent to withdraw the funds.

**Treasury Bills.** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**Treasury Bond.** Long-term U.S. Treasury securities having initial maturities of more than ten years.

**Treasury Notes.** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year. **Yield.** The rate of annual income return on an investment, expressed as a percentage.

(a) **Income yield** is obtained by dividing the current dollar income by the current market price for the security.

(b) **Net yield or yield to maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Treasury Bill.** A U.S. government short-term security sold to the public each week, maturing in 91 to 182 days.

## **22.002. INVESTMENT AUTHORITIES.**

- A. Delegation of Authority.** Authority to manage the City of Lamesa's investment program is derived from the authority granted by the city council in this policy and the Public Funds Investment Act. The investment officials of the city shall be the investment officer, director of finance and the city treasurer. Management responsibility for the investment program is hereby delegated to the investment officer who shall institute written procedures for the operation of the investment program consistent with this investment policy. The director of finance and the city treasurer are designated as subordinate investment officials. The investment officer shall establish a system of controls to regulate the activities of subordinate investment officials.
- B. Limitation of Authority.** A person may not deposit, withdraw, invest, transfer, or manage in any other manner funds of the city without the express written authority of the city council, city manager, or director of finance of the city. No person may engage in investment transactions except as provided under the terms of this policy and the procedures established by the investment officer
- C. Investment Officer.** The City Manager of the City of Lamesa, and his or her successor, shall be and is hereby designated as the investment officer of the City of Lamesa for the purposes of this policy and the Public Funds Investment Act and shall be responsible for the performance of such obligations and duties as provided in this policy and state law.
- D. Director of Finance/Assistant Finance Director.** The Director of Finance/Assistant Finance Director of the City of Lamesa, and his or her successor, shall be and is hereby designated as the chief financial officer of the City of Lamesa for the purposes of this policy and the Public Funds Investment Act and shall be responsible for the performance of such obligations and duties as provided in this policy and state law.
- E. City Treasurer.** The City Treasurer of the City of Lamesa, and his or her successor, shall serve as deputy investment officer with the authority to act in the absence of the investment

officer, and shall be responsible for the performance of such obligations and duties as provided in this policy and state law.

**F. Ethics and Conflict of Interest.**

(1) **In General.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

(2) **Disclosure of Material Financial Interests.** Investment officials, as designated under the provisions of this policy, shall disclose, by filing a statement, to the city council any personal business relationship or material financial interests in financial institutions that conduct business within the city or with an entity seeking to sell an investment to the city, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the city, particularly with regard to the time of purchases and sales.

(3) **Disclosure of Relationship.** Any investment official, as designated under the provisions of this policy, who is related within the second degree of consanguinity, as determined under Chapter 573 of the Government Code of Texas, to an individual seeking to sell an investment to the city shall file a statement disclosing that relationship.

(4) **Statement to be Filed.** A statement required under this section must be filed with the Texas Ethics Commission and the City Council of the City of Lamesa, Texas.

**G. Limitation of Investment Officer's Liability.** The investment officials of the city, including the investment officer, director of finance/assistant finance director and the city treasurer, shall not be held responsible for any loss of city funds through the negligence, failure, or wrongful act of a financial institution providing investment services to the city. This section does not release said officers from responsibility for a loss resulting from the official misconduct of said officers, including a misappropriation of the funds, or from responsibility for the funds until an investment is made.

**H. Training.** The investment officials of the city, including the investment officer, director of finance, assistant finance director and the city treasurer, shall attend such training as may be required by the Public Funds Investment Act. Said officials shall also attend such

training in investment controls, security risks, strategy risks and market risks as necessary for the prudent management of the city's investments.

## **22.003. INVESTMENT POLICY.**

**A. Objective.** The primary objectives, in priority order, of the City of Lamesa's investment activities shall be:

- (1) Preservation and Safety of Principal.** Safety of principal is the foremost objective of the investment program. Investments of the City of Lamesa shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- (2) Liquidity.** The city's investment portfolio will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.
- (3) Yield or Return on Investments.** The city's investment portfolio shall be designed with the objective of attaining a rate of return throughout the budgetary and economic cycles, commensurate with the city's investment risk constraints and the cash flow characteristics of the portfolio.

**B. Pooled Fund Group.** A pooled fund group shall be created from the, governmental, proprietary, and trust and agency funds of the city. All funds of the city covered by this policy shall be invested in the pooled fund group.

**C. Authorized and Suitable Investment Securities.**

- (1) Authorized Securities and Investments.** The following are authorized investments under this policy:
  - (a) Certificate of Deposit.** A certificate of deposit is an authorized deposit under this policy if it is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; and secured by obligations that are secured in any other manner and amount provided by law for deposits of the city.
  - (b) Time Deposits.** City funds not immediately required to pay obligations of the city may be invested in time deposits or interest bearing demand accounts with the city's depository, as provided in the depository contract, at a legal interest rate under federal law.
  - (c) Public Funds Investment Pool.** Eligible public funds investment pools as defined by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, which meet criteria outlined in Sections 2256.016 and 2256.019 of the Texas Government Code upon approval by the City Council.
  - (d) Obligations of the United States of America, its agencies, and instrumentalities (i.e. Treasury Bills).**

- (2) **Unauthorized Securities.** Any security designated, as an unauthorized investment under the provisions of the Public Funds Investment Act is not authorized under this policy.
- (3) **Maximum Allowable Maturity.** To the extent possible, the city will attempt to match its investment with anticipated cash flow requirements. Unless matched to a specific cash flow, the city will not directly invest in certificates of deposit or securities maturing more than one year from the date of purchase. Reserve funds may be invested in certificates of deposit or securities exceeding one year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. The maximum weighted average maturity of six (6) months.
- (4) **Collateralization.** Collateralization will be required on all certificates of deposit. Collateral will always be held by an independent third party with whom the city has a custodial agreement. A clearly marked evidence of ownership shall be supplied to the city and retained. The right to collateral substitution is granted.

