



CITY COUNCIL POLICY

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Policy for Landing Rotary Aircraft in the Burleson City Limits

Adopted date	August 28, 1980
Revised date	
Department Name	General

This policy is established to address procedural matters associated with requests to land rotary wing aircraft for hire in the Burleson City limits. (This policy is intended to supplement, not contradict City Ordinance B-219, Zoning Standards).

The following guidelines shall be used to consider application for operating a temporary helistop for hire (a landing pad for a limited period of time, by rotary wing aircraft not exceeding a gross weight of 6, 000 pounds and not for regularly scheduled stops nor fueling facilities and subject to the approval of the City of Burleson.)

1. The City Manager shall represent the City of Burleson on all matters concerning applicants for a permit to operate a temporary helistop.
2. The request to allow operation of such temporary helistop shall be made by the operator. The property owner shall provide a written letter of permission naming the individual, company, or corporation responsible for the operation of the temporary helistop.
3. There shall be insurance documents attached documenting \$100, 000 property damage and \$300,000 bodily injury insurance.
4. The applicant will be responsible for proper barricading and safety precautions associated with proper operation of a helistop. Prior to opening for business, the operator shall request inspections from the City of Burleson.
5. All provisions of Burleson City Ordinance B-219, Zoning Standards shall remain applicable in all cases.



CITY COUNCIL POLICY

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City of Burleson City Council Policy Establishing City Council Rules of Procedure For City Council Meetings

Adopted date	November 11, 1982
Revision dates	May 5, 1985 January 21, 2020; February 22, 2021; August 8, 2021; June 20, 2022; June 27, 2024
Department Name	City Council

I. AUTHORITY

Pursuant to the provisions of the Charter of the City of Burleson, Texas, the City Council shall enact rules of procedure for all meetings of the City Council of the City of Burleson, Texas, which shall be in effect upon their adoption by the City Council until such time as they are amended or new rules adopted. These guidelines shall remain flexible and in compliance with the City Charter, the Texas Open Meetings Act, and any other applicable state laws.

Pursuant to the Charter of the City of Burleson, Texas, Section 32; the city council shall meet regularly at times prescribed by its rules but not less frequently than once each month. The city secretary shall call special meetings upon the request of the mayor, city manager, or a majority of the members of the city council. All meetings must be held in accordance with state law.

II. MEETING AGENDAS

- a. **Preparation & Posting of:** The City Manager is responsible for creating the agenda and agenda packet materials for City Council meetings. The City Secretary is responsible for posting the agenda and distributing agenda packets to the City Council.
- b. **Placing Items on the Agenda:** The Mayor or any one Councilmember may request that an item be placed on the agenda by the following means:

- i. Request the item during the “Request for Future Agenda Items” during the work session portion of a Council meeting; or
- ii. Notify the City Manager, in writing, of the request a least ten (10) business days prior to any regularly scheduled City Council meeting.
- iii. The city manager shall add to the agenda all elected official initiated requests for action that incur a cost beyond the approved budget. These items should include appropriate project details and associated costs. These items are beyond and outside routine maintenance and normal operations of the city. This is to ensure complete transparency and efficient budget oversight.

c. Agenda Packet:

- i. Contents: The agenda packet will include a report and related documents (i.e. ordinance, contract, bid tabulation, etc.) for each item on the Consent Action and/or General Action sections of the agenda.
- ii. Distribution: In most cases, the agenda packet should be made available to the City Council at least 5 (five) calendar days prior to the regularly scheduled City Council meeting.

d. Agenda Item Pages: Each AIP shall contain all pertinent information on the item of business. Generally, the report shall include the following order of information:

- i. Action requested of the City Council
 - 1. Items concerning an ordinance must identify the proponent of the ordinance in parenthesis following the action requested.
- ii. Background and/or historical information
 - 1. Input/Recommendations received from applicable City Boards or from the public
 - 2. Financial impact (i.e. source of funds)
 - 3. Identity of the City Manager’s office contact and city departmental staff member whom Council and the public should contact for additional information

e. Consent Agenda Items: The City Manager may place on the consent agenda section of the agenda any items that, in the City Manager’s view, are routine in nature. Consent agenda items should not include:

- i. An item concerning an election

- ii. An item authorizing the issuance (or notice of issuance) of any debt instrument (bonds, certificates of obligation, capital lease agreements, etc.)

Posted consent agenda items may be removed from consent by any one councilmember who request the removal during the open meeting. Any posted item on the agenda that does not require a public hearing or that is not an ordinance supplementing the adopted budget on first and final reading may be added to the consent agenda by any councilmember who requests the addition during the open meeting.

- f. **Councilmember's Obligations to be Prepared in Advance:** In order to provide for informed decision making and to instill confidence in the electorate, in advance of each meeting, each Councilmember is expected to:
 - i. Study and be familiar with all material in the agenda packet provided by the staff in advance of the meeting.
 - ii. Include staff and citizen contacts, field observations and inquiries in their preparation.
 - iii. Direct any questions about the agenda packet to the city manager's office or the staff member designated on the agenda report.

III. COUNCIL MEETINGS: RULES, PROCEDURES AND CONDUCT

a. **Presiding Officer**

- i. The Mayor presides at meetings of the City Council (City Charter, Sec. 22(a)).
- ii. The Mayor Pro Tem, who shall act as mayor during the absence or disability of the Mayor (City Charter, Sec. 22(b)).
- iii. In the event the Mayor and Mayor Pro Tem are absent, the Councilmember in attendance with the longest tenure shall preside over the meeting. In the event of a tie in tenure, the members may draw lots to determine who shall preside.

b. **Burleson Rules of Order**

- i. The rules contained in Section V of this Policy shall govern the Burleson City Council meetings in all cases to which they are applicable and not in direct conflict with State laws. These rules are intended to be fair and complete.

c. Executive Session (Closed Session)

The city council in accordance with Chapter 551 of the Texas Government Code may convene into executive session. Every consideration should be given to not convene into executive session prior to the consent agenda.

- i. The Texas Open Meetings Act (TOMA) provides for narrowly drawn exceptions to the requirement that meetings be open to the public. The City Council shall follow TOMA with regards to executive sessions requirements.
- ii. The city shall keep a certified agenda or a recording depending on requirements of Chapter 551. The city secretary or designee shall be responsible for the certified agenda and when required by law a recording of the executive session; no one else in attendance may keep a record or recording of executive session
- iii. Only members of the governmental body or persons necessary to the matter under consideration in executive session may attend. A person whose interest is against the city may not be admitted to attend executive session
- iv. Executive session needed for items posted on consent agenda should be removed from the consent agenda and taken up separately. The remaining consent agenda should be voted on prior to any executive session.

d. Annual Meeting Calendar: The City Council shall adopt a calendar outlining their scheduled regular meetings for any calendar year no later than December 1st of the preceding year.

e. Citizen Appearances: Each person in attendance who desire to speak to Council on an item **not** posted on the agenda, shall speak during this section. Each person in attendance who desire to address the Council on an item posted on the agenda or at a public hearing shall address the council when that item is called forward for consideration.

A speaker card must be filled out and turned in according to speaker rules listed in this section. Under the Texas Open Meeting Act the city council may take action only on legally posted items on the agenda. There will be no discussion of any un-posted items, council will only receive comments, may only ask clarifying questions, and should

refrain from addressing speaker but rather refer them to city management or state policy only.

Speaker Rules

1. Each person will be allowed three (3) minutes and will not be interrupted by Council or staff.
2. Council may request the City Manager place the subject on a future Council meeting agenda or request staff meet with the person for further discussion.
3. Speaker Cards
 - a. Speaker cards will be provided at the council meetings for in-person speakers and can be handed directly to the City Secretary Office staff.

- f. **Speakers at council meetings:** Each person who desires to speak to the city council pertaining to an item listed on the agenda or advertised as a public hearing will have two options to address the city council. Each person shall address the council when that item is called forward for consideration.

Speaker Rules

1. A speaker card must be filled out and turned into the City Secretary's staff
2. Each person in attendance will be allowed three (3) minutes and will not be interrupted by Council or staff. The presiding officer may grant additional time to a speaker if requested however the presiding officer will maintain fairness for speakers on the item
3. Applicants will not be timed and be allowed reasonable time by the presiding officer to offer facts of their case and answer questions, however applicant must submit to the City Secretary any hand-outs or material at least 72 hours prior to the meeting. Applicants will be cognizance of time and be precise when presenting their case.
4. Online speaker cards will be provided through the city's website and available to anyone not attending the council meeting in-person. Online speaker cards are for posted agenda item only. Online speaker cards must be submitted 30 minutes prior to the posted start time of the meeting. Online speaker cards will be read aloud by the City Secretary at the time the item is

presented for speakers. All online speaker cards received after the deadline will be forwarded to the city council as soon as practical.

IV. COUNCIL MEETINGS: ORDER OF BUSINESS

Council meetings shall generally adhere to the following order of business:

a. Regular Session:

- i. Should begin with a Call to Order by the Mayor (presiding officer)
 1. formal roll call or statement by presiding officer (or city secretary) indicating quorum present
 2. statement of date and time
 3. invocation
 4. pledge of allegiance – United States and Texas
- ii. Public Presentations: Proclamations, recognitions, general reports, and updates from the public or community organizations.
- iii. Community Interest Items: In accordance with the Texas Open Meetings Act, an "item of community interest" includes the following:
 1. expressions of thanks, congratulations, or condolence;
 2. information regarding holiday schedules;
 3. honorary recognitions of city officials, employees, or other citizens;
 4. reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by city official or city employee; and
 5. announcements involving imminent public health and safety threats to the city.
- iv. Items to be continued or withdrawn: Any City Councilmember or the City Manager may request an item be removed from consideration and either (1) continued to a future meeting date or (2) withdrawn from consideration altogether or (3) move in the order of the agenda.
- v. Items to be withdrawn from Consent Agenda for separate discussion or items to be added to the consent agenda
 1. Items to be withdrawn from the consent agenda for separate discussion: Any Councilmember wishing to

discuss and vote on a consent agenda item individually should make that request in an open meeting.

2. Items to be added to the consent agenda: Any councilmember may request a posted agenda item that does not require a public hearing be moved to the consent agenda.

vi. Citizen Appearances:

It is the policy of the City Council of the City of Burleson to encourage open government and the opportunity for all citizens to address the Council and receive fair consideration for each item listed on the agenda. Therefore, and in the interest of time, decorum and the constraints of the Texas Open Meetings Act, there are rules that must be enforced. On items not posted on the agenda, the Council may receive comments or suggestions. The Council cannot discuss or deliberate on the unposted matter. The Council may, however, ask clarifying questions, respond with facts, explain a policy, and propose that the item be placed on a future agenda.

1. In accordance with Section 551.007 of the Texas Open Meetings Act, the public has a right to speak on items on the agenda either at the beginning of the meeting or during the meeting when an agenda item is being considered.
2. Under the Texas Open Meetings Act and Public Information Act laws of the State of Texas, the City Council may take action only on items legally posted on the agenda.
3. On items not posted on the agenda, the Council may receive comments or suggestions. The Council cannot discuss or deliberate on the unposted matter. The Council may, however, ask clarifying questions, respond with facts, explain a policy, and propose that the item be placed on a future agenda.
4. Each person will be allowed three (3) minutes to comment on any particular subject. Council and staff will not interrupt speaker's time and will ask questions or clarification after the three (3) minutes of time. If the person requires a translator, they will receive six (6) minutes to allow to address the Council.
5. Each person shall fill out a speaker card and present to the City Secretary before speaking.
6. Profanity or threatening language will not be tolerated and may result in the following:

- i. Cancellation of remaining time;
 - ii. Removal from the Council Chambers; and/or
 - iii. A contempt citation.
- vii. Consent Action Agenda: All items listed are considered to be routine by the City Council and will be enacted with one motion. There will be no separate discussion of the items unless a Councilmember or citizen so requests, in which event the item will be removed from the consent agenda and considered in its normal sequence.
- viii. General Action Items: Items may include, but are not limited to: Public Hearings, Ordinances & Resolutions, Contracts & Agreements, Legislative Update, Budget and Tax Rate, etc. Items scheduled for public hearing or which involve outside organizations should, typically, be listed first.
- ix. Reports: An opportunity for the City Manager or his/her staff to obtain direction from Council on a future item, provide information on current items, or respond to previous Councilmember requests for information.
- x. City council request for future items or reports: An opportunity for any member of the city council to request a future council meeting item.

Executive Session (if needed): The City Council may choose to meet in Executive Session in accordance with state law. Executive Session may be held at any time when a City Council meeting is convened. Every consideration should be given to not convene into executive session prior to the consent agenda.

- xi. Adjourn: With no further business the presiding officer shall request a motion to adjourn. No vote is necessary.

V. BURLESON RULES OF ORDER

The rules contained in this section the policy shall govern the Burleson City Council meetings in all cases to which they are applicable and not in direct conflict with state laws.

- a. Presiding Officer: The Mayor, if present, shall be the presiding officer. In the absence of the Mayor the Mayor Pro Tem shall be the presiding officer. In the absence of both the Councilmember with the most senior tenure should preside.

- i. Should by statement identify quorum present call the meeting to order according to posted agenda and clearly state date and time.
- ii. Should establish the order of the meeting by following the posted agenda and may call items out of order for purpose of functionality.
- iii. Shall not make initial motions on items before the Council, however may second a motion.

b. Motion:

- i. Motion dies from lack of second
- ii. No amendments to original motion, except by the member making the motion
- iii. Each item posted on the agenda should be voted on individually

c. Point of Order:

- i. Any Councilmember may request to identify procedural defect
- ii. Any Councilmember may make call a filibuster point of order
 - 1. Presiding officer request Councilmember speaking to yield the floor
 - 2. Presiding officer present to the other members of Council an opportunity to speak
 - 3. If no other member wishes to speak the officer can return the floor to the original member speaking

d. Point of Information:

- i. Any Councilmember may request additional information for other members to consider
- ii. There is no debate

e. Call the Question: Only when a motion is on the table for consideration

- i. Any Councilmember may call the question
- ii. Requires a second but no vote
- iii. Ends debate or discussion and requires immediate vote on item

f. Public Hearing:

- i. Council should fairly allow everyone to be heard before Councilmembers speak
- ii. After all speakers, Council may comment and recall speakers if needed

- iii. Each person will be allowed three (3) minutes to speak. Council and staff will not interrupt speaker's time and will ask questions or clarification after the three (3) minutes of time. If the person requires a translator, they will receive six (6) minutes to address the Council.
- iv. Applicants will not be timed and be allowed reasonable time by the presiding officer to offer facts of their case and answer questions, however applicant must submit to the City Secretary any hand-outs or material at least 72 hours prior to the meeting. Applicants will be *cognizance of time and be precise when presenting their case.*

g. Table:

- i. Items will be tabled to a specific date and the request made by applicant or staff
- ii. If no date is stated when item is tabled, the item after 180 days will be placed on the next regular agenda and considered
- iii. In non-zoning cases, citizens may make a request to table

h. Adjourn:

- i. Adjournment of the meeting requires a motion and a second but no vote
- ii. Presiding officer will announce date and time of adjournment

i. Executive Session:

Can be taken at any time during the meeting with proper notice to the public – presiding officer (or city secretary) shall announce the exceptions and time. Every consideration should be given to not convene into executive session prior to the consent agenda.

