AGENDA

BE IT KNOWN that the **CITY COUNCIL** of the City of Richwood will meet in **City Council Regular Meeting** on **Monday, June 8, 2020** at **6:00 PM** at 1800 N. Brazosport Blvd., Richwood, TX 77531 at the Richwood City Hall in the Council Chambers with the following agenda:

<u>SUPPLEMENTAL NOTICE OF MEETING BY TELEPHONE/WEB CONFERENCE</u>

In accordance with the order of the Office of the Governor issued March 16, 2020, the City Council of Richwood will conduct the meeting schedule at 6:00 p.m. on Monday, June 8, 2020 in the City Hall Council Chambers, located at 1800 Brazosport Blvd N., in part by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of Coronavirus (COVID 19).

The meeting agenda is posted online at www.richwoodtx.gov.

The public dial in number to participate in the telephonic meeting is **1 (646) 749-3122** and enter access code: **738-977-861**

The public will be permitted to offer public comment telephonically as provided by the agenda and as permitted by the presiding officer during the meeting.

A recording of the telephonic meeting will be made, and will be available to public in accordance with the Open Meetings Act upon written request.

Please contact Kirsten Garcia, City Secretary, with any issues logging in, 979-265-2082 (option 3)

I. CALL TO ORDER

II. INVOCATION

III. PLEDGES OF ALLEGIANCE

IV. ROLL CALL OF COUNCIL MEMBERS

V. PUBLIC COMMENTS

VI. CONSENT AGENDA

A. Approve a resolution to participate in the Texas SmartBuy Program of the State of Texas.

B. Approve a resolution amending the authorized representatives under the investment agreement for TexPool and TexPool *Prime* Investment Pool with authority to open accounts, deposit and withdraw funds, and to designate other authorized representatives as needed.

C. Approve a resolution to amend the authorized representatives under the TexStar Public Investment Pool Interlocal Agreement.

D. Approve a resolution to amend the authorized representatives under the LOGIC Public Investment Pool Interlocal Agreement.

E. Approve Investment Report (Q1&Q2, FY2019-2020) as amended.

F. Approve April 2020 Budget Report

VII. DISCUSSION AND ACTION ITEMS

A. Discuss and consider a resolution approving issuance up to a maximum amount of $15,000,000 Brazosport Water Authority Special Project Revenue Bonds (Harris Reservoir Expansion Project), taxable Series 2020 and any additional series; and containing other provisions relating to the subject.

B. Discuss and consider request from Keep Richwood Beautifuil to rename Richwood Municipal Park, Presented by Kimberly Mayer, KRB Executive Director

C. Discuss and consider convening a committee to review Policy #1303 in the Policy and Procedure Manual regarding the Event of an Emergency Closing of City Offices.

D. Consider approving a transfer of $6,000 from Sewer Lines M&R (30-20-5390) to Building and Grounds M&R (30-20-5310).

E. Discuss and consider approving a resolution to establish a time frame as to which late fees and disconnections will be suspended due to COVID-19.

F. Presentation and discussion of Capital Improvement Projects Update

G. Discuss and/or approval of the continuation of auditing services provided by Kennemer, Masters & Lunsford for the period ending September 30, 2020 and provide alternatives.

H. Approve items removed from the Consent Agenda

VIII. EXECUTIVE SESSION

A. Pursuant to Chapter 551.0745, Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee:

1. Eric Foerster, City Manager

2. Patricia Ditto as Finance Director

IX. ACTION AS RESULT OF EXECUTIVE SESSION

X. CITY MANAGER'S REPORT

XI. COUNCIL MEMBER COMMENTS & REPORTS

XII. MAYOR’S REPORT

XIII. FUTURE AGENDA ITEMS

XIV. ADJOURNMENT

The City Council may go into Executive Session on any item listed on the Agenda in accordance with Section 551.071 of the Government Code (attorney-client privilege).

I, Kirsten Garcia, do hereby certify that I did, on _______________ at _________ p.m., post this notice of meeting on the bulletin board at 1800 N. Brazosport Blvd., Richwood, TX, in compliance with the Texas Open Meetings Law.

____
Kirsten Garcia, City Secretary
City of Richwood

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 265-2082 or FAX (979) 265-7345 for further information.