#### **D. Selection and Purchase of Investment Securities.**

- (1) **Authorized Financial Dealers and Institutions.** The City shall invest funds only with the following types of qualified financial institutions:
  - (a) **City Depository.** The city may invest funds with a financial institution qualified as a depository for the City of Lamesa. All financial institutions that desire to provide investment services to the city shall qualify as a depository under the provisions of Chapter 105 of the Local Government Code of Texas.
  - (b) **Public Funds Investment Pools.** The City may invest in eligible public funds investment pools as defined by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, which meet criteria outlined in Section 2256.016 and 2256.019 of the Texas Government Code. The City Council shall authorize participation in a public funds investment pool by resolution. An investment pool must furnish to the City's investment officer or other authorized representative, an offering circular or similar disclosure instrument that contains information required by Government Code 2256.016 (b).
  - (c) **Other Financial Institutions.** The city may invest funds with any financial institution that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, (i.e. Certificate of Deposits).
- (2) **Selection and Compliance of Brokers/Dealers - Certification Process.** The selection process for institutions authorized to provide investment services to the city shall comply with the provisions of Chapter 105 of the Local Government Code of Texas and Chapter 2256 of the Government Code of Texas.

- (3) **Diversification Requirements.** The purpose of diversification of the city's investments shall be to reduce overall portfolio risks while attaining market average rates of return. The investments of the city may be invested in a single financial institution, provided that the investment portfolio is not concentrated in a single security type or specific maturity sector.

**E. Internal Control, Evaluation and Reporting.**

- (1) **Internal Control/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's investment policy.
- (2) **Quarterly Reporting Requirements.** The investment officer is charged with the responsibility of preparing and presenting quarterly reports to the city council. The report shall include all funds covered by this policy for the preceding reporting period and shall:
- (a) describe in detail the investment position of the city on the date of the report;
  - (b) be prepared jointly by all investment officers of the city;
  - (c) be signed by each investment officer of the city;
  - (d) contain a summary statement of the pooled fund group that states the:
    - (i) beginning market value for the reporting period;
    - (ii) additions and changes to the market value;
    - (iii) ending market value for the period;
  - (e) state the book value and the 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;
  - (f) state the maturity date of each separately invested asset that has a maturity date;
  - (g) state the account or pooled fund group for which the investment was acquired;
  - (h) state the compliance of the investment portfolio as it relates to;
    - (i) the investment strategy expressed in the city's investment policy; and
    - (ii) to relevant provisions of the Public Funds Investment Act.

**22.004. ANNUAL INVESTMENT PLAN**

- A. Applicability of Investment Plan.** This investment plan shall be effective from the date of adoption through Fiscal Year 2015-2016 ending on September 30, 2016. The investment policy shall apply in all matters

pertaining to said plan. This investment plan is intended to satisfy the “separate written investment strategy” requirements of Section 2256.005 (d) of the Public Funds Investment Act.

**B. Selection of Authorized Financial Institutions.**

- (1) **Authorized Financial Institutions.** The city may invest funds with any financial institution that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, (i.e. Certificates of Deposits). A financial institution providing investment services to the city must qualify as a depository under the provisions of Chapter 105 of the Local Government Code of Texas.
- (2) **Investment Duties of Depository.** The depository chosen by the City of Lamesa for the five year period beginning on January 1, 2014 and ending on December 31, 2018 shall be the designated financial institution authorized to provide investment services to the city during the period covered by this plan.

**C. Suitability of Investments.** This plan is intended to be non-speculative with the objective of preserving the safety of principal with sufficiently liquid, and attaining a satisfactory rate of return. Only investments allowed by the investment policy shall be deemed suitable during the term of this plan.

**D. Safety of Principal.** Safety of principal is the foremost objective of this plan. Investments of the City of Lamesa shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Collateralization will be required on all certificates of deposit. Collateral will always be held by an independent third party with whom the city has a custodial agreement. A clearly marked evidence of ownership shall be supplied to the city and retained. The right to collateral substitution is granted.

**E. Liquidity.** The city’s investment portfolio will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated. Time deposits will be utilized to satisfy this requirement.

**F. Investment Marketability Requirements.** No marketable investment will be held by the city. Only time deposits and certificates of deposit issued by the depository will be utilized.

**G. Diversification.** The city’s portfolio will be held by a single institution, the city’s depository. The funds of the city may be invested in time deposits or certificates of deposit according to the anticipated need for such funds.

**H. Yield Objectives.** The city’s investment portfolio shall be designed with the objective of attaining a rate of return throughout the budgetary and economic cycles, commensurate with the city’s investment risk constraints and the cash flow characteristics of the portfolio.

**I. Maturity Requirements and Restrictions.** The time deposits of the city will be structured in a manner to be available as needed to meet all operating requirements which might be reasonably anticipated.



# CITY OF LAMESA

## INVESTMENT POLICY

### Section

- 22.001. In General.
- 22.002. Investment Authorities
- 22.003. Investment Policy
- 22.004. Investment Plan

### References

*City Charter* -. Depository, Art. IV, Sec. 22. The city council is authorized to select a depository for city funds in accordance with Chapter 3 of Title 47 of the Revised Statutes of 1925, as amended (Local Government Code, Chapter 105) and to follow all the terms and provisions of same.

*State Law* - Public Funds Investment Act, Government Code, Chapter 2256; Depositories for Municipal Funds, Local Government Code, Chapter 105.

*Library Reference* – Municipal Law & Practice (Singer), Sec. 308, The City Depository.

### 22.001. IN GENERAL.

- A. **Purpose.** This policy is intended to cover all aspects of public fund investments under the authority of the City of Lamesa. It is enacted to guide the implementation and compliance with the Public Funds Investment Act, Government Code, Chapter 2256, as amended.
- B. **Objective.** It is the policy of the City of Lamesa to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands on the city and conforming to all state statutes governing the investment of public funds.
- C. **Basis and Authority for Investment Policy.** This policy is enacted to implement the stated purpose of Public Funds Investment Act, Government Code, Chapter 2256, as amended.
- D. **Applicability of Investment Policy.** The provisions of this chapter shall apply to all financial assets of the City of Lamesa, Texas except for its deferred compensation plan which is separately administered by the ICMA Retirement Corporation. The investments of all of the city's funds shall be placed in a pooled fund group in order to maximize the investment potential of the city's investments. Funds included in the pooled fund group are:

**(1) Governmental Funds**

**(a) General Fund (01)**

General Fund Capital Reserve Account

General Fund Investments

2006 Tax Notes,

2008 Tax Notes

2012 Tax Notes Forrest Park Restroom and Softball field.

**(b) Special Revenue Funds**

(1) Hotel-Motel Occupancy Tax Fund (12)

(2) Housing Assistance Program Fund (08)

(3) Community Development Grant Fund (15)

(4) Special Revenue Fund(17)

**(2) Proprietary Funds**

**(a) Enterprise Funds**

**(1) Water and Wastewater Enterprise Fund (02)**

Water & Wastewater Capital Reserve Account

- Water Tower Reserve
- Lubbock Highway Lift station

Water & Wastewater Debt Service Account

USDA Treatment Plan Reserve Account

Capital Improvement Project-Water Elevated Tanks

Customer's Deposits Account

**(2) Solid Waste Management Enterprise Fund (03)**

Solid Waste Post Closure Reserve Account

Solid Waste Equipment Reserve Account

**(3) Municipal Golf Course**

**(b) Internal Service Fund**

(1) Risk Management Fund (21)

Risk Management & Safety Account

Self-Funded Employee Medical Benefits Account

**(3) Trust and Agency Funds**

**(a) Expendable Trust Funds**

(1) Forfeited Property Expendable Trust Fund (24)

General Account

Special Account

**(b) Agency Funds**

(1) State Agency Fund (05)

**E. Standard of Care.**

**(1) Prudence.** The standard of prudence to be used by the investment officers so named in this policy shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Said officers acting in accordance with written procedures and the investment policy and exercising due care shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**(2) Investment Objectives.** Investment of funds shall be governed by the following investment objectives, in order of priority:

**(a)** Preservation and safety of principal.

D. Liquidity.

E. Yield.

**(3) Determination of Standard.** In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

**(a)** the investment of all funds, or funds under the city’s control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and

**(b)** whether the investment decision was consistent with the provisions of this policy.

**F. Annual Policy Review and Approval by City Council.** The city council of the City of Lamesa shall review and approve this investment policy and investment strategies not less than annually. Said review may be included within the financial policy statement or annual budget as approved by the city council.

**G. Definitions.**

**Amortization.** To liquidate (a debt) by installment payments.

**Accretion.** Growth or increase in size by gradual external addition.

**Book Value.** The face or par value of an investment plus accrued interest or minus amortization or plus the accretion.

**Certificate of Deposit (CD).** A time deposit with a specific maturity evidenced by a certificate.

**Collateral.** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

**Demand Deposit.** A deposit of funds that may be withdrawn on the demand of the depositor, (i.e. city checking account).

**Funds.** Public funds in the custody of the city that:

- (a) are not required by law to be deposited in the state treasury; and
- (b) the city has authority to invest.

**Liquidity.** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes..

**Market Value.** The price at which a security is trading and could presumably be purchased or sold.

**Maturity.** The date upon which the principal or stated value of an investment becomes due and payable.

**Pooled Fund Group.** An internally created fund of the city in which one or more institutional accounts of the city are invested.

**Prudent Person Rule.** An investment standard that requires investments to be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence 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.

**Public Funds Investment Act.** Shall refer to the Texas Public Funds Investment Act codified as Chapter 2256 of the Government Code of Texas.

**Rate of return.** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

**Safety.** Refers to the ability of the issuer to redeem the instrument at maturity. U.S. Government guaranteed obligations are considered risk free and all other instruments are evaluated against this standard.

**Time Deposit.** A deposit of funds subject to a contract between the depositor and the depository under which the depositor may not withdraw any of the funds by check or by another manner until the expiration of a certain period following written notice of the depositor's intent to withdraw the funds.

**Treasury Bills.** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**Treasury Bond.** Long-term U.S. Treasury securities having initial maturities of more than ten years.

**Treasury Notes.** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year. **Yield.** The rate of annual income return on an investment, expressed as a percentage.

(a) **Income yield** is obtained by dividing the current dollar income by the current market price for the security.

(b) **Net yield or yield to maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Treasury Bill.** A U.S. government short-term security sold to the public each week, maturing in 91 to 182 days.

## **22.002. INVESTMENT AUTHORITIES.**

- A. Delegation of Authority.** Authority to manage the City of Lamesa's investment program is derived from the authority granted by the city council in this policy and the Public Funds Investment Act. The investment officials of the city shall be the investment officer, director of finance and the city treasurer. Management responsibility for the investment program is hereby delegated to the investment officer who shall institute written procedures for the operation of the investment program consistent with this investment policy. The director of finance and the city treasurer are designated as subordinate investment officials. The investment officer shall establish a system of controls to regulate the activities of subordinate investment officials.
- B. Limitation of Authority.** A person may not deposit, withdraw, invest, transfer, or manage in any other manner funds of the city without the express written authority of the city council, city manager, or director of finance of the city. No person may engage in investment transactions except as provided under the terms of this policy and the procedures established by the investment officer
- C. Investment Officer.** The City Manager of the City of Lamesa, and his or her successor, shall be and is hereby designated as the investment officer of the City of Lamesa for the purposes of this policy and the Public Funds Investment Act and shall be responsible for the performance of such obligations and duties as provided in this policy and state law.
- D. Director of Finance/Assistant Finance Director.** The Director of Finance/Assistant Finance Director of the City of Lamesa, and his or her successor, shall be and is hereby designated as the chief financial officer of the City of Lamesa for the purposes of this policy and the Public Funds Investment Act and shall be responsible for the performance of such obligations and duties as provided in this policy and state law.
- E. City Treasurer.** The City Treasurer of the City of Lamesa, and his or her successor, shall serve as deputy investment officer with the authority to act in the absence of the investment

officer, and shall be responsible for the performance of such obligations and duties as provided in this policy and state law.

**F. Ethics and Conflict of Interest.**

**(1) In General.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

**(2) Disclosure of Material Financial Interests.** Investment officials, as designated under the provisions of this policy, shall disclose, by filing a statement, to the city council any personal business relationship or material financial interests in financial institutions that conduct business within the city or with an entity seeking to sell an investment to the city, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the city, particularly with regard to the time of purchases and sales.

**(3) Disclosure of Relationship.** Any investment official, as designated under the provisions of this policy, who is related within the second degree of consanguinity, as determined under Chapter 573 of the Government Code of Texas, to an individual seeking to sell an investment to the city shall file a statement disclosing that relationship.