- i. Any member of the Council present may request to convene into executive session
- ii. City Manager, Deputy City Manager, City Secretary or Deputy City Secretary may request Council convene into executive session
- iii. All request to convene into executive session requires a motion, a second and a vote by Council
- iv. All request to reconvene into open session requires a motion, second and a vote by Council

VI. MAYOR/MAYOR PRO-TEM

a. Mayor:

- i. Per Sec. 22 of the Charter of the City of Burleson, the Mayor presides at meetings of the City Council and, except in cases involving conflict of interests, must vote upon all items voted on by the City Council.

b. Mayor Pro-Tem:

- i. The City Council shall elect in accordance with Sec. 22 of the Charter from among its members, a Mayor Pro Tem, who shall act as Mayor during the absence or disability of the Mayor, and, if a vacancy occurs in the Mayor's place, shall become Mayor until the next general election. (City Charter, Section 22(b))
- ii. Qualifications: Any Councilmember who has served at least 2 years on the City Council shall be qualified to serve as Mayor Pro Tem.
- iii. Nomination process: Councilmembers interested in serving as Mayor Pro Tem shall, at least five business days prior to the meeting, submit to the City Secretary written notification of their interest of serving. The City Secretary shall present to Council, in executive session, all the names of the interested, qualified, Councilmembers. (*no discussion or vote will take place, this is informational only*)
- iv. Election: Each year at a regular meeting by August 31st, an agenda item for Election of Mayor Pro-Tem shall be placed on the Regular Session agenda. All action for election of the Mayor Pro-Tem shall occur during open session.

VII. AUDIO/VIDEO USE

- a. Recording of Council meetings on video equipment larger than a cell phone or tablet shall be located at the rear of the chambers so as not to interfere with the sight lines of the seated audience.



CITY COUNCIL POLICY

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City of Burleson Financial Policy Statements

Adopted date	May 26, 1988
Revised date	October 5, 1995, March 4, 2019; December 9, 2019; June 21, 2021, July 10, 2023; June 16, 2025
Department Name	Finance

I. STATEMENT OF PURPOSE

The intent of the Financial Policy is to enable the City to achieve a long-term, stable, and positive financial condition. The guiding principles of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The more specific purpose is to provide guidelines to management in planning and directing the City's finances and in developing recommendations to the City Council.

The scope of the financial policies includes the City's investment, debt, and continuing disclosure policies covering areas such as accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, debt management, and planning concepts, in order to:

- a. present fairly and with full disclosure the financial position and results of financial operations of the City in conformity to generally accepted accounting principles (GAAP) as set forth by the governmental accounting standards board (GASB), and
- b. determine and demonstrate compliance with finance related legal and contractual issues in accordance with provisions of the Texas Local Government Code and other pertinent legal documents and mandates.

II. GENERAL IMPLEMENTATION AND COMPLIANCE GUIDELINES

A. FINANCE COMMITTEE. The committee will meet at least four times a year. The committee will report to the City Council at a Regular City Council meeting. The function of the committee will be:

- 1) Fiscal policy review
- 2) Auditor selection recommendation

- 3) Investment and Debt policy review and guidance
 - 4) Long-range planning
 - 5) Financial Report review
- B. ANNUAL REVIEW. Based upon the results and recommendations of the Finance Committee review, the Council will annually approve the fiscal policies.
- C. IMPLEMENTATION, COMPLIANCE, ACCOUNTABILITY AND REVIEW. The Finance Director will be responsible for implementing these policies and will, to the best of his or her knowledge, make the City Manager, Finance Committee and the City Council aware of any variances in practice from these policies or any other deviation from prudent financial practices in accordance with GAAP, the City Charter, state laws and/or ethics of the profession.

III. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

- A. ACCOUNTING. The City is solely responsible for the reporting of its financial affairs, both internally and externally. The City Manager is the City's Chief Administrative Officer and the head of the administrative branch of the City government. The City Manager may delegate some or all of the financial administrative duties but shall maintain supervisory authority over all functions as specified in the City's Charter Article VII, Section 68.
- B. AUDITING. An independent certified public accounting (CPA) firm will perform annual financial audits.
- 1) Qualifications of the Auditor. In conformance with the City's Charter and according to the provisions of Texas Local Government Code, Chapter 103, the City will be audited annually by outside independent accountants. ("auditor").
 - 2) Auditor Repute. The auditor must be a CPA firm of good reputation and must demonstrate that it has the breadth and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards and contractual requirements. The auditor must be registered as a partnership or corporation or certified public accountants, capable of demonstrating that it has sufficient staff which will enable it to conduct the City's audit in accordance with generally accepted auditing standards as required by the City Charter and applicable state and federal laws.
 - 3) Timing. The auditor's report on the City's financial statements will be completed within 180 days of the City's fiscal year end.
 - 4) Management Letter. The independent CPA firm shall provide a management letter, if one is issued, no later than March 31 following the end of each fiscal year. The auditor will prepare and will review the management letter with

Management and the Finance Committee. The Finance Director shall respond in writing to the City Manager and City Council regarding the auditor's management letter, addressing the issues contained therein. The Council shall schedule its formal acceptance of the auditor's report upon the resolution of any issues resulting from the review.

- 5) Responsibility of Auditor to City Council. The auditor is accountable to the City Council and will have access to direct communication with the City Council if the City Staff is unresponsive to auditor recommendations or if the Auditor considers such communication necessary to fulfill its legal and professional responsibilities.
- 6) Rotation of Auditor. The City will not require an auditor rotation but will circulate requests for proposals for audit services at least every five years. Should the City Council be dissatisfied with the auditor's performance, it may request new proposals at any time. Year-to-year authorization to continue shall be done by July 1st of each year.

C. FINANCIAL REPORTING.

1) External Reporting.

- a. Scope. The Annual Comprehensive Financial Report shall be prepared in accordance with generally accepted accounting principles (GAAP).
- b. Timing. The Report shall be presented to the Council within 180 calendar days of the City's fiscal year end. If City staffing limitations preclude such timely reporting, the Finance Director will inform the City Council of the delay and the reasons thereof.
- c. Awards. The Report shall be presented annually to the Government Finance Officer's Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting.

2) Internal Reporting.

The Finance Department will prepare internal financial reports, sufficient to plan, monitor, and control the City's financial affairs. Internal financial reporting objectives are addressed throughout these policies.

IV. OPERATING BUDGET.

- A. PREPARATION. Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The City's "operating budget" is the City's annual financial operating plan. The scope of the budget

includes all funds for which the City will adopt a formal budget, including Government Funds and Proprietary Funds.

- 1) Budgetary Process. The budget is prepared by the City Manager or his/her designee with the cooperation of all City Departments. The proposed budget should be presented to the City Council between 60 and 90 days prior to the fiscal year end and should be enacted by the City Council prior to fiscal year end in accordance with the Charter.
- 2) Awards. If feasible, the operating budget will be submitted to the GFOA annually for evaluation and consideration for the Award for Distinguished Budget Presentation.
- 3) Basis of Budgeting. The basis of budgeting will be the same as the basis of accounting; that is, that budgets for the General Fund and the Special Revenue Funds are prepared on the modified accrual basis of accounting, and budgets for the Utility (Proprietary) Funds are prepared on a full accrual basis, except that capital purchases and depreciation are not adjusted until year-end financial reporting.
- 4) Financial Forecast. A five-year financial forecast shall be prepared annually, projecting revenues and expenditures for all operating and capital funds. This forecast shall be used as a planning tool in developing the following year's operating budget.
- 5) Proposed Budget Format. A proposed budget shall be prepared by the City Manager with the participation of all of the City's Department Directors, within the provisions of the City Charter. The budget shall include at least four basic segments for review and evaluation. These segments are: (1) personnel costs, (2) operations and maintenance costs, (3) capital and other (non-capital) project costs, and (4) revenues. A four-column format should be used such that prior year actual, current year budget and revised, and next year proposed are all clearly shown.
- 6) Council Participation. The budget review process shall include Council participation in the development of each of the four segments of the proposed budget and a Public Hearing to allow for citizen participation in the budget preparation. The budget process shall span sufficient time to address policy and fiscal issues by the Council. The budget process will be coordinated so as to identify major policy issues for City Council consideration prior to the budget approval date so that proper decision analysis can be made.
- 7) Filing and Adoption. Upon the presentation of a proposed budget document acceptable to the Council, the Council shall call and publicize a public hearing and adopt by Ordinance such budget as the City's Official Budget, effective for

the fiscal year beginning. A copy of the proposed budget shall be filed with the City Secretary in accordance with the provisions of the City Charter. Should the Council fail to take final action on or before the last day of the fiscal year, the budget as submitted by the City Manager shall be deemed to have been finally adopted by the City Council. If a tax rate is not adopted by September 30, the tax rate for that year will be the lower of the no-new-revenue rate calculated for the tax year or the rate adopted by the taxing unit for the preceding year in accordance with State Law (Tax Code Sec.26.05. (c))

- 8) Amending the Official Budget. The council may amend the budget for municipal purposes in accordance with state law.
 - 9) Encumbrances. Encumbrances outstanding at the end of each fiscal year shall be reflected as reservations of fund balance. Subsequent year's payments on previously encumbered funds will be reflected as expenditures in the current year. For Encumbrances that are brought forward from the previous year, budgets will be adjusted by the encumbered amount in the current year.
- B. **BALANCED BUDGET**. The operating budget will be balanced with current revenues and other resources greater than or equal to current expenditures/expenses. Use of beginning balances and other reserves to balance operations will be discussed with the City Council during the budget process.
- C. **REPORTING**. Monthly financial reports will be prepared to enable the Department Managers to manage their budgets and to enable the Finance Director to monitor and control the budget as authorized by the City Manager. Summary financial reports will be presented to the departments. City Council will receive a financial summary of key funds within 30 days after the end of each month with the exception of the first quarter of the fiscal year. The report will be provided within 30 days after the first quarter of the fiscal year.
- D. **ACTIVITY INDICATORS AND STATISTICS**. Where appropriate, activity indicators and statistics will be used as guidelines and reviewed for efficiency and effectiveness. This information will be considered in the annual budgeting process and reported to the City Council regularly.
- E. **OPERATING POSITION**. The guidelines that the City should be following to assure fiscal stability are those outlined in Financial Condition/ Reserves/Stability Ratios.

V. REVENUE MANAGEMENT.

- A. The City will strive for the following optimum characteristics in its revenue system:
 - 1) **SIMPLICITY**. The City, where possible and without sacrificing accuracy, will strive to keep the revenue system simple in order to reduce compliance costs

and to make it more understandable to the taxpayer or service recipient. The City will avoid nuisance taxes or charges as revenue sources.

- 2) **CERTAINTY.** A knowledge and understanding of revenue sources increase the reliability of the revenue system. The City will understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budgets and plans.
 - 3) **EQUITY.** The City shall make every effort to maintain equity in its revenue system structure, i.e., the City shall seek to minimize or eliminate all forms of subsidy between entities, funds, services, utilities, and customers. The City shall require that there be a balance in the revenue system, i.e., the revenue base will have the characteristic of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
 - 4) **ADMINISTRATION.** The benefits of a revenue will generally exceed the cost of collecting and administering the revenue program. The cost of collection will be reviewed periodically for cost effectiveness as a part of the indirect cost and cost of services analysis. Where appropriate, the City will use the administrative processes of State or Federal collection agencies in order to reduce administrative costs.
 - 5) **DIVERSIFICATION AND STABILITY.** In order to protect from fluctuations in revenue sources due to changes in the economy and variations in weather, a diversified revenue system will be maintained to provide stability.
 - 6) **GRANTS AND RESTRICTED REVENUES.** In order to maintain flexibility in the revenue system, grants and restricted revenues shall be pursued on a cost-benefit basis. All grants and other federal/state, and restricted funds shall be managed and accounted for to comply with the laws, regulations, and guidance of the grantor.
- B. The following considerations and issues will guide the City in its revenue policies concerning specific sources of funds:
- 1) **COST/BENEFIT OF ABATEMENT.** The City will use due caution in the analysis of any tax or fee incentives that are used to encourage development. Ideally, a cost/benefit (fiscal impact) analysis will be performed as a part of such caution.
 - 2) **NON-RECURRING REVENUES.** One-time or non-recurring revenues will not be used to finance current ongoing operations. Non-recurring revenues should be used only for one-time expenditures such as long-lived capital needs.
 - 3) **PROPERTY TAX REVENUES.** All real and business personal property located within the City shall be valued at fair market value for any given year based on

the current appraisal supplied to the City by the Central Appraisal District of Johnson County and Tarrant Appraisal District. Total taxable valuation will be reappraised and reassessed in accordance with State statute, in order to maintain current market values.

A 98% collection rate shall serve each year as a goal for tax collections. All taxes shall be aggressively pursued each year by the City's appointed tax assessor/collector. Tax accounts delinquent July 1st shall be submitted for collection each year to an attorney selected by the City Council. A penalty shall be assessed on all property taxes delinquent in accordance with State law and shall include all court costs, as well as an amount for compensation of the attorney as permitted by State law and in accordance with the attorney's contract with the City. Annual performance criteria will be developed for the attorney.

- 4) INTEREST INCOME. Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the operating and capital budgets which, wherever possible, will be in accordance with the cash balance of the fund from which monies were provided to be invested.
- 5) USER-BASED FEES AND SERVICE CHARGES. For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee where possible. There will be an annual review of fees and charges to ensure that fees provide adequate coverage of the costs of services. User charges may be classified as "Full Cost Recovery", "Partial Cost Recovery," and "Minimal Cost Recovery," based upon City Council policy.
- 6) UTILITY RATES. The City will review and adopt utility rates annually that will generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs. This policy does not preclude drawing down cash balances to finance current operations. However, it is best that any extra cash balance be used instead to finance capital projects. Components of Utility Rates will include transfers to the General Fund as follows:
 - a. General and Administrative Charge. An administrative fee will be charged to the Utility Fund for services of general overhead, such as administration, finance, personnel, data processing, and legal counsel. This fee will be documented through a cost allocation procedure.
 - b. Franchise payment. A rate consistent with those charged to private utilities will be charged to the Utility Fund. This rate may be either raised or lowered so as to be consistent with those of the private utilities.

- c. Payment in lieu of Property Tax (PILOT). A fee will be charged to the Utility Fund to equate to property taxes lost due to municipal ownership. Total Assets from the most recent audited financials will be used as a basis, barring the absence of known market value. The tax rate from the same fiscal year as the most recent audited financials will be applied to this base to determine the PILOT charge.
- 7) REVENUE MONITORING. Revenues received will be compared to budgeted revenues throughout the fiscal year and significant variances will be investigated.

VI. EXPENDITURE CONTROL

- A. APPROPRIATIONS. The level of budgetary control is at the Department level budget in the General and Enterprise Funds, and at the fund level in all other funds. When budget adjustments among Departments and/or funds are necessary, these must be approved by the City Council. Budget appropriations at lower levels of control, which is defined as transfers, shall be made in accordance with the applicable administrative procedures.
- B. AMENDMENTS TO THE BUDGET. In accordance with the City Charter, all budget amendments shall be approved by the Council.
- C. CENTRAL CONTROL. No recognized or significant salary or capital budgetary savings in any Department shall be spent by the Department Director without the prior authorization of the City Manager. However, Department Directors are authorized to approve budgetary line items transfers in the same fund within their own assigned departments. The City Manager assigns Departments to each Director as areas of their responsibilities, and documents it in the City's Organization Chart.
- D. PURCHASING. All purchases should be in accordance with the City's purchasing policies as defined in the Purchasing Manual. In accordance with the Charter provisions, purchases, and contracts as per the City's Procurement Policy, will be reviewed and recommended by staff and presented to Council for approval.
- E. PROMPT PAYMENT. All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt in accordance with the Government Code, Chapter 2251, Section 2251.021.
- F. EQUIPMENT FINANCING. Equipment is accounted for at the original acquisition cost, which includes purchase price plus any costs incurred to place the equipment in service. Equipment may be leased or financed when the unit purchase price is

\$5,000 or more and the useful life is at least five years. Departments shall contact the Finance Department for transfer or disposal instructions.