City of Richwood
1800 Brazosport Blvd.
Richwood, TX 77531
Phone (979) 265-2082
Fax (979) 265-7345

AGENDA MEMORANDUM
ITEM # CONSENT

CONTACT: Marty Coursey, CGFO; Interim Finance Director

SUBJECT: Approval of a resolution to participate in the State of Texas Cooperative Purchasing Program, available for local governments, education and non-profit assistance organizations called a Texas SmartBuy membership.

SUMMARY: Consider approving a resolution to participate in the Texas SmartBuy Program of the State of Texas.

BACKGROUND INFORMATION:
The Texas Smart Buy Membership Program is the new name for the State of Texas Cooperative Purchasing Program. As a service from the Comptroller's office, the state purchasing cooperative promotes best value procurements through state contract usage at the local level. The membership program empowers the City with access to the same best value and competitively bid contracts as the state agencies. Members are provided access to purchase from a wide variety of term contracts, technology contracts, purchase card, fuel and travel contracts for qualified entities-all leveraged by the buying power of the State of Texas. Common purchases include items such as office furniture and vehicles. More information regarding this program can be found on the Comptrollers' website: https://comptroller.texas.gov/purchasing/members/. See attached flyer.

ISSUE:
For the City to take advantage of this program we must first become a member. The City must approve a resolution documenting our eligibility as a local government(required); fill out a new member application and submit a membership fee of $100.

FISCAL IMPACT: None

RECOMMENDATION: Council to approve Resolution

READY TO PUT THE PURCHASING POWER OF TEXAS TO WORK FOR YOU?

Texas SmartBuy Membership Program

Our membership extends to urban and rural service associated districts, political subdivisions of the state and non-profit organizations who hold an active state contract or state grant for their educational, health or humanitarian services.

Vendors are not eligible to join the state's purchasing cooperative. Please find our state vendor program information here.

Start Here to Get Your All Access Membership!

Who is Eligible to Become a Texas SmartBuy Member?
What can be Purchased through the Texas SmartBuy Members Program?
What are the Benefits of a Membership?

- **We're Here for You**: The Comptroller's office does not outsource customer service obligations. Our dedicated in-agency care team provides Texas SmartBuy Members with statewide procurement technical and customer service support by phone or email. We also offer one-on-one Texas SmartBuy Members Program purchasing training sessions by phone, webinar or in-person for larger groups.
- **Save Time and Money**: Take advantage of the state of Texas' huge purchasing power that results in statewide contracts with competitive prices that agencies and local governments don't have to solicit individually.
- **Order Millions of Products Online/Anytime**: Purchase hundreds of items online using TxSmartBuy.com, 24/7. Members have online access any time of day or night to review contracts and items available for purchase, place purchase orders and access purchasing resources. Purchase orders are automatically generated for both the purchaser and the vendor.
- **Get the Access You Need**: Unlike private purchasing cooperatives, there are NO hidden fees per purchase order for the buyer.
- **Order Securely**: All Texas contracts meet state legal obligations and are awarded in accordance with state purchasing statutes and competitive bidding requirements. The Comptroller's office guarantees all TxSmartBuy.com contracts.

- **Find Vendors**: Search thousands of vendors on the Centralized Master Bidders List (CMBL), including Texas Certified Historically Underutilized Businesses (HUBs). Plus, with the state-managed Vendor Performance Tracking System (VPTS), you'll have up-to-date information about past vendor performance and feedback of contracted vendors.
- **Increase Competition**: Members can post online bid notices and awards on the Electronic State Business Daily (ESBD). Quickly reach a larger audience with the ESBD online notification application than traditional posting methods.
- **Earn Rebates on Qualified Purchases**: Obtain payment charge cards through the use of the state's Commercial Card Program, and leverage rebate opportunities to increase financial advantage on expenses.
- **Save on Fuel**: Participants in the Texas SmartBuy Members Program using the state retail fuel card contract save with quarterly rebates on every dollar spent. Issue the card to a driver or vehicle and use towards maintenance, repair purchases and roadside assistance services. Qualified Texas SmartBuy members are not obligated to pay federal fuel taxes.
- **Receive Discounted Rates on Travel**: Qualifying participants with the Texas SmartBuy Members Program may use the State Travel Management Program at state contracted locations for discounted rates on flights, rental cars, travel agency services, and thousands of hotels.