**(4) Statement to be Filed.** A statement required under this section must be filed with the Texas Ethics Commission and the City Council of the City of Lamesa, Texas.

**G. Limitation of Investment Officer's Liability.** The investment officials of the city, including the investment officer, director of finance/assistant finance director and the city treasurer, shall not be held responsible for any loss of city funds through the negligence, failure, or wrongful act of a financial institution providing investment services to the city. This section does not release said officers from responsibility for a loss resulting from the official misconduct of said officers, including a misappropriation of the funds, or from responsibility for the funds until an investment is made.

**H. Training.** The investment officials of the city, including the investment officer, director of finance, assistant finance director and the city treasurer, shall attend such training as may be required by the Public Funds Investment Act. Said officials shall also attend such

training in investment controls, security risks, strategy risks and market risks as necessary for the prudent management of the city's investments.

## **22.003. INVESTMENT POLICY.**

**A. Objective.** The primary objectives, in priority order, of the City of Lamesa's investment activities shall be:

- (1) Preservation and Safety of Principal.** Safety of principal is the foremost objective of the investment program. Investments of the City of Lamesa shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- (2) Liquidity.** The city's investment portfolio will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.
- (3) Yield or Return on Investments.** The city's investment portfolio shall be designed with the objective of attaining a rate of return throughout the budgetary and economic cycles, commensurate with the city's investment risk constraints and the cash flow characteristics of the portfolio.

**B. Pooled Fund Group.** A pooled fund group shall be created from the, governmental, proprietary, and trust and agency funds of the city. All funds of the city covered by this policy shall be invested in the pooled fund group.

**C. Authorized and Suitable Investment Securities.**

- (1) Authorized Securities and Investments.** The following are authorized investments under this policy:
  - (a) Certificate of Deposit.** A certificate of deposit is an authorized deposit under this policy if it is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; and secured by obligations that are secured in any other manner and amount provided by law for deposits of the city.
  - (b) Time Deposits.** City funds not immediately required to pay obligations of the city may be invested in time deposits or interest bearing demand accounts with the city's depository, as provided in the depository contract, at a legal interest rate under federal law.
  - (c) Public Funds Investment Pool.** Eligible public funds investment pools as defined by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, which meet criteria outlined in Sections 2256.016 and 2256.019 of the Texas Government Code upon approval by the City Council.
  - (d) Obligations of the United States of America, its agencies, and instrumentalities (i.e. Treasury Bills).**

- (2) **Unauthorized Securities.** Any security designated, as an unauthorized investment under the provisions of the Public Funds Investment Act is not authorized under this policy.
- (3) **Maximum Allowable Maturity.** To the extent possible, the city will attempt to match its investment with anticipated cash flow requirements. Unless matched to a specific cash flow, the city will not directly invest in certificates of deposit or securities maturing more than one year from the date of purchase. Reserve funds may be invested in certificates of deposit or securities exceeding one year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. The maximum weighted average maturity of six (6) months.
- (4) **Collateralization.** Collateralization will be required on all certificates of deposit. Collateral will always be held by an independent third party with whom the city has a custodial agreement. A clearly marked evidence of ownership shall be supplied to the city and retained. The right to collateral substitution is granted.

#### **D. Selection and Purchase of Investment Securities.**

- (1) **Authorized Financial Dealers and Institutions.** The City shall invest funds only with the following types of qualified financial institutions:
  - (a) **City Depository.** The city may invest funds with a financial institution qualified as a depository for the City of Lamesa. All financial institutions that desire to provide investment services to the city shall qualify as a depository under the provisions of Chapter 105 of the Local Government Code of Texas.
  - (b) **Public Funds Investment Pools.** The City may invest in eligible public funds investment pools as defined by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, which meet criteria outlined in Section 2256.016 and 2256.019 of the Texas Government Code. The City Council shall authorize participation in a public funds investment pool by resolution. An investment pool must furnish to the City's investment officer or other authorized representative, an offering circular or similar disclosure instrument that contains information required by Government Code 2256.016 (b).
  - (c) **Other Financial Institutions.** The city may invest funds with any financial institution that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, (i.e. Certificate of Deposits).
- (2) **Selection and Compliance of Brokers/Dealers - Certification Process.** The selection process for institutions authorized to provide investment services to the city shall comply with the provisions of Chapter 105 of the Local Government Code of Texas and Chapter 2256 of the Government Code of Texas.



- (3) **Diversification Requirements.** The purpose of diversification of the city's investments shall be to reduce overall portfolio risks while attaining market average rates of return. The investments of the city may be invested in a single financial institution, provided that the investment portfolio is not concentrated in a single security type or specific maturity sector.

**E. Internal Control, Evaluation and Reporting.**

- (1) **Internal Control/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's investment policy.
- (2) **Quarterly Reporting Requirements.** The investment officer is charged with the responsibility of preparing and presenting quarterly reports to the city council. The report shall include all funds covered by this policy for the preceding reporting period and shall:
- (a) describe in detail the investment position of the city on the date of the report;
  - (b) be prepared jointly by all investment officers of the city;
  - (c) be signed by each investment officer of the city;
  - (d) contain a summary statement of the pooled fund group that states the:
    - (i) beginning market value for the reporting period;
    - (ii) additions and changes to the market value;
    - (iii) ending market value for the period;
  - (e) state the book value and the 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;
  - (f) state the maturity date of each separately invested asset that has a maturity date;
  - (g) state the account or pooled fund group for which the investment was acquired;
  - (h) state the compliance of the investment portfolio as it relates to;
    - (i) the investment strategy expressed in the city's investment policy; and
    - (ii) to relevant provisions of the Public Funds Investment Act.

**22.004. ANNUAL INVESTMENT PLAN**

- A. Applicability of Investment Plan.** This investment plan shall be effective from the date of adoption through Fiscal Year 2015-2016 ending on September 30, 2016. The investment policy shall apply in all matters

pertaining to said plan. This investment plan is intended to satisfy the “separate written investment strategy” requirements of Section 2256.005 (d) of the Public Funds Investment Act.