- G. RISK MANAGEMENT. The City will aggressively pursue every opportunity to provide for the Public's and City employees' safety and to manage its risks. The goal shall be to minimize the risk of loss of resources through liability claims with an emphasis on safety programs. All reasonable options will be investigated to finance risks. Such options may include risk transfer, insurance, and risk retention.
- H. AUTHORIZATION OF INVESTMENTS AND PAYMENTS. Two signatures are required to conduct business on behalf of the City of Burleson, Texas. Both the City Manager and the Director of Finance, or their designee(s), are hereby authorized to approve investments and payments for the City.
- I. AUTHORIZATION OF ELECTRONIC TRANSFERS BY THE CITY. In general, electronic transfer responsibilities and processes are set by the Director of Finance in accordance with banking resolutions adopted by the City Council and the Investment Policy. Processes will require two individuals assigned by the Director of Finance to separate the duties of initiating a transaction and approval of a transaction.

VII. ASSET MANAGEMENT

- A. INVESTMENTS. The Finance Director shall promptly invest all City funds with the Bank Depository in accordance with the provisions of the current Bank Depository Agreement or in any negotiable instrument that the Council has authorized under the provisions of the Texas Public Funds Investment Act and in accordance with the City Council approved Investment Policy.
- B. CASH MANAGEMENT. The City's cash flow will be managed to maximize the cash available to invest. Such cash management will entail the centralization of cash collections, where feasible, including property tax payments, utility bills, municipal fines, building and related permits and licenses, and other collection offices as appropriate. Cycle billing will be used where appropriate.
- C. FIXED ASSETS AND INVENTORY. These assets will be reasonably safeguarded and properly accounted for and prudently insured. A fixed asset of the City shall be defined as a purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, addition to existing capital investments, land, buildings, or accessioned Library materials. The cost or value of any such acquisition must be \$5,000 or more within an expected useful life greater than one year. All City departments with inventory are required to conduct a physical inventory under their control on an annual basis.

- D. DEPOSITORIES. The City Council, having given due consideration to all of its options and taking into consideration what is in the best interest of the municipality, hereby authorizes the consideration of applications of depositories not doing business within the City of Burleson, Texas so long as that bank maintains a business location within a five-mile radius of Burleson City Hall. This authorization encompasses all of the depository uses and requirements of the City.

VIII. CAPITAL BUDGET AND PROGRAM

- A. PREPARATION. The City will develop a 5-year capital improvement plan (CIP) to include all capital projects being considered and all resources for capital funding. The budget will be prepared on a fiscal year ending calendar and reported annually. The 5-year CIP will be prepared by the Department Director and presented to the City Council during the budget process. The Finance Director will work closely with Departments to ensure funding capacity is available.
- B. CONTROL. All capital project expenditures must be appropriated in the capital budget at a project level. The Finance Department must certify the availability of such appropriations, or the availability of resources needed to be appropriated before a capital project contract is presented to the City Council for approval. Any remaining funds of a completed project not allocated by the City Council will be closed into an unallocated account in the same fund. Similar projects are to be grouped together in a fund based on the type of project and source of funding, using the similar Capital Projects Fund classifications for reporting purposes in the Annual Financial Report.
- C. PROGRAM PLANNING. The capital budget will include capital improvements program plans for future years. The planning time frame should normally be at least five years. The replacement and maintenance for capital items should also be projected for the next 5 years. Future maintenance and operational costs will be considered at the initiation of a project so the costs can be included in the relevant operating budget.
- D. FINANCING PROGRAMS. Where applicable, assessments, impact fees, pro-rata charges, or other fees should be used to fund capital projects having a primary benefit to specific, identifiable property owners.
- E. INFRASTRUCTURE MAINTENANCE. The City recognizes that deferring maintenance increases future capital costs. Therefore, a portion of the appropriate fund's budget will be set aside each year to maintain the quality of the City's infrastructure. The inclusion of infrastructure maintenance and replacement costs in the current operating budget will place the burden of the costs and repairs on the current users of the systems.

- F. REPORTING. Periodic financial reports will be prepared to enable Department Managers to manage their capital budgets and to enable the Finance Department to monitor and control the capital budget as authorized by the City Manager. Summary capital projects status reports should be presented to the City Council quarterly.

IX. FINANCIAL CONDITIONS, RESERVES, AND STABILITY RATIOS

- A. OPERATIONAL COVERAGE. (NO OPERATING DEFICITS). The City will maintain an operational coverage factor of 1.00, such that current operating revenues (plus approved fund balance appropriations) will equal or exceed current operating expenditures.

Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. Reserves will be used only for emergencies or non-recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums.

- B. OPERATING RESERVES/FUND BALANCES

1) Governmental funds of the City of Burleson shall be defined as follows:

- 1) General Fund. The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.
- 2) Special Revenue Funds. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, omitted, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.
- 3) Capital Projects Funds. Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed

by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

- 4) Debt Service Funds. Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt service funds should be used to report resources if legally mandated.
- 2) Ending fund balances of the City of Burleson shall be reported according to the following classifications:
 - 1) RESTRICTED
 - 2) COMMITTED
 - 3) ASSIGNED
 - 4) UNASSIGNED
 - 3) **Order of expenditure** --When committed, assigned and unassigned resources can be used for the same purpose, funds shall be spent in the sequence of committed resources first, assigned second, and unassigned last.
 - 4) It is the goal of the City that the unassigned fund balance of the General Fund should be at least 20% of the General Fund annual expenditures. This percentage is the equivalent of 73 days' expenditures. In order to adhere to the principles of matching current revenues with current expenditures and minimizing property taxes, the City will strive to maintain the fund balance if the unassigned balance grows beyond 90 days' expenditures.
 - 5) The Water and Wastewater Fund working capital should be maintained at least 20% of total operating expenditures or the equivalent of 73 days.
 - 6) It is the goal of the City that the fund balance of the 4A Corp and 4B Corp, should maintain at least a 20% minimum of total operating expenditure or the equivalent of 73 days.
 - 7) General Obligation Debt Service Funds will have a reserve of approximately \$1,000,000. The policy above does not include the debt service reserves normally established to market revenue bonds. The City's policy and bond ordinance requirements are to maintain these debt service reserves at the level of the average annual debt service.

C. CAPITAL AND DEBT SERVICE FUNDS

- 1) Items in the Capital Projects Funds shall have the goal to be completed and paid for within 36 months of receipt of proceeds. Balances will be used to generate interest income to offset construction costs.

- 2) Revenue Obligations will maintain Debt Coverage Ratios as specified by the bond covenants. The City is currently required to have net revenues in excess of average annual debt by 1.25 times. Net revenues must also exceed the maximum outstanding debt by 1.10 times. Both these tests must be met in order to issue additional bonds.
- 3) Obligations of Burleson's economic development corporations will maintain coverage ratios as specified by bond covenants. If the City issues obligations partially secured by a limited pledge of the corporations' sales tax revenues, not subject to the coverage ratios of the revenue bond covenants, coverage shall be maintained at no less than 1.25 times average annual debt service, and 1.15 times the maximum annual debt service. Both of these tests must be met in order to issue additional bonds.

X. TREASURY AND DEBT MANAGEMENT

- A. CASH MANAGEMENT. A periodic review of cash flow position will be performed to determine performance of cash management and investment policies. A detailed policy structure will be followed with respect to Cash/Treasury Management. The underlying theme will be that idle cash will be invested with the intent to 1) safeguard assets, (2) maintain liquidity, and 3) maximize return. Where legally permitted, pooling of investments will be done.

The City will adhere to the investments authorized through the Texas' Public Funds Investment Act and the city's established comprehensive Investment Policies and Guidelines. Such policies clarify acceptable investment securities, brokers, terms, and other pertinent investment information.

- B. DEBT MANAGEMENT. The City's Debt Management Policy establishes parameters and provides guidance governing the issuance, management, continuous evaluation of and reporting on all debt obligations issued by the City, and to provide for the preparation and implementation necessary to ensure compliance and conformity with this policy.

XI. INTERNAL CONTROLS

- A. WRITTEN PROCEDURES. Written procedures will be established and maintained by the Director of Finance for all functions and financial cycles including cash handling and accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.
- B. DEPARTMENT DIRECTORS AND MANAGERS RESPONSIBILITY. City administrators and managers are charged with the responsibility for establishing a network of processes with the objective of controlling the operations of the City in a manner which provides reasonable assurance that:

- 1) Data and information published either internally or externally is accurate, reliable, complete, and timely.
- 2) The actions of administrators and employees are in compliance with the City's charter, plans, policies and procedures, and all relevant laws and regulations.
- 3) The City's resources, including its people, systems, data/information, assets, and citizens are adequately protected.
- 4) Resources are acquired economically and employed effectively.
- 5) The City's internal controls promote the achievement of plans, programs, goals, and objectives.

Each Department Manager is responsible for ensuring that good internal controls are followed throughout his or her Department, that all Finance Department directives or internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

XII. STAFFING AND TRAINING

- A. **ADEQUATE STAFFING.** Staffing levels will be adequate for the fiscal functions of the City to operate effectively. Overtime shall be used only to address temporary or seasonal demands that require excessive hours. Workload shedding alternatives will be explored before adding staff.
- B. **TRAINING.** The City will support the continuing education efforts of all financial staff including the investment in time and materials to maintain a current perspective concerning financial issues. Staff will be held accountable for communicating, teaching, sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.
- C. **AWARDS, CREDENTIALS AND RECOGNITION.** The City will support efforts and involvement resulting in meeting standards and receiving exemplary recitations on behalf of any of the City's fiscal policies, practices, processes, products, or personnel. Staff certifications may include Certified Public Accountant, Management Accountant, Certified Internal Auditor, and Certified Cash Manager. Further, the Finance Director will try to obtain and maintain the designation of Certified Government Finance Officer as awarded by the GFOA of Texas.

The City will strive to maintain a high level of excellence in its accounting policies and practices as it prepares its Financial Report. The Report will be presented to the Government Finance Officers Association (GFOA) for review of qualifications necessary to obtain the Certificate of Achievement for Excellence in Financial Reporting. Additionally, if feasible the City will submit its annual budget to GFOA for consideration for the Distinguished Budget Award and submit the Investment

Policy to obtain the Certificate of Distinction from the Government Treasurers' Organization of Texas.

- D. TRANSPARENCY. A reasonable effort will be made to ensure relevant financial information is made available to all citizens in a 'user friendly' format in an easy-to-understand terminology. In pursuit of this goal, the city will seek recognition through state and national transparency and reporting programs.
- E. Continuing Disclosure The continuing disclosure policy and procedures are attached as Attachment "A" to this policy.

ATTACHMENT A- SECURITIES LAW COMPLIANCE AND DISCLOSURE POLICY©

ARTICLE I PURPOSE AND SCOPE

SECTION 1.01 DEFINITIONS.

The words and terms used in this Model Securities Law Compliance and Disclosure Policy (this "Policy") have the meanings specified in Article II hereof, unless the context clearly otherwise requires. Except where the context otherwise requires, words importing the singular number shall include the plural number, and *vice versa*.

SECTION 1.02 PURPOSE OF POLICY.

- (a) Continuing Disclosure Undertaking Requirement. Under Rule 15c2-12, underwriters of Municipal Securities may not purchase or sell Municipal Securities unless the underwriters have reasonably determined that the issuer of the Municipal Securities or its designated agent has undertaken in a written agreement to provide continuing disclosure of certain financial information and operating data, and to file notices of certain events designated in Rule 15c2-12. The Issuer is required under its Continuing Disclosure Undertakings to provide disclosures of certain financial information and operating data and notice of certain events to the MSRB on EMMA to facilitate informed secondary market trading. This Policy is adopted by the Issuer to assist in its compliance with federal and state securities laws and regulations, including, specifically, Rule 15c2-12. This Policy is established to ensure that the Issuer maintains adequate policies and procedures for gathering, analyzing and disclosing all information that is required to be provided to, or that may be reasonably expected to reach investors or trading markets, which relates to the issuance of the Issuer's Debt Obligations. Such information consists of the content of the Issuer's Offering Documents, continuing disclosure reports, event notices and other statements reasonably expected to reach the public markets.
- (b) Recommendation of Written Procedures. The Issuer recognizes that the SEC recommends adopting disclosure policies and amending existing disclosure policies from time to time to address the process for evaluating the disclosure process including disclosures for certain Event Notices. Written policies and procedures adopted by the Issuer will serve to streamline the process of disclosing required information. The Disclosure Officer, and other officers selected by the Issuer, if any, may establish additional written procedures from time to time to ensure that any Offering Documents (i) fully and accurately present the Issuer's financial condition and operations and (ii) do not omit any Material information regarding the Issuer.

SECTION 1.03 SCOPE OF POLICY.

This Policy applies to all Debt Obligations of the Issuer that are currently outstanding and all future bonds, notes, leases or derivative instruments to be executed by the Issuer. If the provisions of this Policy conflict with a respective Continuing Disclosure Undertaking, the terms of such Continuing Disclosure Undertaking will control.

ARTICLE II DEFINITIONS

SECTION 2.01 DEFINED TERMS.

"Annual Report" means the Issuer's audited financial statements (or unaudited financial statements if permitted by the Continuing Disclosure Undertaking) and certain other financial information and operating data required to be filed annually with the MSRB.

"Business Day" means any day except any Saturday or Sunday, any day which is a federal legal holiday in the United States, or any day on which banking institutions are authorized or required by law to close.

"Code" means the Internal Revenue Code of 1986, as amended.

"Compliance Date" means February 27, 2019.

"Continuing Disclosure Undertaking" means a continuing disclosure agreement, continuing disclosure undertaking, continuing disclosure instructions or other written certification and agreements of the Issuer setting out covenants for satisfying the Issuer's requirements for providing information to the MSRB in an electronic format pursuant to and in accordance with Rule 15c2-12.

"Debt Obligation" means each contract of the Issuer that has sufficient characteristics of debt so that it is included in the Issuer's financial statements as a long-term liability of the Issuer, including, but not limited to bonds, notes, leases and similar instruments used by the Issuer for borrowing purposes.

ATTACHMENT A- SECURITIES LAW COMPLIANCE AND DISCLOSURE POLICY©

"Disclosure Officer(s)" means the Issuer's Director of Finance, or, if the position of Director of Finance is vacant, the person(s) filling the responsibilities of the City Manager or Assistant City Manager for the Issuer.

"EMMA" means the Electronic Municipal Market Access system, the prescribed electronic format for disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Event 15" means the event set forth in Section 5.02(a) of this Policy.

"Event 16" means the event set forth in Section 5.03(a) of this Policy.

"Event Notices" means all event notices required by Rule 15c2-12.

"Financial Obligation" means: (i) a Debt Obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned Debt Obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"GASB" means the Governmental Accounting Standards Board.

"IRS" means the Internal Revenue Service.

"Issuer" means the City of Burleson, Texas.

"Material" has the meaning given in Section 3.02(f) of this Policy.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the SEC in accordance with Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a State or any political subdivision thereof, or any agency or instrumentality of a State or any political subdivision thereof, or any municipal corporate instrumentality of one or more States and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Obligated Person" means any person, including an issuer of Municipal Securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Municipal Securities to be sold in the Offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities); furthermore, for purposes of this Policy, the Issuer is an Obligated Person.

"Offering" means a primary offering of Municipal Securities with an aggregate principal amount of \$1,000,000 or more.

"Offering Document" means any preliminary or final official statement, private placement memorandum or limited offering memorandum, or other similar instrument prepared in connection with the sale, issuance and delivery of an Offering.

"Rule 15c2-12" means SEC Rule 15c2-12, governing the obligations of dealers regarding Municipal Securities under the Securities Exchange Act of 1934, as amended from time to time, which is available at <https://www.gpo.gov/fdsys/pkg/CFR-2013-title17-vol3/pdf/CFR-2013-title17-vol3-sec240-15c2-12.pdf>.

"SEC" means the United States Securities and Exchange Commission.

"SEC Municipal Markets Report" means the Report on the Municipal Securities Market of the SEC, dated July 31, 2012, available at <https://www.sec.gov/news/studies/2012/munireport073112.pdf>.

"Terms Affecting Security Holders" means a Material agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer that affects security holders.

"U.S. Bankruptcy Code" means Title 9 of the United States Code, as amended from time to time, and any successor to or replacement of such Title and any other applicable federal bankruptcy, insolvency or similar law.