RESOLUTION NO. 20-R-11

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF RICHWOOD, TEXAS, AUTHORIZING PARTICIPATION INTO THE STATE OF TEXAS COOPERATIVE PURCHASING SERVICES KNOWN AS TEXAS SMARTBUY MEMBERSHIP PROGRAM FOR LOCAL GOVERNMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Texas Comptroller of Public Accounts is authorized to provide purchasing services for local governments pursuant to 271.002 and 271.083 of the Local Government Code; and

WHEREAS, the City Council of Richwood Texas, is a municipality defined as an entity qualified to participate in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts pursuant to 271-081 of the Local Government Code; and

WHEREAS, in accordance with the requirements of 34TAC 20.85 administrative rules, the Agent(s) of Record, Steven Boykin, Mayor and Kirsten Garcia, City Secretary are authorized to execute any and all documentation for Richwood, Texas pertaining to its participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program; and

WHEREAS, the City of Richwood Texas acknowledges its obligation to pay annual participation fees established by the Texas Comptroller of Public Accounts.

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

The request be made to the Texas Comptroller of Public Accounts to approve Richwood Texas for participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program.

PASSED AND APPROVED this the 8th day of June, 2020.

THE CITY OF RICHWOOD, TEXAS **ATTEST**

____
Steve Boykin, Mayor

____
Kirsten Garcia, City Secretary

____
Eric Foerster, City Manager

 (Official Seal)

Texas SmartBuy Membership Program

What is the the Texas SmartBuy Membership Program?

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

Who can join?

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

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

Why should you join the Texas SmartBuy Membership Program?

- **Get Best Value for Your Purchases** – Our purchasers competitively bid and award hundreds of contracts in accordance with state purchasing statutes and competitive bidding requirements. You reap the savings for your organization and ultimately for the citizens of Texas.

- **Save Valuable Time and Effort** – No bidding, just order from hundreds of established state contracts.

- **Search Thousands of Vendors** – Looking for something not on one of our negotiated contracts? Use our Centralized Master Bidder's List to identify vendors from our database of over 9,000 companies (including HUBs). https://comptroller.texas.gov/purchasing/vendor/cmbl/

- **Post Bid and Award Notices on the Electronic State Business Daily** – As a member, set up FREE password access to the Electronic State Business Daily (ESBD) where you can post your entity's solicitations to increase vendor participation and provide public notice of awards. http://www.txsmartbuy.com/sp/

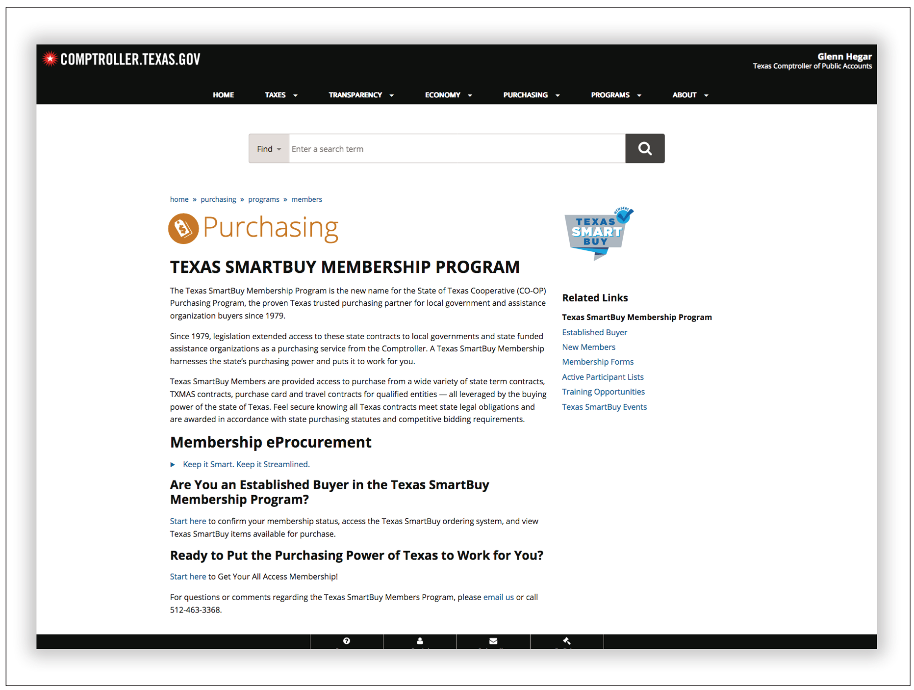
- **Save Money on Travel** – Qualified members may use the State Travel Management Program for discounted rates on rental cars, thousands of hotels and airline tickets.