**B. Selection of Authorized Financial Institutions.**

- (1) Authorized Financial Institutions.** The city may invest funds with any financial institution that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, (i.e. Certificates of Deposits). A financial institution providing investment services to the city must qualify as a depository under the provisions of Chapter 105 of the Local Government Code of Texas.
- (2) Investment Duties of Depository.** The depository chosen by the City of Lamesa for the five year period beginning on January 1, 2014 and ending on December 31, 2018 shall be the designated financial institution authorized to provide investment services to the city during the period covered by this plan.

**C. Suitability of Investments.** This plan is intended to be non-speculative with the objective of preserving the safety of principal with sufficiently liquid, and attaining a satisfactory rate of return. Only investments allowed by the investment policy shall be deemed suitable during the term of this plan.

**D. Safety of Principal.** Safety of principal is the foremost objective of this plan. Investments of the City of Lamesa shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Collateralization will be required on all certificates of deposit. Collateral will always be held by an independent third party with whom the city has a custodial agreement. A clearly marked evidence of ownership shall be supplied to the city and retained. The right to collateral substitution is granted.

**E. Liquidity.** The city’s investment portfolio will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated. Time deposits will be utilized to satisfy this requirement.

**F. Investment Marketability Requirements.** No marketable investment will be held by the city. Only time deposits and certificates of deposit issued by the depository will be utilized.

**G. Diversification.** The city’s portfolio will be held by a single institution, the city’s depository. The funds of the city may be invested in time deposits or certificates of deposit according to the anticipated need for such funds.

**H. Yield Objectives.** The city’s investment portfolio shall be designed with the objective of attaining a rate of return throughout the budgetary and economic cycles, commensurate with the city’s investment risk constraints and the cash flow characteristics of the portfolio.

**I. Maturity Requirements and Restrictions.** The time deposits of the city will be structured in a manner to be available as needed to meet all operating requirements which might be reasonably anticipated.

# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 9**

SUBJECT: ***PUBLIC HEARING - FISCAL YEAR 2015-2016 BUDGET***  
PROCEEDING: 1<sup>st</sup> Public Hearing  
SUBMITTED BY: City Staff  
EXHIBITS: Proposed Budget Document (under separate cover)  
AUTHORITY: *Local Government Code, Chapter 102*

### **SUMMARY STATEMENT**

Convene a public hearing, in accordance with State Law (Local Government Code, Chapter 102), to hear a report from the City Manager and to hear comments from the public regarding the proposed Annual Budget for Fiscal Year 2015-2016 beginning on October 1, 2015.

***THE PROPOSED BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN AMOUNT OF \$91,715 WHICH IS A 4.95615 PERCENT INCREASE FROM LAST YEAR'S BUDGET.***

### **1<sup>st</sup> PUBLIC HEARING**

Following the report from the City Manager, the Mayor will ask if anyone wishes to speak regarding the proposed Annual Budget for Fiscal Year 2015-2016.

The following persons spoke:

_____	_____
_____	_____
_____	_____

Following the public comments the Mayor will close the public hearing.

### **CITY MANAGER'S MEMORANDUM**

After any questions are answered, the public hearing can be closed (no action required) and the next item on the agenda considered (passage of the adopting ordinance).

# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 10**

SUBJECT: **PUBLIC HEARING - AD VALOREM TAX RATE – 2015**  
PROCEEDING: 2<sup>nd</sup> Public Hearing  
SUBMITTED BY: City Staff  
EXHIBITS:  
AUTHORITY: *City Charter – Article V, Taxes and Taxation*  
*State Law; Property Tax Code, Sec.26.05 and 31.05*

### **SUMMARY STATEMENT**

2<sup>nd</sup> Public Hearing on a proposed hearing on a proposed property tax rate of 0.740000 for 2015. This tax rate will raise \$1,948,672 which is \$91,715 more than taxes imposed last year.

***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE}.***

### **2<sup>ND</sup> PUBLIC HEARING**

The Mayor to open the public hearing and announce that the passage of SB18 requires two public hearings. The proposed tax rate for 2015 is 0.740000 which is more than the **0.705171** effective tax rate. The Mayor will ask if anyone desires to speak regarding the above-proposed tax rate.

“FOR”

“AGAINST”

There being no other persons wishing to speak, the public hearing will be adjourned.

### **CITY MANAGER'S MEMORANDUM**

This is the first of two required public hearings. No action is required at this time.

# City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: SEPTEMBER 1, 2015

AGENDA ITEM: 11

SUBJECT: FISCAL YEAR OCTOBER 2015-2016 BUDGET – ADOPTION:  
PROCEEDING: Ordinance; 1st reading  
SUBMITTED BY: City Staff  
EXHIBITS: Ordinance  
AUTHORITY: State Law; Local Government Code, Chapter 102

## SUMMARY STATEMENT

Consider passing an ordinance on first reading adopting the proposed Annual Budget for Fiscal Year 2015-2016 beginning on October 1, 2015.

**THE PROPOSED BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN AMOUNT OF \$91,715 WHICH IS A 4.95615 PERCENT INCREASE FROM LAST YEAR'S BUDGET.**

## COUNCIL ACTION

DISCUSSION: \_\_\_\_\_

Motion by Council Member \_\_\_\_\_ to \_\_\_\_\_. Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

## RECORD VOTE REQUIRED: VOTE BY SHOW OF HANDS

VOTING	"AYE"	"NAY"	"ABSTAIN"
Dave Nix	_____	_____	_____
Josh Stevens	_____	_____	_____
Marie A. Briseno	_____	_____	_____
Fabian Rubio	_____	_____	_____
Bobby Gonzales	_____	_____	_____
Fred Vera	_____	_____	_____
Chance Britt	_____	_____	_____

## CITY MANAGER'S MEMORANDUM

City staff recommends approval of the budget ordinance on first reading.