ARTICLE III

DISCLOSURE OFFICER; RECORD RETENTION; TRAINING

ATTACHMENT A- SECURITIES LAW COMPLIANCE AND DISCLOSURE POLICY©

SECTION 3.01 DISCLOSURE OFFICER.

The Issuer shall appoint a Disclosure Officer who shall be responsible for implementing this Policy. The Disclosure Officer will work with other employees and officials of the Issuer to assist in implementing this Policy. The Disclosure Officer will consult with bond counsel, legal counsel to the Issuer (including designated disclosure counsel, if any), accountants, municipal advisors, financial advisors and other outside consultants to the extent necessary to carry out the purpose of this Policy. The Disclosure Officer will report to the Issuer's governing body as provided in Section 6.01 herein, regarding implementation of this Policy and any recommended changes or amendments to this Policy.

SECTION 3.02 DUTIES OF DISCLOSURE OFFICER.

- (a) General Duties. The Disclosure Officer shall be primarily responsible for ensuring and determining the Issuer's compliance with this Policy and federal and state securities laws and regulations applicable to the Issuer, including specifically Rule 15c2-12, and including identifying and remedying any non-compliance with this Policy and such laws and regulations.

- (b) Review of Relevant Documents. The Disclosure Officer will review the following documents, obligations, and disclosure and reporting requirements of the Issuer in connection with the issuance of Municipal Securities to comply with Article IV and V of this Policy and in the ordinary course of business of the Issuer:
 - i. Offering Documents;
 - ii. Audited and unaudited financial statements, including notes to such statements;
 - iii. Changes to accounting standards promulgated by GASB and other applicable accounting standards and rules;
 - iv. Adopted annual budgets and amendments thereto;
 - v. Continuing Disclosure Undertakings; and
 - vi. Other relevant documents that reflect the Issuer's financial position and operating data.

The Disclosure Officer shall take reasonable steps to ensure that all Offering Documents are timely provided to the Issuer's governing body to ensure meaningful review and approval thereof. In addition, the Disclosure Officer shall take reasonable steps to ensure that for purposes of securities law compliance the Issuer's governing body is generally aware of the other documents listed above and of the significance of those documents to the Issuer's disclosure obligations.

- (c) Solicitation of Relevant Information. In the performance of its duties under this Policy, the Disclosure Officer shall be responsible for soliciting any relevant information from other employees, officials or departments within the internal organization of the Issuer, including public statements made by officials of the Issuer that the Disclosure Officer reasonably believes will reach investors or trading markets generally. The Disclosure Officer is additionally responsible for obtaining any documentation prepared by an outside source that may be necessary to assist the Disclosure Officer in carrying out this Policy. The Disclosure Officer shall undertake a thorough review of the form and content of each of the Issuer's annual filings, and any Event Notice filings, as required pursuant to Article IV and V hereof.

- (d) Public Statements Regarding Financial Information. Whenever an officer or employee of the Issuer makes statements or releases information relating to its finances and other operations of the Issuer to the public that is reasonably expected to reach investors and the trading markets (including, without limitation, all Event Notices, statements in a comprehensive annual financial report, and other financial reports and statements of the Issuer), the Disclosure Officer shall be responsible for ensuring that such statements and Material information are complete, true, and accurate in all material aspects and available to all investors. The Disclosure Officer will work with other officers of the Issuer to ensure that all public statements and information released by the Issuer are accurate and are not misleading in all Material aspects.

ATTACHMENT A- SECURITIES LAW COMPLIANCE AND DISCLOSURE POLICY©

- (e) **Issuance of Debt Obligations.** Whenever the Issuer prepares or participates in the preparation of an Offering Document, the Disclosure Officer, in addition to any other officers selected by the Issuer, shall be responsible for making all certifications that may be required to the effect that such Offering Document does not contain any untrue statement of Material fact or omit to state any Material fact necessary to make the information contained in such documents, in the light of the circumstances under which it was provided, not misleading.

Such determination by the Disclosure Officer shall only be made after coordination with the Issuer's attorney or other administrative officer having ultimate responsibility with respect to the Issuer's operations, risks and litigation, to ensure that any current, pending or threatened losses, investigations or litigation, and any settlement or court orders that are Material to the Issuer are properly identified.

- (f) **Determination of Material Information.** The Issuer understands that determining materiality requires a complete review of facts and circumstances (which may include a review of outstanding Debt Obligations) and in some instances may require the Disclosure Officer to discuss matters with other officers or consultants of the Issuer. Furthermore, each determination of materiality made by the Disclosure Officer shall be made on a case-by-case basis. For purposes of this Policy, information is "Material" if there is a substantial likelihood that the disclosure of that information would be viewed by a reasonable investor as having significantly altered the total mix of information made available in making an informed investment decision.¹

SECTION 3.03 RECORD RETENTION.

The Disclosure Officer will maintain or cause to be maintained all records relating to annual disclosure filings including the financial information and operating data to be included in the Annual Report for a period of three (3) years after retirement of the related Debt Obligations. The Disclosure Officer will additionally maintain or cause to be maintained all records relating to Event Notices required to be filed with the MSRB under the Continuing Disclosure Undertaking. Such records shall be maintained in either paper or electronic format, or in both formats.

SECTION 3.04 TRAINING.

The Disclosure Officer shall have at least a general familiarity with the content of Rule 15c2-12 and the SEC Municipal Markets Report, and in furtherance thereof receive appropriate training regarding the Issuer's disclosure obligations in accordance with federal securities laws, state regulations and Rule 15c2-12. When appropriate, the Disclosure Officer and/or other Issuer employees and officials under the direction of the Disclosure Officer will attend training programs offered by the SEC or other industry professionals regarding disclosure policies and procedures developed in the context of Rule 15c2-12 that are relevant to the Issuer. Each person acting in the capacity of a Disclosure Officer shall receive such training as may be necessary for the person to perform competently the duties and responsibilities of Disclosure Officer to ensure the Issuer's compliance with the provisions of this Policy.

ARTICLE IV

ANNUAL DISCLOSURE FILINGS

SECTION 4.01 ANNUAL DISCLOSURE FILINGS.

¹ The general materiality standard used by the United States Supreme Court. See TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438, 449 (1976).

ATTACHMENT A- SECURITIES LAW COMPLIANCE AND DISCLOSURE POLICY©

The Disclosure Officer shall annually review each Continuing Disclosure Undertaking to determine: (i) the appropriate financial information and operating data required to be included in the Annual Report; and (ii) the filing deadline for such Annual Report or a part thereof. The Disclosure Officer should review the Issuer's documents, Debt Obligations, and disclosure and reporting requirements described in Sections 3.01 and 3.02 of this Policy in determining the appropriate financial information and operating data to be included in the Annual Report. As indicated in Section 3.02 of this Policy, the Disclosure Officer's review necessarily includes review of other documents relating to the financial and operating status of the Issuer to ensure that all required information is appropriately incorporated into the Annual Report. The Disclosure Officer shall be required to provide only the financial information, operating data, financial statements and notices which the Issuer has expressly agreed to provide pursuant to a respective Continuing Disclosure Undertaking, but, in consultation with appropriate accountants, municipal advisors, financial advisors and other outside consultants of the Issuer, may submit other appropriate information to EMMA that will impact the Issuer's financial condition and/or existing security holders in a manner deemed Material by the Disclosure Officer. Additionally, the Disclosure Officer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with the Continuing Disclosure Undertaking.

ARTICLE V

DISCLOSURE FILINGS FOR EVENT NOTICES

SECTION 5.01 DISCLOSURE FILINGS FOR EVENT NOTICES 1-14.

The Disclosure Officer shall determine whether an event included below has occurred with respect to the Issuer. If the Disclosure Officer determines that notice of the following events should be provided to the MSRB pursuant to a Continuing Disclosure Undertaking, the Disclosure Officer will cause the appropriate notice to be filed with the MSRB on EMMA, in a timely manner, not in excess of ten (10) Business Days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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For the purposes of the event identified as item (12) in this Section 5.01, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

The Disclosure Officer may seek the advice of other employees and officials of the Issuer, as well as the advice of the consultants and counsel to the Issuer, as to whether one of the above described events has occurred and whether an Event Notice shall be filed with the MSRB consistent with Rule 15c2-12.

SECTION 5.02 EVENT 15: INCURRENCE OF A MATERIAL FINANCIAL OBLIGATION OR TERMS AFFECTING SECURITY HOLDERS.

- (a) Event 15. Beginning on the Compliance Date and continuing thereafter, in addition to the fourteen events described in Section 5.01 and Event 16 described in Section 5.03, the Disclosure Officer shall determine whether an Event 15 has occurred with respect to the Issuer. If the Disclosure Officer determines that an Event 15 has occurred, the Disclosure Officer shall file, or cause to be filed, notice of such Event 15 with the MSRB through EMMA in a timely manner, not in excess of ten (10) Business Days after the date of incurrence. Beginning on the Compliance Date, Rule 15c2-12 establishes that an Event 15 is as follows:

- (15) Incurrence of a Financial Obligation of the Obligated Person, if Material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if Material.

The Issuer recognizes that, unlike the events listed in Section 5.01 above, the stated purpose of the SEC in adding Event 15 to Rule 15c2-12 is to provide the secondary market with information regarding all debt, debt-like or debt-related Financial Obligations or Terms Affecting Security Holders incurred by the Issuer. The incurrence of Financial Obligations may occur outside the issuance of Municipal Securities and therefore engagement by the Disclosure Officer with counsel and other consultants experienced in compliance issues related to Rule 15c2-12 may be necessary to determine whether it is necessary to file an Event Notice for Event 15 with the MSRB through EMMA.

- (b) Financial Obligations and Terms Affecting Security Holders Subject to Disclosure. The Disclosure Officer shall first determine whether a contract or obligation incurred by the Issuer is a Financial Obligation or Terms Affecting Security Holders subject to disclosure under Event 15. When assessing whether a particular contract or obligation is a Financial Obligation or Terms Affecting Security Holders subject to disclosure as such terms are used in Event 15, the Disclosure Officer should consider the facts and circumstances surrounding the Issuer's incurrence of each type of contract and obligation, as well as the factors set forth below:
- i. Whether the contract or obligation could affect, or contains provisions or triggers that may impair, the Issuer's liquidity, overall creditworthiness or an existing security holders' rights;
 - ii. Whether the contract or obligation is a private placement of debt with a financial institution, letter of credit, standby line of credit, or a similar "credit agreement" that relates to a Debt Obligation;
 - iii. Whether the contract or obligation is an ordinary financial and operating liability incurred in the Issuer's normal course of business;

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- iv. Whether the contract or obligation contains acceleration provisions or restrictive debt service covenants that could affect the rights of existing security holders;
- v. Whether the contract or obligation is a short or long-term Debt Obligation of the Issuer under the terms of an indenture, loan agreement, capital lease, or other similar contract such as a line of credit;
- vi. Whether the contract or obligation is an operating lease, or a capital lease which operates as a vehicle for borrowing money (e.g. a lease-purchase agreement). For purposes of this Disclosure Policy, factors relevant to determining whether a lease is a vehicle for borrowing money (i.e., a Financial Obligation) are included in **Exhibit A** attached hereto;
- vii. Whether the contract or obligation represents competing debt with the Issuer's prior Debt Obligations that may affect the rights of the existing security holders;
- viii. Whether the contract or obligation is a derivative instrument entered into in connection with a pledge as security or source of payment for an existing or planned Debt Obligation, which may include any swap, security-based swap, futures contract, forward contract, option, a combination of the foregoing or any similar instrument;
- ix. Whether the contract or obligation is a derivative instrument designed to mitigate investment risk; or
- x. Whether the contract or obligation is a guarantee provided by the Issuer as a guarantor for the benefit of a third party.

The Disclosure Officer will consult with bond counsel, legal counsel to the Issuer (including designated disclosure counsel, if any), accountants, municipal advisors, financial advisors and other outside consultants to the extent necessary in making a determination as to whether a contract or obligation incurred by the Issuer is a Financial Obligation or Terms Affecting Security Holders subject to the disclosure requirements of Event 15.

- (c) Determination of Material Event 15. If the Disclosure Officer determines that the Issuer has incurred a Financial Obligation or Terms Affecting Security Holders subject to Event 15, the Disclosure Officer shall proceed to determine whether such Financial Obligation or Terms Affecting Security Holders are Material. The same practice used by the Issuer for determining whether a particular piece of information is Material in connection with preparing a disclosure document for an Offering set forth in Section 3.02(f) should be used for purposes of Event 15.

The Disclosure Officer shall determine whether a Financial Obligation or Terms Affecting Security Holders are Material upon the incurrence of the Financial Obligation or the Terms Affecting Security Holders, taking into account all relevant facts and circumstances. Relevant facts and circumstances may include, but are not limited to:

- i. The principal amount of the Financial Obligation, including the aggregate par amount of a series of related Financial Obligations, and the method of setting or adjusting the interest rate thereof;
- ii. The Issuer's overall balance sheet and the size of its existing Debt Obligations;
- iii. The source of security pledged for repayment of the Financial Obligation and the rights associated with such pledge;

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- iv. The length of time that the Financial Obligation is to remain outstanding; and
- v. Other appropriate terms of a Financial Obligation that will impact the Issuer's financial condition and/or existing security holders in a manner deemed Material by the Disclosure Officer.

The Disclosure Officer, in consultation with the governing body of the Issuer, bond counsel, legal counsel to the Issuer (including designated disclosure counsel, if any), accountants, municipal advisors, financial advisors and other outside consultants of the Issuer, to the extent necessary, shall no less often than annually set objective standards of materiality with respect to Debt Obligations incurred by the Issuer, which may include, but are not limited to, a monetary threshold that, in connection with other relevant facts and circumstances, is the basis for the determination of materiality for Financial Obligations or Terms Affecting Security Holders of the Issuer. With respect to lease agreements entered into by the Issuer, the Disclosure Officer shall implement the guidelines set forth in **Exhibit A** when assessing whether such lease agreements are Material Financial Obligations.

- (d) Incurrence. A Financial Obligation and Terms Affecting Security Holders is considered to be incurred by the Issuer on the date that such Financial Obligation or Terms Affecting Security Holders is enforceable against the Issuer. As a filing under Event 15 is required to be made in a timely manner, not in excess of ten (10) Business Days after date of incurrence, the Disclosure Officer shall begin the process of assessing whether a particular Financial Obligation or Terms Affecting Security Holders should be disclosed as far in advance of its incurrence as possible. Additionally, although not required, the Disclosure Officer may file a voluntary filing of all outstanding Material Financial Obligations incurred prior to the Compliance Date.
- (e) Exemption of Municipal Securities as to Which a Final Official Statement Has Been Provided. The Disclosure Officer is not obligated to disclose, as a Financial Obligation or Terms Affecting Security Holders subject to Event 15, Municipal Securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12. The Disclosure Officer recognizes that this exclusion from the definition of "Financial Obligation" does not extend to Debt Obligations, contingent or otherwise, related to such Municipal Securities that may be disclosed or referenced in such final official statements.
- (f) Exemption of Monetary Obligations Resulting From Legal Proceedings. The Disclosure Officer is not required to disclose monetary obligations resulting from a judicial, administrative, or arbitration proceeding as an Event Notice.
- (g) Subjecting Debt Obligations to Annual Appropriation not Determinative. The Disclosure Officer understands that qualifying Debt Obligations or Financial Obligations such that payment is subject to annual appropriation may remove the "debt" designation for state constitutional or statutory purposes; however, this qualification alone will not be determinative as to whether the Issuer or Obligated Person has incurred a Material Financial Obligation; rather, when analyzing Debt Obligations and Financial Obligations that are subject to annual appropriation, the Disclosure Officer shall determine whether such Financial Obligation is Material, as described in Section 3.02(f), taking into account all relevant facts and circumstances as described in this Section 5.02.
- (h) Form of Event 15 Event Notice. Upon review of the factors outlined above, if the Disclosure Officer affirmatively determines that a Debt Obligation incurred by the Issuer is a Financial Obligation or Terms Affecting Security Holders that are Material and not exempt under subsection (e) and (f) of this Section 5.02, and therefore subject to Event 15, the Disclosure Officer shall file or cause to be filed with the MSRB through EMMA a notice not in excess of ten (10) Business Days of the date of the incurrence of the Financial Obligations or Terms Affecting Security Holders. The Disclosure Officer shall include a description of the Material terms of the Financial Obligation or Terms Affecting Security Holders within the Event 15 Event Notice. Terms considered Material for Event 15 may include, but are not limited to:

- i. The date of incurrence;

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- ii. Principal amount;
- iii. Maturity and amortization;
- iv. Interest rate, if fixed, or method of computation and any default rates, if variable; or
- v. Other appropriate terms deemed material by the Disclosure Officer, the inclusion of which would help further the availability of information to assist investors in making more informed investment decisions in connection with such incurrence of Financial Obligations or Terms Affecting Security Holders.