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

Accessing the Texas SmartBuy Membership Program on the Internet

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

- **Membership Forms:** Includes the application, name change form, proof of eligiblity and school bus specifications.
- **TxSmartBuy.com:** The state's online ordering system, Texas SmartBuy, will generate a state purchase order on your behalf, forwarding a copy to you and to the vendor. The vendor will then ship the merchandise and invoice your entity directly. CPA has awarded contracts for many commodities and services, including:
  - Vehicles
  - Office Supplies
  - Furniture
  - Procurement Card Services
  - Appliances
  - Road and Highway Equipment
  - Police Equipment
  - Pharmaceuticals
  - Cleaning Supplies
  - Food



- **TXMAS Information:** Texas Multiple Award Schedules (TXMAS). TXMAS contracts feature the most favored customer pricing and the possibility of negotiation. TXMAS can be used as alternative volume contracts.
- **CMBL Search:** This feature enables you to access the state Centralized Master Bidders List (CMBL) to create a bid list by product/service code. You may narrow the search by entering a county, city or zip code. This is a vendor list only. You should use this only as a vendor resource. You will need to follow your local bid requirements to purchase from these vendors.
- **State Travel Management Program:** Texas Government Code, Sections 2171.001-2171.055 extend the state travel management contracts to certain members of the Texas SmartBuy Membership program. Eligible entities include Municipalities, Counties, School Districts, Public Junior and Community Colleges, and Emergency Communication Districts, hospital districts and transit/transportation districts.

Texas SmartBuy Membership Application

Eric Foerster

Name of Authorized Individual

Kirsten Garcia

Name of Authorized Individual (secondary contact)

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

City of Richwood Texas

Organization/Qualified Entity Name

1800 Brazosport Blvd. N.

Address

Richwood Texas 77531

City, State, Zip Code

efoerster@richwoodtx.gov

Primary Email Address

kgarcia@richwoodtx.gov

Secondary Email Address

979-265-2082

Phone Numbers

Fax Number

The annual membership fee for participation in the Texas SmartBuy Membership Program is:
$100.00 – FEE IS NON-REFUNDABLE

Please make checks payable to:

Texas Comptroller of Public Accounts

Please mail to:

Texas Comptroller of Public Accounts
P.O. Box 13186
Austin, TX 78711

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

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

RESOLUTION

State of Texas
County of TEXAS

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

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

of RICHWOOD TEXAS, is a: (Check one of the following.)
(Name of Qualified Entity)

○ County	○ Independent School District
● Municipality	○ Junior College District
○ Political Subdivision (Utility, Appraisal Districts)	○ Mental Health and Mental Disability Community Center
○ State-funded Assistance Organization	○ Housing and Transportation Authorty

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

WHEREAS, in accordance with the requirements of 34 TAC §20.85 administrative rules, the Agent(s) of Record,
ERIC FOERSTER, CITY MANAGER
(Name of Person, primary contact) (Title)
(and KIRSTEN GARCIA, INTERIM CITY SECR) is/are authorized to execute
(Name of Person, secondary contact) (Title)
any and all documentation for RICHWOOD TEXAS pertaining to its participation in the Texas
(Entity Name)
Comptroller of Public Accounts Cooperative Purchasing Program; and

WHEREAS, RICHWOOD TEXAS acknowledges its obligation to pay annual participation fees
(Entity Name)
established by the Texas Comptroller of Public Accounts.