**ORDINANCE NO: \_\_\_\_\_**

**AN ORDINANCE ADOPTING AND APPROVING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016 AND MAKING APPROPRIATIONS FOR EACH DEPARTMENT, PROJECT, AND ACCOUNT; APPROVING REVISED BUDGET FIGURES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015; PROVIDING FOR NECESSARY TRANSFERS OF FUNDS BETWEEN ACCOUNTS AND DEPARTMENTS, IF REQUIRED; AND PROVIDING A SAVINGS CLAUSE.**

On the this 1st day of September, 2015, there came on and was held at the regular called meeting place, the City Hall, an open meeting of the City Council of the City of Lamesa, Texas held pursuant to the provisions of the Texas Open Meetings Act there being a quorum present and acting throughout the meeting, the following ordinance was formally submitted by motion and duly seconded for the consideration and action of the meeting, to wit:

**WHEREAS**, a budget for the Fiscal Year beginning October 1, 2015 and ending September 30, 2016, has been prepared by the city manager; and

**WHEREAS**, the city manager, on July 31, 2015, filed a proposed budget with the city secretary for the Fiscal Year beginning October 1, 2015; and

**WHEREAS**, the city secretary did post notice that said proposed budget had been filed and was available for public inspection; and

**WHEREAS**, the City Council did hold two public hearings on August 25, 2015 and September 1, 2015, regarding the proposed property ad valorem tax rate at 0.740000.

**WHEREAS**, On September 1, 2015, the City Council held a public hearing and adopted the 2015-16 Budget Ordinance on 1<sup>st</sup> reading for the upcoming Fiscal Year. On September 15, 2015, City Council will consider passing Budget Ordinance on 2<sup>nd</sup> and final reading. It is determined the proposed budget for Fiscal Year 2015-2016 to be appropriate and correct in all respects and that all requirements of the law have been satisfied; and

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

**SECTION 1.** Subject to the applicable provisions of the State Law and the City Charter, the budget for the Fiscal Year beginning October 1, 2015 and ending September 30, 2016, as filed and submitted by the City Manager, and adjusted by the City Council, containing estimates of resources and revenues for the year from all of the various sources provided by the city, and the projects, operations, activities and purchases proposed to be undertaken during the year, together with the estimated costs thereof, and estimated amounts of all other proposed expenditures, is hereby approved and adopted.

**SECTION 2.** (A) There is hereby appropriated from the funds indicated and for such purposes and other expenditures proposed in such budget, not to exceed for all such purposes for any department, the total amount of the estimated costs of the projects, operations, activities, purchases and other expenditures proposed for such department;

(B) The City Manager is hereby authorized to approve transfer of allocated amounts between classifications, departments, and unappropriated surpluses if such transfers do not significantly change the work program contemplated in the approved budget.

**SECTION 3.** THE PROPOSED BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEARS'S BUDGET BY AN AMOUNT OF \$91,715 WHICH IS A 4.95615 PERCENT INCREASE FROM LAST YEAR'S BUDGET.

**SECTION 4.** The amounts set out under the headings "Revised or Estimated 2014-15" be and are hereby authorized and approved as revised budget amounts for the Fiscal Year ended on September 30, 2015.

**SECTION 5.** The investment plan for the city has been reviewed and is approved for the Fiscal Year beginning October 1, 2015 and ending September 30, 2016.

**SECTION 6.** That should any section, paragraph, sentence, clause, phrase or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this ordinance shall not be affected thereby.

**SECTION 7.** All ordinances and resolutions, or parts of ordinances and resolutions, in conflict with this Ordinance are hereby repealed, and are no longer in force or effect.

**SECTION 8.** This ordinance shall become effective upon adoption of its second and final reading by the City Council of the City of Lamesa, Texas and the effective date of the ordinance and all rates and appropriations contained herein shall be October 1, 2015.

Upon being put to a vote, the foregoing ordinance was Passed, on First Reading on the 1st day of September, 2015 by a majority vote.

ATTEST:

APPROVED:

---

Shawna D. Burkhart  
City Manager

---

Dave Nix  
Mayor

# **City Council Agenda**

*City of Lamesa, Texas*

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 12**

**SUBJECT: RATIFY THE PROPERTY TAX INCREASE REFLECTED IN THE FISCAL YEAR 2015-2016 BUDGET**

**PROCEEDING:**

**SUBMITTED BY:** City Staff

**EXHIBITS:**

**AUTHORITY:** *State Law; Local Government Code Section 102.007(c)*

Consider ratifying the property tax increase reflected in the Fiscal Year 2015-2016 budget that raises more property taxes than the Fiscal Year 2014-2015 budget.

## **SUMMARY STATEMENT**

Consider ratifying the property tax increase reflected in the Fiscal Year 2015-2016 budget that raises more property taxes than the Fiscal Year 2014-2015.

***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE}.***

## **COUNCIL ACTION**

**DISCUSSION:** \_\_\_\_\_

Motion by Council Member \_\_\_\_\_ to ratify the property tax increase reflected in the Fiscal Year 2015-2016 budget which raises more property tax (based on a tax rate of .740000) than the Fiscal Year 2014-2015 (based on a tax rate of .724300). Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

**VOTING:** "AYE" \_\_\_\_\_ "NAY" \_\_\_\_\_ "ABSTAIN" \_\_\_\_\_

## **CITY MANAGER'S MEMORANDUM**

Local Government Code Section 102.007(c) mandates that budgets that raises more revenue from property taxes than in the previous year requires a separate vote of the governing City body to ratify the property tax increase reflected in the budget.



# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 13**

SUBJECT: **AD VALOREM TAX RATE – 2015 (DEBT SERVICE TAX RATE)**  
PROCEEDING: Ordinance 1st Reading  
SUBMITTED BY: City Staff  
EXHIBITS: Ordinance  
AUTHORITY: *City Charter – Article V, Taxes and Taxation*  
*State Law; Property Tax Code, Sec.26.05 and 31.05*

### **SUMMARY STATEMENT**

Consider establishing an ad valorem tax rate for Fiscal Year 2015-2016 by passing on first reading an ordinance establishing the ad valorem tax rate which will raise the amount of revenue required to pay Debt Service at a rate of **\$.031522** per hundred dollar assessed valuation for Fiscal Year beginning October 1, 2015 and ending September 30, 2016.