The Disclosure Officer shall determine, based on the facts and circumstances, whether to submit to the MSRB a description of the Material terms of the Financial Obligation or the Terms Affecting Security Holders, or alternatively or in addition, submit related materials such as transaction documents prepared in connection with the Financial Obligation or the Terms Affecting Security Holders that set forth the material terms of the Financial Obligation or the Terms Affecting Security Holders. The Disclosure Officer shall not include, and shall take actions to redact, confidential information such as account numbers or other personally identifiable information (but not information relating to an interest rate or other pricing data). Should the Disclosure Officer determine that filing one or more of the transaction documents prepared in connection with the Financial Obligation or the Terms Affecting Security Holders is appropriate under this subsection, the Disclosure Officer may redact any confidential or personally identifiable information from the Event 15 Event Notice.

SECTION 5.03 EVENT 16: EVENTS UNDER THE TERMS OF A FINANCIAL OBLIGATION WHICH REFLECT FINANCIAL DIFFICULTIES.

- (a) Event 16. Beginning on the Compliance Date and continuing thereafter, in addition to the fourteen events described in Section 5.01, and Event 15 described in Section 5.02, the Disclosure Officer shall determine whether an Event 16 has occurred with respect to the Issuer as follows:
 - (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

If the Disclosure Officer determines that an Event 16 has occurred with respect to the Issuer, the Disclosure Officer will file or cause to be filed with the MSRB through EMMA a notice of Event 16, whether Material or not, provided the occurrence reflects financial difficulties of the Issuer. The Disclosure Officer shall file an Event 16 Event Notice even where the underlying Financial Obligation was incurred before the Compliance Date.

- (b) Reflection of Financial Difficulty of Obligated Person. The Disclosure Officer shall disclose to the MSRB the occurrence of an event listed in Event 16 only if the Disclosure Officer, in consultation with the governing body of the Issuer, bond counsel, legal counsel to the Issuer (including designated disclosure counsel, if any), accountants, municipal advisors, financial advisors and other outside consultants to the Issuer, to the extent necessary, determines that the occurrence of the event reflects financial difficulties of the Issuer.
- (c) Events Subject to Event 16 Filing. Subject to subsection (b) of this Section 5.03, the Disclosure Officer should disclose any occurrence in connection with the terms of a Financial Obligation that reflects financial difficulties of the Issuer. Such occurrences may include, but are not limited to the following types of events:
 - i. Monetary defaults or events of non-appropriation where the Issuer has failed to pay principal, interest, or other funds due, or a non-payment related default where the Issuer has failed to comply with specified covenants;
 - ii. An event of acceleration exercised by a trustee or counterparty as the result of an event of default or other applicable remedy provision;
 - iii. A modification of terms that reflects financial difficulties of the Issuer;

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- iv. A written or verbal waiver of an agreement provision that is a departure from what was agreed to under the original terms of such agreement; and
- v. Other events under the terms of a Financial Obligation that reflect financial difficulties of the Issuer and share similar characteristics with the specific types of events in Event 16.
 - (d) Form of Event 16 Event Notice. Upon review of the factors outlined above, if the Disclosure Officer affirmatively determines that, in connection with the terms of a Financial Obligation of the Issuer, the Issuer is experiencing financial difficulties pursuant to Event 16, the Disclosure Officer shall file or cause to be filed with the MSRB through EMMA an Event 16 notice filing within ten (10) Business Days of the date of such determination containing a description of the relevant terms of the Financial Obligation. Terms considered relevant to an Event 16 notice filing may include, but are not limited to:
 - i. The provisions within the Financial Obligation giving rise to the occurrence under Event 16;
 - ii. The nexus between the terms of such Financial Obligation giving rise to the occurrence under Event 16 and the existing or potentially forthcoming financial difficulties resulting therefrom;
 - iii. A description of the Issuer's current financial status; and
 - iv. Other appropriate facts deemed material by the Disclosure Officer, the inclusion of which would help further the availability of information to assist investors in making more informed investment decisions in connection with the occurrence of events relating to a Financial Obligation that reflect financial difficulties.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01 ANNUAL REVIEW.

The Disclosure Officer shall conduct an evaluation of the policies set forth in this Policy no less often than annually, and promptly after completing the evaluation the Disclosure Officer shall prepare an annual report of the Issuer's compliance.

SECTION 6.02 AMENDMENTS TO POLICY.

This Policy may be amended from time to time to adapt to changed circumstances that arise from a change in legal requirements or industry disclosure practices or procedures, a change in Rule 15c2-12, or a change in law.

EXHIBIT A

LEASE AGREEMENTS OPERATING AS VEHICLES TO BORROW MONEY (FINANCIAL OBLIGATIONS)

As a result of the amendments to Rule 15c2-12, compliance therewith effective February 27, 2019, Issuers or Obligated Persons that periodically enter into leases should develop policies and procedures to (i) determine whether the lease is a vehicle to borrow money, and is therefore a Financial Obligation, as opposed to an operating lease, (ii) determine if such lease becomes Material once incurred, after considering other relevant factors and all outstanding Financial Obligations (an Issuer or Obligated Person's threshold for outstanding Financial Obligations) and (iii) require that all executed leases are timely communicated to the Disclosure Officer for purposes of determining whether an Event Filing is necessary.

I. Leases Operating as Vehicles to Borrow Money (Financial Obligations)

The SEC has determined that a lease should generally be considered a debt obligation and thus a "Financial Obligation" under the Rule when such lease operates as a vehicle to borrow money (i.e., capital leases but not mere operating leases).¹

Capital leases are generally recorded on the balance sheet of the Issuer or Obligated Person as an asset and a liability by an amount equal to the present value of the minimum lease payments; in contrast, operating leases are handled as off-balance sheet financings of assets and are recorded as operating expenses on the Issuer or Obligated Person's income statement. In determining which types of leases to include under the umbrella of "Financial Obligations," the SEC deemed it appropriate to include only those leases that could represent competing debt of the Issuer or Obligated Person (e.g., capital leases which are essentially vehicles to borrow money).

Because capital leases of the Issuer or Obligated Person are recorded in the same fashion as other competing debt of the Issuer or Obligated Person, each sharing a line item in the balance sheet as a liability or included in a more general line item (i.e., competing debt), capital leases are viewed by the SEC as rising to the level of a Financial Obligation because they operate more like a debt obligation. As such, Issuers and Obligated Persons should have procedures in place that help determine whether leases are capital leases or operating leases, as the incurrence of a capital leases will require a Materiality analysis to determine whether an Event 15 notice filing is required.

To make the determination of whether a lease operates as a vehicle to borrow money, the Disclosure Officer should work with appropriate staff and accountants, municipal advisors, financial advisors and other outside consultants of the Issuer or Obligated Person, to the extent necessary, to determine whether the lease is a vehicle to borrow money (i.e., a capital lease) or an operating lease as operating leases will not rise to the level of a Financial Obligation under Event 15 of Rule 15c2-12.

Characteristics of Leases Operating as Vehicles to Borrow Money (Capital Leases)

In making the determination of whether a lease operates as a vehicle to borrow money and is therefore a Financial Obligation for purposes of Event 15, relevant characteristics may include, but are not limited to, the following:

- i. The lease contains a transfer of ownership of the underlying asset at the end of the lease term or shortly thereafter;
- ii. An option to purchase the underlying asset being leased at a discounted price is available, which may be exercised during or at the end of the lease term;
- iii. The term of the lease is greater than 75% of the useful life of the leased asset; or
- iv. The present value of the lease payment is greater than 90% of the leased asset's fair market value.

Although the characteristics above may be helpful in determining whether a lease operates as a vehicle to borrow money, the Disclosure Officer and appropriate staff and consultants should review of the entire lease, in context with the Issuer's financing and/or operating objectives, in considering whether a lease is a Financial Obligation subject to Event 15. Although a capital lease (as such term in commonly understood) will generally be treated as a vehicle to borrow money, the mere labelling of the lease as "capital" or "operating" will not itself be determinative.

II. Determining Factors for Materiality of Leases that Constitute Financial Obligations

¹ Although the SEC in Release No. 34-83885, implementing the amendment of Rule 15c2-12 to include Event 15 and 16, has discontinued (following GASB's lead) the use of the term "capital lease" and "operating lease," the distinction remains useful to the extent that "capital leases" are commonly understood to be financed purchases of an underlying asset (and thus generally are vehicles to borrow money) whereas "operating leases" are not.

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Issuers and Obligated Persons should apply the Materiality standard in Section 3.02(f) and the relevant facts and circumstances in Section 5.02(c) of this Policy, in conjunction with the factors below for purposes of determining whether a lease that operates a vehicle to borrow money is Material and subject to an Event Filing under Event 15.

Given the difference in size, sophistication, features and number of obligations executed by certain issuers and Obligated Persons, factors used in determining the materiality of a lease that operates as a vehicle to borrow money may vary. The Disclosure Officer may utilize factors relevant to the Issuer or Obligated Person which may include, but are not limited to, one or more the following:

- i. Whether the cost of the lease incurred and the payment obligations thereof exceeds a specified percentage of the Issuer's or Obligated Person's fund balance (for purposes of this and the following considerations, the Issuer must determine, given its circumstances, the appropriate way to measure the impact of a lease, e.g., by the aggregate payments required, by principal amount or by annual payment impact to the Issuer's debt portfolio);
- ii. Whether the incurrence of the lease will increase the outstanding indebtedness of the Issuer or Obligated Person by more than a specified ratio or percentage;
- iii. Whether the incurrence of the lease and the payment obligations thereof exceeds a specified percentage of the Issuer's unrestricted revenues;
- iv. Whether the lease represents multiple counterparts of a single transaction that, if incurred at once, would exceed the limits stated in (i), (ii) or (iii) above;
- v. Whether the incurrence of the lease in conjunction with other outstanding Financial Obligations would in the aggregate exceed the limits stated in (i), (ii) and (iii) above; or
- vi. Whether the lease has acceleration provisions or is considered a security on parity or senior to outstanding Financial Obligations.

When utilizing the above factors, the Disclosure Officer must be aware that although a lease may not be Material when compared to the Issuer's or any Obligated Person's general revenues and fund balance, such lease may be material to Financial Obligations pledged to be paid from the specifically pledged revenues and fund balances. Therefore, the Disclosure Officer must look at both the general revenues and the specifically pledged revenues of the Issuer and any Obligated Person when determining the materiality of a lease that operates as a vehicle to borrow money.

If after using the Materiality standard in Section 3.02(f), the relevant facts and circumstances in Section 5.02(c) of this Policy and the factors described above, the Disclosure Officer determines that the lease operating as a vehicle to borrow money is Material, a filing under Event 15 must be made within ten business days from the incurrence of such lease.

If a determination of Materiality is made under factor (v) above for a lease or any other Financial Obligation, additional Financial Obligations incurred thereafter may likely carry a *de facto* Materiality designation. As such, factor (v) above works as a magnitude test of the Issuer or Obligated Person as it becomes the Issuer or Obligated Person's Materiality threshold for all outstanding Financial Obligations.

III. Communication Amongst Departments Once Leases are Incurred

The Disclosure Officer should become aware of the frequency in which the Issuer or Obligated Person incurs leases, as opposed to other forms Financial Obligations, in the ordinary course of the Issuer or Obligated Person's business. To further communication amongst multiple departments within the Issuer or Obligated Person, the Disclosure Officer should require that any member of the Issuer or Obligated Person's staff authorized to execute leases on behalf of the Issuer or Obligated Person report and provide copies of all leases directly to the Disclosure Officer within two (2) business days prior to their execution. Upon receipt of any lease, the Disclosure Officer shall immediately work with appropriate staff and accountants, municipal advisors, financial advisors and other outside consultants of the Issuer, to the extent necessary, to determine whether the lease operates as a vehicle to borrow

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money (i.e., is a Financial Obligation) and whether such lease is Material using the Materiality standard in Section 3.02(f), the relevant facts and circumstances in Section 5.02(c) of this Policy and the factors described above.



CITY COUNCIL POLICY

35

Policy Establishing the Appointment of Voting Student Members to Various Burleson Boards and Committees

Adopted date	March 5, 2012
Revised date	March 19, 2012 (Membership criteria for P&Z to include a student voting member)
Department Name	City Council

The city council shall consider for appointment voting student members to various City of Burleson boards and committees. Only those students who have demonstrated their civic interest, general knowledge of the community, independent judgment, and availability to prepare for and attend meetings shall be considered for appointment.

This policy designates the following boards and committees to include a voting student member: Library Board Place 2, Parks Board Place 2, Cemetery Board Place 4, Animal Shelter Advisory Committee Place 4, and Old Town Design Standards Review Committee Place 2.

In the event that a qualified student is not identified for appointment, the designated place may be occupied by a non-student member.

At the time of appointment, students must be 13 to 17 years of age and enrolled in an accredited school recognized by the State Commissioner of Education or a home school participant.

It is the intent of the city council that members shall, by reason of diversity of their individual interests and experience, constitute a commission which is broadly representative of the community.

Appointed student members of a board or committee shall be subject to the provisions of the City of Burleson, Code of Ordinances, Chapter 2, Article II. Boards, Commissions, and Committees.

The City Council approved Ordinance C-277 (A0312) on first reading at the March 5, 2012 meeting with changes to add Place 8 as the student voting member who is between 15-17 years of age. With eight (8) places appointed, a quorum shall be five (5) members. If a qualified student voting member is not appointed, the commission returns to the original seven (7) places and the quorum will be unchanged from its current number of four (4) members. The requested changes have been included in the Ordinance for consideration on final reading.

ORDINANCE C-277 (A0312)

AN ORDINANCE AMENDING CHAPTER 62, ARTICLE II, OF THE CODE OF ORDINANCES OF THE CITY OF BURLESON, TEXAS, BY REVISING THE MEMBERSHIP CRITERIA FOR THE PLANNING AND ZONING COMMISSION OF THE CITY; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Burleson is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, Texas Local Government Code, Chapters 211 and 212 authorize the creation of a municipal Planning Commission and Zoning Commission; and

WHEREAS, Section 211.007(a) of the Texas Local Government Code authorizes the creation of a consolidated municipal Planning and Zoning Commission; and

WHEREAS, the City Council has previously created the City of Burleson Planning and Zoning Commission (the "Commission") and adopted detailed criteria governing appointment to and membership on the Commission; and

WHEREAS, the City Council now desires to amend the appointment and membership criteria of the Commission to authorize the appointment of a member who is a student; and

WHEREAS, the City Council finds that the proposed amendment will broaden the diversity of the Commission members' individual interests and experience and will be in the best interests of the public health, safety, morals and general welfare.

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

SECTION 1.

Section 62-32. of the Code of Ordinances, City of Burleson, Texas, is hereby amended to read as follows:

"Sec. 62-32. - Membership; appointment; attending meetings; compensation; removal for absence.