***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE}.***

### **COUNCIL ACTION**

Motion by Council Member \_\_\_\_\_ must be stated as; ***"I MOVE THAT THE CITY ESTABLISH THE AD VALOREM TAX RATE WHICH WILL RAISE THE AMOUNT OF REVENUE REQUIRED TO PAY DEBT SERVICE AT A RATE OF \$.031522 PER HUNDRED DOLLAR ASSESSED VALUATION FOR FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016.***

Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

### **RECORD VOTE REQUIRED: VOTE BY SHOW OF HANDS**

VOTING	"AYE"	"NAY"	"ABSTAIN"
Dave Nix	_____	_____	_____
Josh Stevens	_____	_____	_____
Marie A. Briseno	_____	_____	_____
Fabian Rubio	_____	_____	_____
Bobby Gonzales	_____	_____	_____
Fred Vera	_____	_____	_____
Chance Britt	_____	_____	_____

## **CITY MANAGER'S MEMORANDUM**

Recommend approval on 1<sup>st</sup> reading to set the Debt Service tax rate at \$0.031522 on the hundred dollars cash value.

**ORDINANCE NO.: \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF LAMESA, TEXAS LEVYING AD VALOREM TAXES FOR FISCAL YEAR 2015-2016 AT \$0.31522 PER ONE HUNDRED DOLLARS ASSESSED VALUATION OF ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS TO PROVIDE REVENUES FOR INTEREST AND SINKING FUND REQUIREMENTS FOR DEBT SERVICE.**

On this the 1st day of September, 2015, there came on and was held at the regular meeting place, the City Hall, an open meeting of the City Council of the City of Lamesa, Texas held pursuant to the provisions of the Texas Open Meetings Act (Govt. Code, Chapter 551); there being a quorum present and acting throughout the meeting, the following ordinance was formally submitted by motion and duly seconded for the consideration and action of the meeting, to wit:

**WHEREAS** the City Council hereby finds that this ordinance implements the ad valorem tax revenue provisions of the Operating Budget of the City of Lamesa effective for the Fiscal Year 2015-2016 required to raise the amount of revenue to pay debt service.

**WHEREAS**, the City Council of the City of Lamesa, Texas finds that passing said ordinance setting said tax rate for debt service is in the public interest of all of the residents of the City of Lamesa, Texas.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS:**

**SECTION 1.** There is hereby levied for the Fiscal Year 2015-2016 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Lamesa, Texas, and not exempt by the Constitution of the State and valid State laws, for interest and sinking fund requirements for debt service a tax of \$0.031522 on each one hundred dollars (\$100.00) of assessed value of taxable property.

**SECTION 2** The effective date of this ordinance shall be October 1, 2015.

Upon being put to a vote, the foregoing ordinance was Passed, on First Reading on the 1st day of September, 2015 by a majority vote.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Shawna D. Burkhart  
City Manager

\_\_\_\_\_  
Dave Nix  
Mayor

# City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: SEPTEMBER 1, 2015

AGENDA ITEM: 14

SUBJECT: **AD VALOREM TAX RATE – 2015 (MAINTENANCE AND OPERATIONS TAX RATE)**  
PROCEEDING: Ordinance 1st Reading  
SUBMITTED BY: City Staff  
EXHIBITS: Ordinance  
AUTHORITY: *City Charter – Article V, Taxes and Taxation*  
*State Law; Property Tax Code, Sec.26.05 and 31.05*

## SUMMARY STATEMENT

Consider establishing an ad valorem tax rate by passing on first reading an ordinance establishing the ad valorem tax rate which will raise the amount of revenue required to fund Maintenance and Operation expenditures at a rate of **\$ .708478** for Fiscal Year beginning October 1, 2015 and ending September 30, 2016.

***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE}.***

## COUNCIL ACTION

Motion by Council Member \_\_\_\_\_ must be stated as; **"I MOVE THAT THE CITY ESTABLISH THE AD VALOREM TAX RATE WHICH WILL RAISE THE AMOUNT OF REVENUE REQUIRED TO FUND MAINTENANCE AND OPERATION EXPENDITURES AT A RATE OF \$ .708478 PER HUNDRED DOLLAR ASSESSED VALUATION FOR FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016.**

Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

## RECORD VOTE REQUIRED: VOTE BY SHOW OF HANDS

VOTING	"AYE"	"NAY"	"ABSTAIN"
Dave Nix	_____	_____	_____
Josh Stevens	_____	_____	_____
Marie A. Briseno	_____	_____	_____
Fabian Rubio	_____	_____	_____
Bobby Gonzales	_____	_____	_____
Fred Vera	_____	_____	_____
Chance Britt	_____	_____	_____

## **CITY MANAGER'S MEMORANDUM**

Recommend approval on 1<sup>st</sup> reading to set the Maintenance and Operations tax rate at \$0.708478 on the hundred dollars cash value.

**ORDINANCE NO.: \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF LAMESA, TEXAS LEVYING AD VALOREM TAXES FOR FISCAL YEAR 2015-2016 AT \$0.708478 PER ONE HUNDRED DOLLARS ASSESSED VALUATION OF ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS TO PROVIDE THE REVENUE REQUIRED FOR MAINTENANCE AND OPERATION EXPENDITURES.**

On this the 1st day of September, 2015, there came on and was held at the regular meeting place, the City Hall, an open meeting of the City Council of the City of Lamesa, Texas held pursuant to the provisions of the Texas Open Meetings Act (Govt. Code, Chapter 551); there being a quorum present and acting throughout the meeting, the following ordinance was formally submitted by motion and duly seconded for the consideration and action of the meeting, to wit:

**WHEREAS** the City Council hereby finds that this ordinance implements the ad valorem tax revenue provisions of the Operating Budget of the City of Lamesa effective for the Fiscal Year 2015-2016 required to raise the amount of revenue required for maintenance and operation expenditures.

**WHEREAS**, the City Council of the City of Lamesa, Texas finds that passing said ordinance setting said tax rate for maintenance and operation expenditures is in the public interest of all of the residents of the City of Lamesa, Texas.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS:**

**SECTION 1.** There is hereby levied for the Fiscal Year 2015-2016 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Lamesa, Texas, and not exempt by the Constitution of the State and valid State laws, for maintenance and operations expenditures a tax of \$0.708478 on each one hundred dollars (\$100.00) of assessed value of taxable property.

**SECTION 2** The effective date of this ordinance shall be October 1, 2015.

Upon being put to a vote, the foregoing ordinance was Passed, on First Reading on the 1st day of September, 2015 by a majority vote.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Shawna D. Burkhart  
City Manager

\_\_\_\_\_  
Dave Nix  
Mayor

# City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: SEPTEMBER 1, 2015

AGENDA ITEM: 15

SUBJECT: **AD VALOREM TAX RATE – 2015**  
PROCEEDING: Ordinance 1st Reading  
SUBMITTED BY: City Staff  
EXHIBITS: Ordinance  
AUTHORITY: *City Charter – Article V, Taxes and Taxation*  
*State Law; Property Tax Code, Sec.26.05 and 31.05*

## SUMMARY STATEMENT

**AD VALOREM TAX RATE – 2015:** Consider establishing an ad valorem tax rate by passing on first reading an ordinance establishing the ad valorem tax rate of **\$ .740000** per hundred dollar assessed valuation for the Fiscal Year beginning October 1, 2015 and ending September 30, 2016, and adopting the provisions of Section 31.05 of the State Property Tax Code to provide for discounts under certain conditions.

***THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70 {(Section 26.05(b)1(A&B) OF THE PROPERTY TAX CODE)}.***

## COUNCIL ACTION

*(Legislature has specific instructions on how to read the motion, see below).*

Motion by Council Member \_\_\_\_\_ must be stated as; **"I MOVE THAT THE PROPERTY TAX RATE BE INCREASED BY THE ADOPTION OF A TAX RATE OF \$0.740000, WHICH IS EFFECTIVELY A 4.939 PERCENT INCREASE IN THE TAX RATE."**

Motion seconded by Council Member \_\_\_\_\_ and upon being put to a vote the motion \_\_\_\_\_.

## RECORD VOTE REQUIRED: VOTE BY SHOW OF HANDS

VOTING	"AYE"	"NAY"	"ABSTAIN"
Dave Nix	_____	_____	_____
Josh Stevens	_____	_____	_____
Marie A. Briseno	_____	_____	_____
Fabian Rubio	_____	_____	_____
Bobby Gonzales	_____	_____	_____
Fred Vera	_____	_____	_____
Chance Britt	_____	_____	_____

## **CITY MANAGER'S MEMORANDUM**

Recommend approval on 1<sup>st</sup> reading to set the tax rate at \$0.740000 on the hundred dollars cash value.



ORDINANCE NO.: \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF LAMESA, TEXAS LEVYING AD VALOREM TAXES FOR FISCAL YEAR 2015-2016 AT \$0.740000 PER ONE HUNDRED DOLLARS OF ASSESSED VALUATION OF ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS TO PROVIDE REVENUES FOR INTEREST AND SINKING FUND REQUIREMENTS FOR DEBT SERVICE AND MAINTENANCE AND OPERATIONS EXPENDITURES; PROVIDING DUE AND DELINQUENT DATES; PENALTIES AND INTEREST; PROVIDING NO HOMESTEAD EXEMPTION; REPEALING ALL ORDINANCES OF THE CITY IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.**

On this the 1st day of September, 2015, there came on and was held at the regular meeting place, the City Hall, an open meeting of the City Council of the City of Lamesa, Texas held pursuant to the provisions of the Texas Open Meetings Act (Govt. Code, Chapter 551); there being a quorum present and acting throughout the meeting, the following ordinance was formally submitted by motion and duly seconded for the consideration and action of the meeting, to wit:

**WHEREAS**, the City Council of the City of Lamesa, Texas finds that the taxes to be levied will exceed last year's property tax revenue and will require two public hearings and the publishing of public notices for a tax increase; and

**WHEREAS**, the City Council of the City of Lamesa, Texas finds that all prerequisites to the levying of a tax rate for the City of Lamesa for the Fiscal Year 2015-2016 as required by law have been complied with; and

**WHEREAS**, the City Council hereby finds that this ordinance implements the ad valorem tax revenue provisions of the Operating Budget of the City of Lamesa effective for the Fiscal Year 2015-2016 and further finds that this ordinance is not inconsistent or in conflict with said Operating Budget; and

**WHEREAS**, the City Council of the City of Lamesa, Texas finds that passing said ordinance setting the tax rate and providing for certain discounts would be in the public interest of the residents of the City of Lamesa, Texas.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS:**

**SECTION 1.** There by and is hereby levied for the Fiscal Year 2015-2016 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Lamesa, Texas and not exempt by the Constitution of the State and valid State laws, a tax of seventy-four cents (\$0.740000) on each one hundred dollars (\$100.00) of assessed value of taxable property, and shall be apportioned and distributed as follows \$1,948,672 for the purpose of defraying the current expenses for maintenance and operations and debt service of the City.

**SECTION 2.** THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

**SECTION 3.** THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.70.

**SECTION 4.** The provisions of Section 31.05 of the State Property Tax Code are hereby adopted and all taxpayers shall be allowed discounts on the following conditions:

- (a) Three (3) percent discount on ad valorem taxes due the City of Lamesa if such taxes are paid ninety (90) days before the date when they would otherwise become delinquent.
- (b) Two (2) percent discount on ad valorem taxes due the City of Lamesa if such taxes are paid sixty (60) days before the date when they would otherwise become delinquent.
- (c) One (1) percent discount on ad valorem taxes due the City of Lamesa if such taxes are paid thirty (30) days before the date when they would otherwise become delinquent.

**SECTION 5.** The effective date of this ordinance shall be October 1, 2015.

**SECTION 6.** If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Lamesa, Texas hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

Upon being put to a vote, the foregoing ordinance was Passed, on First Reading on the 1st day of September, 2015 by a majority vote.

**ATTEST:**

---

Shawna D. Burkhart  
City Manager

**APPROVED:**

---

Dave Nix  
Mayor

# ***City Council Agenda***

## ***City of Lamesa, Texas***

**DATE OF MEETING: SEPTEMBER 1, 2015**

**AGENDA ITEM: 14**

---

**ADJOURNMENT:** *Announcement* – “The next regular meeting of the City Council of the City of Lamesa, Texas will be held at 5:30 p.m., on **Tuesday, SEPTEMBER 15, 2015** at City Hall, 601 South First Street. Persons desiring to present business to the city council at that meeting are directed to submit a request in writing to the city secretary by **Wednesday, SEPTEMBER 9, 2015** in order to be included on the agenda. There being no other business, the meeting is hereby adjourned.”

***NEXT REGULAR MEETINGS WILL BE ON***  
***SEPTEMBER 15, 2015***  
***OCTOBER 20, 2015***