The planning and zoning commission shall be composed of eight members identified as places one through eight. The city council will consider for appointment to the commission only those persons who have demonstrated their civic interest, general knowledge of the community, independent judgment, interest in planning and zoning, and availability to prepare for and attend meetings. Place 8 shall be designated for appointment of a student w110 is a resident of the City and who, at the time of appointment, is 15 to 17 years of age and enrolled in an accredited school recognized by the State Commissioner of Education or a home school participant. In the event that a qualified student is not identified for appointment, place 8 shall remain vacant until a qualified student is identified to be appointed. Save and except for the student member, all other members must be registered voters of the city. It is the intent of the city council that members shall, by reason of diversity of their individual interests and experience, constitute a commission which is broadly representative of the community. The members of the commission shall regularly attend meetings and public hearings of the commission and shall serve without compensation, except for reimbursement of authorized expenses attendant to the performance of their duties. Absences from commission meetings shall be treated in accordance with the provisions of section 2-34."

SECTION 2.

Section 62-33. of the Code of Ordinances, City of Burleson, Texas, is hereby amended to read as follows:

Sec. 62-33. - Terms of office.

The terms of four of the members shall expire on October 1 of each odd-numbered year, and the terms of the other four members shall expire on October 1 of each even-numbered year. The members of the commission shall be identified by place numbers one through eight. The odd-numbered places shall expire in the odd-numbered years; the even-numbered places shall expire in the even-numbered years. Commission members may be appointed to succeed themselves. Vacancies shall be filled for unexpired terms, but no member shall be appointed for a term in excess of two years. Newly-appointed members shall be installed at the first regular commission meeting after their appointment.

SECTION 3.

Section 62-35. of the Code of Ordinances, City of Burleson, Texas, is hereby amended to read as follows:

Sec. 62-35. - Meetings.

(a) The planning and zoning commission shall meet regularly and shall designate the time and place of its meetings. The commission shall adopt its own rules of procedure and keep a record of its proceedings consistent with the provisions of this chapter and the requirements of law. If a student member has been appointed to Place 8, a quorum for the conduct of business shall consist of five members of the commission. If a student member has not been appointed to Place 8, a quorum for the conduct of business shall consist of four members of the commission. Planning and zoning commission actions shall be by a motion which may be made by any member of the commission.

SECTION 4. CUMULATIVE

This ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Burleson, Texas, as amended, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

**SECTION 5.
SEVERABILITY**

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

**SECTION 6.
EFFECTIVE DATE**

This ordinance shall be in full force and effect from and after its date of passage, and it is so ordained.

PASSED AND APPROVED ON THIS _____ DAY OF _____, 2012.

MAYOR _____

ATTEST:

City Secretary

First Reading: _____, 2012



CITY COUNCIL POLICY
36
City of Burleson Purchasing Policy

Adopted date	July 2, 2018
Revised date	April 20, 2020; June 21, 2021; March 21, 2022, October 16, 2023
Department Name	Legal & Purchasing

CITY OF BURLESON PURCHASING POLICY

1.0 Governing Authority

- (a) The primary governing authority for the City of Burleson’s Purchasing Policy shall be the City’s Charter in conjunction with Local Government Code Chapter 252, “Purchasing and Contracting Authority of Municipalities.” All procurement activity shall be governed by the Purchasing Policy, in accordance with applicable state and local government codes. The Mayor and Council shall from time to time review the Purchasing Policy and the City’s resolution shall record any changes made to the Policy.
- (b) All powers of the City vest in the City Council. Authority for purchasing goods and services is delegated to the City Manager provided the purchase does not exceed \$50,000. The City Manager’s authority is delegated to the Purchasing Manager, subject to the requirements of this policy and adopted purchasing procedures. In addition, authority for the following payments is delegated to the City Manager:
 - (1) Payments made pursuant to the City’s compensation and benefit plans including: Payroll, TMRS, Contributions, Payment’s to Deferred Compensation Plans, and Accrued Employee Benefits
 - (2) Payments to the federal government or its agencies
 - (3) Transfer payments of employee deductions or garnishments
 - (4) Health insurance claims and fees
 - (5) Other insurance premiums
 - (6) Utility bills including wholesale water and wastewater treatment

- (7) Remittance to the state of Texas
 - (8) Procurement card remittance
 - (9) Scheduled bond or lease payments
- (c) To ensure proper oversight, all purchases and requisitions in excess of \$25,000 will be reported to Council monthly. The report will include the vendor, purpose, amount, and source of funds for the expenditure.

2.0 Purpose and Scope

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

3.0 Objectives

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

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

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

3.1 General Duties of the Purchasing Division

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

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

4.0 Code of Ethics

- (a) By participating in the procurement process, employees of the City of Burleson agree to:
 - (1) Avoid the intent and appearance of unethical or compromising practices in relationships, actions, and communications.
 - (2) Demonstrate loyalty to the City of Burleson by diligently following the City's purchasing policy and procedures, using reasonable care, and only the authority granted.
 - (3) Refrain from any private business or professional activity that would create a conflict between personal interests and the interest of the City of Burleson.
 - (4) Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence purchasing decisions.

- (5) Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether as payment for services or not; and never accept for himself or herself or for family members, favors or benefits under a circumstance which might be construed by reasonable persons as influencing the performance of governmental duties.
- (6) Engage in no business with the City of Burleson, directly or indirectly, which is inconsistent with the conscientious performance of governmental duties.
- (7) Handle confidential or proprietary information belonging to the City or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
- (8) Never use any information gained confidentially in the performance of governmental duties as a means of making private profit.
- (9) Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing process.
- (10) Know and obey the letter and spirit of laws governing the purchasing function, and remain alert to the legal ramifications of purchasing decisions.
- (11) Expose corruption and fraud wherever discovered.
- (12) Uphold these principles, ever conscious that public office is a public trust.

5.0 Competitive Purchasing Requirements

Under no circumstances shall multiple requisitions be used in combination to avoid other applicable bidding requirements or City Council approval. Quotations and/or competitive solicitations shall be received in writing or electronically in accordance with Texas Local Government Code.

5.1 Procedures for Purchases less than \$10,000

- (a) The ordering Division selects the vendor and enters a requisition in the automated procurement system. Once a purchase order is issued, the ordering division places the order and/or picks up the materials.
- (b) Purchases under \$10,000 may be made either through a purchase order (PO) process. Purchases under \$3,000 may be made through the City's procurement card (P-card) program. The City Manager or designee may, on a case-by-case basis, increase the single purchasing limit of a P-card to \$10,000 per purchase if such increase is necessary to cover non-reoccurring departmental expenses the purchase of which are not in violation of this Policy.
- (c) The credit limit of any P-card shall be \$3,000 per cycle. The City Manager or designee may, on a case-by-case basis, increase the credit limit of a P-card to \$10,000 per cycle if such increase is necessary to cover non-reoccurring departmental expenses the purchase of which are not in violation of this Policy.

5.2 Procedures for Purchases of \$10,000 to \$50,000

- (a) All purchases greater than \$10,000 but less than \$50,000 must be processed in accordance with the following procedure:
 - (1) Purchases totaling \$10,000 to \$50,000 will require three or more quotes. Two no quotes returned equal one quote.
 - (2) Quotes will be entered in to the automated procurement system by completing an electronic requisition form.

5.3 Procedures for Purchases \$25,000 to \$50,000

The Department shall initiate the formal quote process by contacting the Purchasing Division if guidance is needed to determine the best method of procurement. All requisitions over \$50,000 will require approval by Council prior to purchase order being issued. Job Order Contracts are prohibited over \$25,000.

5.4 Competitive Solicitations

Is a common procurement method by which a governmental entity will indicate specific requirements and specifications through either Request for Proposals (RFP), Invitation for Bids (ITB), or Request for Qualifications (RFQ) for its purchasing need and then posts a notice inviting potential suppliers to submit response with their offer price. The government will typically select the bidder who offers the lowest price or best value to the entity. The Purchasing Manager is the only authorized agent that can issue a competitive solicitation on behalf of the organization. If a competitive solicitation is issued that yields a price that is less than \$50,000 over the term of the proposed agreement, the City Manager may authorize any subsequent contract.

5.5 HUB'S

- (a) Local Government Code Section 252.0215 states that a municipality, in making an expenditure of more than \$3,000 but less than \$50,000, shall contact at least two Historically Underutilized Business (HUB) on a rotating basis. If the list fails to identify a disadvantaged business in the county in which the City is situated, the City is exempt from this section.
- (b) A HUB is a certified business that is at least 51% owned, operated, and controlled by qualifying groups, including Asian Pacific Americans, Black Americans, Hispanic Americans, Native Americans and American Women.
- (c) The City also accepts equivalent certifications, as approved by the Purchasing Manager.

5.6 Purchases more than \$50,000

- (a) Except as otherwise exempted by applicable state law, requisitions for item(s) whose aggregate total cost is more than \$50,000 must be processed as a competitive solicitations (e.g. sealed bids, request for proposals, and request for Qualifications.) Texas Local Government Code Section 252.021 defines the requirements for competitive bids.
- (b) Texas Local Government Code, Section 252.062, states:
 - (1) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 252.021. An offense under this subsection is a Class B Misdemeanor.

- (2) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates Section 252.021, other than by conduct described in subsection (a). An offense under this subsection is a Class B Misdemeanor.
- (3) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates this chapter, other than by conduct described by subsection (a) or (b). An offense under this subsection is a Class C Misdemeanor.
- (4) Conviction for any of these offenses may result in immediate removal from office or employment.

5.7 Reciprocity

The State of Texas reciprocity law provides that the state or political subdivision cannot award contracts or purchases to non-resident bidders having local preference laws in their resident states unless their bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

5.8 Award of Contract

- (a) The City of Burleson shall award contracts based on criteria deemed in the best interest of the City.
- (b) **Texas Local Government Code, Section 252.043, states, in part:**
 - (1) If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.
 - (2) Before awarding a contract under this section, a municipality must indicate in the bid specifications and requirements that the contract may be awarded either to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.

5.9 Disclosure of Information

- (a) Access to bidder-declared trade secrets or confidential information shall be in accordance with the Texas Government Code Chapter 552, the Public Information Act, and applicable City policies implementing this chapter.
- (b) Texas Local Government Code Chapter 252.049(b) states, in part, that if provided in a RFP, proposals shall be opened in a manner that avoids disclosure of the contents to competing offers and keeps the proposals secret during negotiations. All proposals are open for public inspection after the contract is awarded, but trade secrets and confidential information in the proposals are not open for public inspection.

5.10 Professional Services

- (a) Personal and professional services are exempted from the competitive bidding process and are procured through the use of Request for Qualifications (RFQ) documents, if deemed necessary by the Purchasing Manager. The Purchasing Division is available to consult with departments regarding the preparation of information; however, the presentation of technical and qualifications aspects of personal and/or professional services included in the RFQ documents is the sole responsibility of the requesting department.
- (b) Texas Government Code, Chapter 2254, states that contracts for the procurement of defined professional services may not be awarded on the basis of competitive bids. Instead, they must be awarded on the basis:
 - (1) of demonstrated competence and qualifications to perform the services;
 - (2) For a fair and reasonable price;
 - (3) Fees are allowed;
 - (4) Must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and
 - (5) May not exceed any maximum provided by law.
- (c) Professional Services for the purposes of Government Code Chapter 2254 are defined as those services within the scope of the practice, as defined by

state law, of accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, or professional nursing, or provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant, an architect, a landscape architect, a land surveyor, a physician, including a surgeon, an optometrist, a professional engineer, a state certified or state licensed real estate appraiser, or a registered nurse.

5.11 Automated Information Systems

- (a) All requests for computer equipment, software, telecommunications and related services or supplies should be submitted to the Information Technology (IT) Department for review and technical evaluation. IT will review each request for compatibility with other hardware and software and will investigate alternatives.
- (b) Recommendations from IT and comments will include but not be limited to:
 - (1) Additional costs incurred because of the purchase;
 - (2) Compatibility considerations;
 - (3) Cost effectiveness of the request; and
 - (4) Alternatives that would effectively meet the users' needs.
- (c) No purchases for computer related equipment or supplies are allowed without IT approval.

5.12 Cooperative Purchases

- (a) Cooperative, Joint, and Piggybacking contracts are available for use through signed interlocal agreements. Interlocal agreements can be signed by the City Manager. All purchases as a result of that interlocal agreement must follow council policy 36.
- (b) Cooperative purchasing occurs when two or more governmental entities coordinate some or all purchasing efforts to reduce administrative costs, take advantage of quantity discounts, share specifications, and create a heightened awareness of legal requirements. Cooperative purchasing can occur through inter-local agreements, state contracts, piggybacking, and

joint purchases.

- (c) The Purchasing Division shall take advantage of the following types of cooperative purchases when deemed to be in the City's best interest:
 - (1) Inter-local Agreement Purchases;
 - (2) State Contract Purchases;
 - (3) Piggybacking; and
 - (4) Joint Purchases.
- (d) Cooperative quotes that exceed \$50,000 must also be accompanied by documentation of steps taken to provide assurance that the cooperative price is competitive with current market pricing.

5.13 Emergency Purchases

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

5.14 Sole Source Purchases

- (a) Sole-source purchases are items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies as defined by local government code. When a department has

identified a specific item with unique features or characteristics essential and necessary to the requesting department and no alternate products are available, a detailed written justification must be provided to the Purchasing Division in advance for review and approval. Per local government code items include:

- (1) Items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
- (2) films, manuscripts, or books;
- (3) gas, water and other utility services;
- (4) captive replacement parts or components for equipment;
- (5) books, papers, and other library materials for a public library that are available only from the person holding exclusive distribution rights to the materials; and
- (6) Management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.

5.15 Legal Review

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

5.16 Signature Authority

- (a) Only the City Manager has signature authority to execute contracts of any nature. Such signature authority is detailed and delegated below:
 - (1) The City Manager has authority to execute contracts under \$50,000.
 - (2) The City Manager has authority to execute contracts equal to or in excess of \$50,000 if approved by City Council in the annual budget or as a city council agenda item.

- (3) The Deputy/Assistant City Manager authority to execute contracts under \$25,000
- (4) The Purchasing Manager has authority to execute contracts under \$10,000
- (5) Department Directors have authority to execute contracts under \$3,000
- (6) The City Manager may designate in writing a city employee to sign contracts in their absence. All contracts executed under this section must be compliant with the city's purchasing policy and compliant with all retention schedules as designated by the Texas State Library and Archives Commission.

6.0 Legal Definition

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

7.0 Recommendation to City Council

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

8.0 Purchasing Manual

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



CITY COUNCIL POLICY

37

Council Policy Regarding Council Member BRiCK Memberships and Use of Hidden Creek Golf Course

Adopted date	January 7, 2019
Revised date	
Department Name	City Council

Purpose:

To establish a written policy concerning City Council Member's (including the Mayor) membership at the BRiCK (Burleson Recreation Center) and use of Hidden Creek Golf Course.

Policy:

- Sitting Council members shall have a regular membership at the BRiCK at no cost and shall have the ability to play golf at Hidden Creek Golf Course at no cost, subject to availability.
- Council members who have served two full terms shall have a permanent regular membership at the BRiCK at no cost and shall have the ability to play golf at Hidden Creek Golf Course at no cost, subject to availability. This provision is not retroactive except for former Council members who, prior to approval of this written policy, were authorized to have a regular membership at the BRiCK at no cost and authorized to play golf at Hidden Creek Golf Course at no cost, subject to availability.

Approved the 7th day of January, 2019



CITY COUNCIL POLICY
40
City Boards, Commissions & Committees Appointment
Process

Adopted date	July 18, 2022
Revised date	September 18, 2023, September 2, 2025
Department Name	City Secretary's Office

I. AUTHORITY

- a. The City of Burleson Code of Ordinances established the city council's authority to appoint and remove members from the city boards and commissions. Chapter 2 Article II.

II. CITY BOARDS AND COMMISSIONS

- a. The City of Burleson Code of Ordinance, City Charter, and Texas Local Government Code establishes the city's Boards and Commissions, the requirements, and the terms.
- b. The City Council designates the City Secretary as their representative charged with coordination of appointments, providing updates to the city council, and managing board/commission members for all boards/commissions of the city. This shall include training in Texas Open Meetings Act and the Texas Public Information Act.
- c. All appointees must fill out an application and provide to the City Secretary in accordance with this policy.
- d. All appointments will be by action of the city council at a city council meeting held in accordance with the Texas Open Meetings Act.

III. APPLICATIONS

- a. Applications shall be created by the City Secretary's Office and made available to the public via the city's website, email if requested, and paper copy in-person at city hall.
- b. Applications shall be submitted to the City Secretary's Office as directed on the application by July 1 to be considered for appointment in that calendar year.
- c. All applications are valid for 3 years; calculated using date received by the City Secretary's Office. After expiration a new application must be submitted in accordance with this policy.
- d. Under the Texas Public Information Act (the Act) all applications submitted are open to the public through the public information request. Private emails will be redacted in accordance with the Act. A statement will be placed on the application for disclosure to the applicants.
- e. Applicants can apply for as many boards or commissions as they like however they will be forced to rank preference of appointments to provide council full consideration.
- f. The City Secretary's Office will notify all applicants annually to confirm continuing interest in appointment or re-appointment.

IV. COMMUNITY & INTERGOVERNMENTAL RELATIONS COMMITTEE

- a. The Community & Intergovernmental Relations Committee (C&IR) is a committee of the council consisting of 3 council members chosen by the city council.
- b. The City Secretary shall gather all applications, attendance roles, board/commission membership and place in a binder to be provided to the C&IR as soon as applicable after the July 1 deadline.
- c. The binder shall provide all information required for the C&IR to make decisions on appointments.
 - i. Full membership list of the each board/commission
 - ii. Re-appointments will be highlighted
 - iii. Attendance
 - iv. Terms, requirements, board/commission make-up and any specific requirements
 - v. Applications will be categorized by board/commission applied for, if applicant applies for multiple board/commission the application will appear for each board/commission applied for.
- d. The C&IR will meet each year the 1st week in August to review vacancies and re-appointments. If there are no vacancies or re-appointments the C&IR will not meet unless requested by a member of the C&IR.
- e. The C&IR will bring forward recommendations for appointments to the full council for the full council's consideration.

V. APPOINTMENTS

- a. The City Council will consider board/commission appointments in a meeting of the city council held in accordance with the Texas Open Meetings Act.
- b. The City Secretary will bring forward the appointments for council's consideration as a general item on the council agenda.
- c. The City Secretary will include a list of all applicants and board/commission they applied for listed by board/commission.
- d. The applications for the recommended appointees will be included in the agenda packet along with the list of all applicants.
- e. The City Council shall make the appointments by the last regular meeting in September.
- f. The City Secretary shall notify the appointees of their appointment and notify board liaison and director.
 - i. Notification includes: term, instruction on required training, staff contact information and a board/commission book specific to their appointment.

VI. Board/Commission/Committee Members responsibilities

- a. Members have an obligation to be prepared in advance of all meetings. In order to provide for informed decision making and to instill confidence, each member is expected to:
 - i. The members should fully consider the items presented to them at the meeting providing recommendations to be forwarded to the city council or council committee by the Director or designee with consideration given to the necessary timeframe for the item.
 - ii. All recommendations of the board, commission, or committee should be presented in a report that provides the council full consensus of the members, understanding the recommendations may not all be unanimous. The reports

- should reflect the discussion and questions of the members present at the meeting in a high level executive summary format. This is not intended to be a verbatim report or minutes.
- iii. Study and be familiar with all material in the agenda packet provided by the staff in advance of the meeting
 - iv. Direct any questions about the agenda to the Board/Commission/Committee staff contact, as provided by the Director, in advanced to allow staff to correct or provide additional information
 - v. Be respectful to fellow members, staff, applicants, and citizens; allowing everyone a chance to participate in the discussion and provide perspective
 - vi. Arrive on time for all posted meetings
 - vii. Provide staff with updated contact information as soon as possible
 - viii. Use the designated staff contact information provided to each member by staff
 - ix. Complete any required training assigned within 90 days of notification and presented to the City Secretary for filing
- b. Chair & Vice Chair – The Chair is the presiding officer at the meetings and the Vice Chair shall act as Chair during the absence or disability of the Chair
- i. The Chair is responsible beginning the meeting on time and making sure a quorum is present before beginning
 - ii. Announce the proper sequence of the meeting according to the posted agenda
 - iii. Recognizing members, staff, and citizens who are entitled to speak
 - iv. Assure decorum is maintained through the entire meeting
 - v. Follow the adopted Burleson Rule of Order found in section VIII
 - vi. State, put to vote and announce results on all properly posted agenda item
- c. Value expectation of members are listed to assure each member is representing the city reflecting its mission and obligations to the citizens:
- i. Conflict of Interest – members will comply with Texas Conflict of Interest/Disclosure Laws. When in question the City Secretary or the Deputy City Attorney will guide the process
 - ii. Confidential information – members will not disclose confidential information provided to them as members of their board, commission, or committee
 - iii. Be mindful of neutrality and impartiality rendering equal consideration to all agenda items and citizens
 - iv. Actively promote principles of good government and good citizenship, being mindful that each member represents the city as a member of one of its board/commission/committee
- d. Absences and notifications are the responsibility of each member.
- i. Members shall notify the city secretary's office (records@burlesontx.com) and the board liaison with at least 72 hour notice of absences due to illness, realizing emergencies arise. If absence is emergency related the member should notify the city secretary's office as soon as possible.
 - ii. Scheduled absences shall be notified both the city secretary's office (records@burlesontx.com) and board liaison.
 - iii. The city secretary will note the absences in the attendance roll presented to the city council during the appointment process.

- iv. Chapter 2, Article II Boards, Commissions, Committee Section 2-34 Absence rule governs action pertaining to absences.
- VII. Creation of boards, commissions, or committees authority can be found in Chapter 2, Article II, Section 2-38 of the code of ordinances. The following is a comprehensive list of boards and will be amended in this section as needed.
 - a. Planning and Zoning Commission
 - b. Board of Adjustments
 - c. Capital Improvement Advisory
 - d. Parks & Recreation Board
 - e. Old Town Development Standards
 - f. Public Spaces & Cultural Heritage
 - g. Advisory Committee on People with Disabilities
 - h. Animal Shelter Advisory
 - i. Building Codes & Standards Board
 - j. Library Board
- VIII. Quorum. A quorum for the conduct of business of the Public Spaces & Cultural Heritage Board, Advisory Committee on People with Disabilities, and Animal Shelter Advisory Committee shall be at least three (3) members of the board. Action may be taken by any of those boards at which a quorum is present at a duly called meeting by a majority of members present.
- IX. Process to address concerns of members in possible violation of Section VI or Chapter 2 Boards, Commissions, Committees
 - a. Concerns from staff or fellow members should be directed first to the Director and City Secretary for quick resolution
 - b. If no resolution can be found the City Secretary will notify the City Council at which time the city council will refer to the Community & Intergovernmental Relations Committee for recommendation to be presented to the city council
 - c. Concerns from the public must be in writing and addressed to the City Secretary @ records@burlesontx.com
 - d. The City Secretary will work with the public on possible resolution, keeping the city council, director, and city manager informed
 - e. If no resolution can be found the City Secretary will notify the City Council at which time the city council will refer to the Community & Intergovernmental Relations Committee for recommendation to be presented to the city council
 - f. All processes shall be in compliance with the Texas Open Meetings Act, city ordinances, state and federal applicable laws
 - g. City code of ordinance Chapter 2 grants the city council authority to remove any member
- X. BURLESON RULES OF ORDER – *For use by Board, Commission and Committee Members.*

All Boards, Commissions, and Committees of the City of Burleson shall follow the Burleson Rules of Order found in City Council Policy #17 in conducting all meetings.



CITY COUNCIL POLICY
41
City of Burleson City Council Policy
Debt Management Policy

Adopted date	July 10, 2023, June 16, 2025
Revision dates	
Department Name	Finance

Purpose

The purpose of this policy is to establish parameters and provide guidance governing the issuance, management, continuous evaluation of and reporting on all debt obligations issued by the City, and to provide for the preparation and implementation necessary to ensure compliance and conformity with this policy.

A debt management policy:

- Enhances the quality of decisions by providing transparency of the process.
- Promote consistency and continuity in decision making.
- Contributes to fiscal sustainability.
- Identifies objectives for staff to implement.
- Demonstrates a commitment to longer term financial planning objectives.
- Improves rating agencies review process.

The City of Burleson recognizes that the foundation of any well-managed debt program is a comprehensive debt management and post issuance policy outlining the parameters for issuing new debt and managing the existing debt portfolio; identifying the types and amounts of permissible debt; providing guidance to decision makers regarding the purposes for which debt may be issued; and verifying that the IRS regulations regarding post issuance compliance are met to preserve the tax-exempt status of the City's bonds.

Adherence to a debt management policy helps ensure that the City maintains the current or an improved bond rating in order to minimize borrowing costs and preserve access to credit.

Policy Statement

Under the governance and guidance of Federal and State laws and the City's Charter, ordinances, and resolutions the City may periodically enter into debt obligations to finance the construction or acquisition of infrastructure and other assets; or to refinance existing debt for the purpose of meeting its governmental obligations to its residents. It is the City's objective to ensure that such debt obligations are issued and administered in such fashion as to obtain the best long term financial advantage for the City and its residents, while making every effort to maintain and improve the City's bond ratings.

This Policy applies to all debt instruments issued by the City regardless of the funding source. Funding sources can be derived from, and debt secured by ad valorem taxes, general City revenues, enterprise fund revenues or any other identifiable source of revenue that may be identified for appropriate pledging for bonded indebtedness.

General Debt Governing Policies

The City establishes the following policies on the issuance and management of debt:

- The City will not issue debt obligations or use debt proceeds to finance current operations or normal maintenance.
- Debt financing includes general obligation bonds, certificates of obligation, revenue bonds, lease/purchase agreements and other obligations permitted to be issued under Texas law.
- The City shall review its outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service cost. As a general rule, the present values savings of a particular refunding should exceed three and one-half percent (3.5%) of the refunded maturities, unless a restructuring or bond covenant revision is necessary in order to facilitate the ability to

provide services or issue additional debt in accordance with the established debt policies.

- The City will utilize debt obligations only for acquisition, construction, reconstruction or renovation of capital improvement public infrastructure projects, and capital equipment that cannot be funded from current revenue sources or in such cases where it is more equitable for the project to be financed over its useful life or a period of not to exceed its useful life.
- The City will measure the impact of debt service requirements of outstanding and proposed debt obligations on a single year, five, and twenty-year periods. This analysis will consider debt service maturities and payment patterns as well as the City's commitment to cash fund capital projects.
- The City will seek advice and the services of a Financial Advisor in performing the bond issuance process. The City will also seek the advice of Bond Counsel as to the legality and tax-exempt status of any obligations.
- The bond proceeds will be invested in accordance with the City's investment policy. Interest earnings received on the investment of bond proceeds shall be used to assist in paying the cost associated with the capital project or be used toward the repayment of debt. The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities and will abide by the provisions of the Securities and Exchange Commission (SEC) or other laws, as applicable.
- The City may utilize a reimbursement resolution approved by the City Council to begin working on capital projects prior to issuing debt. In general, reimbursements are made no later than 18 months after the later date of the original expenditure is made or the date the project is placed in service, but in no event more than 3 years after the original expenditure is paid.

STRUCTURE OF DEBT

Debt service shall be structured to the greatest extent possible to:

1. Target projected cash flows and pledged revenues;
2. Minimize the impact on future tax levies;
3. Target a consistent and as rapid as feasible payment of principal;

4. Maintain a level overall annual debt service payment structure; and
5. Target the equal or the lesser of the useful life of the asset being financed.

FIXED INTEREST VERSUS VARIABLE INTEREST

The City generally issues fixed rate bonds primarily to protect the City against interest rate risk. The City has the option to issue variable rate bonds if market conditions warrant and the Council approves it.

METHODS OF SALE

A. Competitive Sale

In a competitive sale, bonds are awarded in a sealed bid sale to an underwriter or syndicate of underwriters that provides the lowest True Interest Cost (TIC) bid. TIC is defined as the rate, which will discount the aggregate amount of debt service payable over the life of the bond issue to its present value on the date of delivery. It is customary for bids to be submitted electronically through a secure website.

B. Negotiated Sale

In a negotiated sale, the City chooses an underwriter or underwriting syndicate that is interested in reoffering a particular series of bonds to investors. The terms of the sale, including the size of the underwriter's discount, date of sale, and other factors, are negotiated between the two parties. Although the method of sale is termed negotiated, individual components of the sale may be competitively bid. The components are subject to a market analysis and reviewed prior to recommendation by staff. Negotiated sales are more advantageous when flexibility in the sale date is needed or when less conventional bond structures are being sold. Negotiated sales are also often used when the issue is particularly large or if the sale of the debt issuance would be perceived to be more successful with pre-marketing efforts.

C. Private Placement

A private placement is a negotiated sale of debt securities to a limited number of selected investors including financial institutions, government agencies, or authorities. The City may engage a placement agent to identify likely investors if

deemed necessary. A private placement may be beneficial when the issue size is small, when the security of the bonds is somewhat weaker, or when a governmental lending agency or authority can provide beneficial interest rates or terms compared to financing in the public market.

The City's debt obligations may be sold by competitive sale, negotiated sale or private placement methods. The selected method of sale depends upon the option which is expected to result in the lowest cost and most favorable terms to the City given the financial structure used, market conditions, and prior experience. When considering the method of sale, the City Council may consider the following issues:

1. Financial conditions;
2. Market conditions;
3. Transaction-specific conditions;
4. City-related conditions;
5. Risks associated with each method;
6. Complexity of the Issue – Municipal securities with complex security features require greater marketing and buyer education efforts on the part of the underwriter, to improve the investors' willingness to purchase;
7. Volatility of Bond Yields – If municipal markets are subject to abrupt changes in interest rates, there may be a need to have some flexibility in the timing of the sale to take advantage of positive market changes or to delay a sale in the face of negative market changes;
8. Familiarity of Underwriters with the City's Credit Quality – If underwriters are familiar with the City's credit quality, a lower (TIC) may be achieved. Awareness of the credit quality of the City has a direct impact on the TIC an underwriter will bid on an issue. Therefore, where additional information in the form of pre-sale marketing benefits the interest rate, a negotiated sale may be recommended. The City strives to maintain an excellent bond rating. As a result, the Municipal Bond Market is generally familiar with the City's credit quality; and
9. Size of the Issue – The City may choose to offer sizable issues as negotiated sales so that pre-marketing and buyer education efforts may be done to more effectively promote the bond sale.

RATINGS

Adherence to a debt management policy helps ensure that the City maintains the current or an improved bond rating in order to minimize borrowing costs and preserve access to credit. Toward that end, the City will take the following steps.

1. Strive to maintain good relationships with bond rating agencies as well as disclose financial reports and information to these agencies and to the public.
2. Obtain a rating from at least one nationally recognized bond-rating agency on all issues being sold in the public market.
3. Make timely disclosure of annual financial information or other requested information to the rating agencies.

CONTINUING DISCLOSURE

The City will take all appropriate steps to comply with federal securities laws, including, but not limited to, Securities and Exchange Commission ("SEC") Rule 15c2 -12 the ("Rule"). The City will make annual and event disclosure filings to the MSRB via EMMA as required by the Rule and its continuing disclosure undertakings.

SELECTION OF FINANCIAL ADVISOR

The City shall retain an independent financial advisor for advice on the structuring of new debt, financial analysis of various options, including refunding opportunities, the rating review process, the marketing and marketability of City debt obligations, issuance and post- issuance services, the preparation of offering documents (each, an "Official Statement") and other services, as necessary. The City will seek the advice of the financial advisor on an ongoing basis. The financial advisor will perform other services as defined by the agreement approved by the City Council. The financial advisor will not bid on nor underwrite any City debt issues in accordance with MSRB rules.

SELECTION OF BOND COUNSEL

The City shall retain bond counsel for legal and procedural advice on all debt issues. Bond counsel shall advise the City Council on all matters pertaining to its bond ordinance(s) and /or resolution(s). No action shall be taken with respect to any obligation until a written instrument (e.g., Certificate Ordinance or other legal instrument) has been prepared by the bond attorneys certifying the legality of the proposal. The bond attorneys shall prepare all ordinances and other legal instruments required for the execution and sale of any bonds issued which shall then be reviewed by the City Attorney and the Director of Finance. The City will also seek the advice of bond counsel on all other types of debt and on any other questions involving state law and federal tax or arbitrage law. Special counsel may be retained to protect the City's interest in complex negotiations.

Debt Limit

- The maximum combined tax rate of the City is \$2.50 per \$100 valuation under State law. Administratively solely for the purpose of approving as valorem debt, the Attorney General will permit an allocation of \$1.50 of the \$2.50 maximum tax rate for all ad valorem tax supported debt service, as calculated at the time of issuance.
- The State of Texas does not prescribe a legal debt limit on the amount of outstanding revenue bonds.
- The City of Burleson's charter does not provide a debt limit lower than the \$2.50 maximum tax rate under State law.

Specific Debt Ratios and Measurements

This section establishes target debt ratios and measurements for the City. As the City periodically addresses its ongoing needs, the City Manager and the City Council must ensure that future elected officials will have the flexibility to meet the capital needs of the City. This policy establishes targets which should provide future flexibility.

Outstanding Debt – The Finance Director will monitor and report the outstanding debt to the City Council at least annually. The Finance Director is responsible for monitoring the maturities and terms and conditions of all obligations to ensure compliance.

Future debt – Debt will be structured by reviewing the 5-year CIP plan, growth of the City, and level or declining debt service payments over the life of existing bonds.

Self-Supporting Debt – Bonds backed with the property tax pledge often have lower interest rates than revenue bonds. The City may use its property tax pledge with self-supporting debt when the population served by the self-supporting bond projects overlaps or significantly are the same as the property tax base of the City. The City Council and management are committed to maintaining rates and fees structures and a revenue stream of revenue supported debt at levels that will not require a subsidy from the City's General Fund.

Net Debt Per Capita – is the amount of debt outstanding for each citizen of a jurisdiction. Net direct debt is the sum of all general obligation bonds and notes outstanding less any self-supporting obligations, overlapping debt, and revenue debt. The City **shall strive** to maintain the current Net Debt per Capita at or below \$3,000.

Net Debt to Assessed Value – Assessed valuation shows the fiscal capacity of the tax base. The City **shall strive** to maintain a ratio of Net Debt to Assessed Value of properties in the City at or below three percent (3%).

Debt Service Tax Rate – The City will target a debt service tax rate the makes up 40% or less of the City's total property tax rate.

Bond Covenants and Laws – The City shall comply with all covenants and requirements of its bond ordinances, the State and Federal laws authorizing and governing the issuance and administration of debt obligations.

Debt Committee

The Finance Committee shall function as the City's designated Debt Committee to oversee the implementation of debt strategies. The Committee shall meet at least twice a year or as requested by the City Manager and/or Finance Director.



CITY COUNCIL POLICY

42

City Council Committees

Adopted date	July 24, 2023
Revised date	
Department Name	City Council

The City Council created the Council Committees to provide staff direction on larger projects before bringing them forward to the full council. Each Committee is designed to align with our predicted growth, social changes, and technological advances to follow best practices.

Section I – Council Committees

The Public Safety & Municipal Court will review policies, plans, and programs related to Police, Fire Protection, Public Safety Communications, Municipal Court, EMS service, Law Enforcement, and Code Compliance. In addition, this committee will assist with policies and issues facing these departments on a preliminary basis before they require Council action.

Operational Area/Departments/Divisions

- Police Department
- Fire Department
- Public Safety Communications
- Neighborhood Services – Code Compliance
- Municipal Court
- Public Safety Plans & Policies

The Infrastructure & Development Committee will assist the Community Development Services, Public Works, and Economic Development Departments with issues and policies.

Operational Area/Departments/Divisions

- Public Works
- Capital Improvement Program
- Economic Development
- Community Development Services
- Hotel-Motel Tax Fund
- Review 5- year Capital Improvement Processes (Annually)

The Finance Committee will adhere to the Finance Policy and all other Council Policies. In addition, this committee will review bond procurement, debt service, investments, and funding projects, current and future

Operational Area/Departments/Divisions

- Finance
- Revenues and Expenditures per Encumbrance
- Finance Support Services
- All Council Financial Polices including #30, #32, #36, and #41
- Purchasing

- Debt Service
- Investment Pool Deviations or Deletions
- Bond Procurement/Project Reviews

The Community Service Committee will review policies, plans, and programs that affect the quality of life of our employees and residents, including the protection of the natural environment, public health, human services, and neighborhood services. Serving as the liaison to the Citizen's Better Together working closely to develop positive initiatives.

Operational Area/Departments/Divisions

- Neighborhood Services – Animal Shelter & Environmental Services
- Parks & Recreation – Parks, Athletic Fields, Recreation, Golf, Naturalist, and Arborist
- Community Services – Communications, Senior Center, and Library
- Human Resources
- Quality of Life Projects
- Liaison to the Citizen's Better Together Committee

The Community & Intergovernmental Relations Committee liaisons with School Districts (BISD/JISD), Counties (Johnson/Tarrant), The Chamber of Commerce, The Heritage Foundation, and other civic organizations assuring promotion interagency cooperation. In addition, this committee will consider and make recommendation of all appointments to the city's boards, commissions, and committees.

Operational Area/Departments/Divisions

- Liaison – School Districts (BISD&JISD), Counties (Tarrant & Johnson), Chamber of Commerce, Heritage Foundation, and other Civic Organizations
- Collaborate with counties for overlapping projects and concerns
- Identify & Review interagency operations and programs
- City Manager's Office
- City Secretary's Office

The City Council Policies and Valuation Committee works with the City Manager and City Secretary departments to review and make recommendations on all Council Policies and will aid with issues and policies applicable to the internal services departments. These departments are Information Technology, Public Works, Legal - Risk Management, and Finance.

Operational Area/Departments/Divisions

- City Manager's Office
- City Secretary's Office
- Information Technology
- Internal Service Fund
- Stewardship of Public Resources
- Growth Space projections/needs
- Public Works – Facilities, Fleet, and Building Assessments
- Legal – TML Risk Management

The listed operational areas do not limit the functions of the committees and as the organization changes and operational area names change the core function of the area will remain with the committee.

Meeting schedules for each council committee shall be determined by the city council and the city manager's office to best utilize time.

Section II – Council Committees structure

Number of members per committee

- 3 council members per committee
- 2 council member are needed for a quorum
- Each council committee selects their own chair

Term of appointment

- 2 year terms
- 2 year term for chair

Selection and Appointment to each committee

The city council will generally start the process in July.

1. The City Secretary will send out a preference ranking sheet to each council member to begin the process
2. Each council member shall fill our the preference sheet in the prescribed time frame making sure to rank ALL council committees
3. The City Secretary at a regular council meeting will present to the city council a matrix of all council member ranking sheets and action to make appointments to each council committee
4. The city council will determine their own appointments taking into consideration each council members ranking sheet. The council should work to grant each council member their 1st preference if possible
5. Once all selections are done the City Secretary will ask the city council to take action to appoint council members to the city council committees for a 2 year term
6. If any changes occur in the council membership before the 2 year term is expired the City Secretary will present current appointments to the full council for their consideration
7. Council shall provide direction to the City Secretary if they want to go through the selection/appointment process again or leave as is waiting until the terms expire

This policy should be reviewed annually to make sure the council committees are being utilized to their full potential and are reflective of the city's needs.



**CITY COUNCIL POLICY
43
City of Burleson Asset
Management Policy**

Adopted date	March 4, 2024
Revised date	NA
Department Name	City Manager's Office

**CITY OF BURLESON ASSET
MANAGEMENT POLICY**

Purpose

The Asset Management Policy expresses the commitment of the City of Burleson to guide the effective and sustainable management of the City's infrastructure assets. This policy will inform the City's approach to maintaining, preserving, and enhancing its assets.

Background

As the City's asset base ages, focus on the maintenance of existing infrastructure and careful decision-making regarding infrastructure development becomes increasingly necessary. Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

The City's Asset Management Program commits to delivering superior service and meeting customer expectations through efficient and effective business processes and asset stewardship. This policy lays out the City's commitment to the pursuit of an optimally informed approach to planning, decision making and the management of critical assets. With this policy, the City will identify and manage critical assets throughout their respective lifecycles and strive to maximize its effective useful life while being fiscally conscious and limiting the City's business risk exposure.

Definitions

Asset - An asset is a physical or abstract component, system, or resource that plays a crucial role in the operation, maintenance, and delivery of services within

an infrastructure network or facility. Assets can include roads, bridges, pipelines, tanks, pump stations, buildings, and equipment. Proper management of assets involves their acquisition, maintenance, and optimization to ensure they effectively serve their intended purpose while aligning with the organization's strategic goals.

Asset Management - Asset management is a holistic and strategic process within an organization that involves various coordinated activities to optimize the value derived from its assets, all while aligning with the organization's overarching goals. This approach encompasses resource allocation, infrastructure upkeep, performance evaluation, and other essential processes designed to ensure the delivery of high-quality services to stakeholders by effectively planning and maintaining assets. Asset management goes beyond simply addressing the age or condition of assets and is primarily concerned with maximizing the assets' overall utility and contribution to the organization's success.

Customer - A customer typically refers to the residents, businesses, and stakeholders within the community who directly benefit from or are affected by the public services and infrastructure provided by the City. These individuals and entities are the end users of the services and assets, and their satisfaction and well-being are central considerations in setting and maintaining the desired level of service.

Level of Service - Level of Service represents the established standards for the quality and quantity of public services and infrastructure, guiding resource allocation and ensuring the community's needs are met.

Sustainability - Sustainability refers to the practice of responsibly managing and maintaining assets in a way that ensures their long-term viability, value, and functionality. It involves making strategic decisions that consider the environmental, economic, and social aspects of asset performance. Sustainable asset management seeks to balance the need for optimal asset utilization with minimal environmental impact, enhanced energy efficiency, and increased social responsibility. The goal is to preserve and extend the life of assets while aligning with broader sustainability goals and minimizing negative consequences for future generations.

Scope

The City Council is committed to a comprehensive and strategic approach to managing its infrastructure assets. This involves integrating business processes, employing trained and knowledgeable staff, and fostering effective communication

with customers and stakeholders to provide an exceptional level of service. From the planning and design phase to disposal, the city will oversee assets throughout their life cycles using a risk-based framework, ensuring responsible use of public resources while meeting the high service standards expected by residents and stakeholders. The citywide asset management program aims to optimize service delivery by balancing the level of service delivery, cost considerations, and business risks. The City is dedicated to compliance with relevant laws, regulations, and established policies, with a continual commitment to evaluating and accurately reporting on program performance. Grounded in solid data, the asset management program ensures that investments are made wisely, at the right time and on the right assets, promoting a data-driven and consistent decision-making process. The primary scope of this policy are as follows:

1. Optimize asset performance to ensure the safety and longevity of infrastructure assets, minimizing disruptions, and providing reliable services.
2. Foster fiscal responsibility to efficiently allocate resources and make informed investment decisions while reducing long-term financial burdens.
3. Enhance resilience and sustainability to prioritize asset resilience and sustainability in the face of climate change, disasters, and environmental concerns.
4. Align with community goals, including economic development, quality of life, and environmental stewardship.
5. Promote transparency and accountability for deeper and stronger community trust and engagement.
6. Enable informed data-driven decision-making and performance monitoring to support the ever-changing infrastructure needs.

Responsibilities

- The City Council is responsible for adopting the Asset Management Policy and providing authority to the City Manager to implement the Asset Management Program.
- The City Manager holds the responsibility for ensuring that the City adheres to the principles and commitments outlined in this Asset Management Policy. Furthermore, the City Manager is entrusted with designating appropriate individuals for the reviews and revisions required by this policy.
- The leadership team commits to providing support to the City Manager in the pursuit of compliance with this Asset Management Policy and to actively

enforce its implementation within their respective areas of authority.

- All employees, without exception, bear the duty of strict adherence to the provisions set forth in this Asset Management Policy. The City administration is dedicated to furnishing its employees with the necessary knowledge, resources, and skills to effectively uphold and execute this policy.

Corporate Risk Matrix

CONSEQUENCE CATEGORIES	VERY LOW	LOW	MODERATE	HIGH	VERY HIGH
Regulatory Compliance	No Impact	Minor non-compliance requiring notification of regulatory entity. Example: Violation of internal processes	Moderate non-compliance triggering internal investigations and potential regulatory scrutiny. Example: Regulatory violation (SSO)	Significant violation requiring external regulatory intervention and potential legal consequences. Example: TCEQ Administrative Order	Severe non-compliance resulting in legal actions, fines, and severe damage to reputation. Example: EPA Consent Decree
Financial	No Impact	Low financial loss, manageable through existing resources and budget adjustments. Metric: Less than \$100,000	Moderate financial impact necessitating financial reallocation and cost-cutting measures. Metric: \$100,000 - \$250,000	Significant financial loss, requiring external funding and long-term financial restructuring. Metric: \$250,000 - \$1,000,000	A severe financial crisis demanding immediate financial intervention and recovery strategies. Metric: Greater than \$1,000,000
Delivery of Services	No Impact	Slight service disruption with minimal impact on end-users, recoverable through swift corrective actions. Example: Disruption duration less than 12 hours	Moderate disruption affecting service quality and delivery timelines, requiring prompt attention and recovery. Example: Disruption duration 12 – 24 hours	Significant service outage leading to public inconvenience, necessitating urgent and comprehensive restoration efforts. Example: Disruption duration 24-72 hours	Catastrophic service failure causing widespread public distress and necessitating a long-term recovery strategy. Example: Disruption duration greater than 72 hours

Corporate Risk Matrix (cont.)

CONSEQUENCE CATEGORIES	VERY LOW	LOW	MODERATE	HIGH	VERY HIGH
Operational Impact	No Impact	<p>Minor disruptions to routine operations, recoverable through prompt corrective actions.</p> <p>Example: Disruption tolerable for up to 7 days</p>	<p>Moderate disturbances to operational processes, requiring comprehensive and coordinated recovery efforts.</p> <p>Example: Disruption tolerable for up to 2 days</p>	<p>Major disruptions affecting critical operations, necessitating urgent and strategic interventions for recovery.</p> <p>Example: Disruption tolerable for up to 1 day</p>	<p>Catastrophic operational failure jeopardizing core functions, demanding an immediate and sustained recovery plan.</p> <p>Example: Disruption tolerable for less than 12 hours</p>
Environmental	No Impact	<p>Low environmental impact, with limited harm and manageable mitigation measures.</p>	<p>Moderate environmental damage that has short term effects and is reversible.</p>	<p>Significant environmental damage that has long term effects. Likely to lead to fines for regulatory agencies.</p>	<p>Severe and irreversible ecological harm with long-term consequences, demanding urgent and comprehensive environmental restoration strategies.</p>
Reputation	No Impact	<p>No reputational harm with limited impact on public perception.</p> <p>Example: Alert Notification on City Website</p>	<p>Moderate reputational harm with limited impact on public perception, manageable through strategic communication efforts.</p> <p>Example: Social Media Coverage</p>	<p>Moderate damage to reputation affecting a broader audience, requiring a comprehensive reputation management strategy.</p> <p>Example: Local Media Coverage</p>	<p>Significant reputational crisis with widespread negative impact, necessitating immediate and sustained reputation repair initiatives.</p> <p>Example: National Media Coverage</p>