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

Adopted this 8TH day of JUNE, 2020 by CITY OF RICHWOOD TEXAS.
(Entity Name)

By: ______________________
(Signature of Chair)
STEVEN BOYKIN
(Printed Name)
MAYOR
(Title of Chair)

____
(Signature of primary Agent of Record)
ERIC FOERSTER, CITY MANA
(Name/Title of primary Agent of Record)

____
(Signature of secondary Agent of Record)
KIRSTEN GARCIA, CITY SECF
(Name/Title of secondary Agent of Record)

Documents required for proof of eligibility

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

Local Governments

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

Documents required:
✓ Board approved resolution

MHMR Community Centers

Documents required:
✓ Board approved resolution

Special Districts or Other Legally Constituted Political Subdivisions of the State

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

Assistance Organizations

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

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

Texas Rising Star Providers

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

Documents required:
✓ Board Approved Resolution

Publication #96-1356 (06/18)

City of Richwood
1800 Brazosport Blvd.
Richwood, TX 77531
Phone (979) 265-2082
Fax (979) 265-7345

AGENDA MEMORANDUM
ITEM # CONSENT

CONTACT: Marty Coursey, CGFO; Interim Finance Director

SUBJECT: Approval of a resolution amending the authorized representatives under the investment agreement for TexPool and TexPool *Prime* Investment Pool with authority to open accounts, deposit and withdraw funds, and to designate other authorized representatives as needed.

SUMMARY: Consider approving a resolution to amend the authorized representatives under the TexPool and TexPool *Prime* Public Investment Pool Interlocal Agreement.

BACKGROUND INFORMATION:
TexPool and TexPool *Prime* are managed conservative investment pools. They seek to maintain a $1 value per share as required by the Texas (PFIA) Public Funds Investment Act. TexPool consist exclusively of US Government securities, repurchase agreements collateralized by US Government securities, and AAA rated, no load money market mutual funds. TexPool *Prime* invests in the above plus commercial paper, and certificates of deposits.

ISSUE:
For City personnel to continue making deposits and withdrawals from our TexPool and TexPool *Prime* Investment Pool accounts, an amending resolution must be approved by the governing body to override the previous designation of authorized representatives and all authorized representatives must sign the resolution. Currently the previous City Secretary, Interim City Manager, and Mayor Steven Boykin are the representatives. The approval of this resolution will supersede the previous signatory authorization and the following representatives will be added:

Eric Foerster, City Manager; Kirsten Garcia, City Secretary; and Steven Boykin, Mayor.

We would also request that Marty Coursey, Interim Finance Director be added as an optional inquiry only contact.

FISCAL IMPACT: None

RECOMMENDATION: Council to approve Resolution

Print Form | Clear Form

Resolution Amending Authorized Representatives

Please use this form to amend or designate Authorized Representatives.

This document supersedes all prior Authorized Representative forms.

*** Required Fields**

1. Resolution

WHEREAS,

CITY OF RICHWOOD, TEXAS

Participant Name*

7 7 1 5 4

Location Number*

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

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

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

NOW THEREFORE, be it resolved as follows:

A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and

C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

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

1. ERIC FOERSTER
Name

CITY MANAGER
Title

Phone

Fax

EFOERSTER@RICHWOODTX.GOV
Email

Signature

2. KIRSTEN GARCIA
Name

CITY SECRETARY
Title

Phone

Fax

KGARCIA@RICHWOODTX.GOV
Email

Signature

3. STEVE BOYKIN
Name

MAYOR
Title

Phone

Fax

SBOYKIN@RICHWOODTX.GOV
Email

Signature

1. Resolution (continued)

4. MARTY COURSEY
Name

INTERIM FINANCE DIRECTOR
Title

Phone

Fax

MCOURSEY@RICHWOODTX.GOV
Email

Signature

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

KIRSTEN GARCIA, CITY SECRETARY
Name

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

MARTY COURSEY
Name

INTERIM FINANCE DIRECTOR
Title

Phone

Fax

MCOURSEY@RICHWOODTX.GOV
Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 8 day of JUNE, 2020.

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

CITY OF RICHWOOD TEXAS
Name of Participant*

SIGNED

Signature*

STEVEN BOYKIN
Printed Name*

MAYOR
Title*

ATTEST

Signature*

KIRSTEN GARCIA
Printed Name*

CITY SECRETARY
Title*

2. Mailing Instructions

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

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

RESOLUTION NO. 20-R-10

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF RICHWOOD, TEXAS, CHANGING AUTHORIZED REPRESENTATIVES FOR TEXPOOL AND TEXPOOL PRIME INVESTMENT POOLS; AND PROVIDING AN EFFECTIVE DATE.

City of Richwood is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds, and

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

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

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

A. The individuals, whose signatures appear in this Resolution, are Authorized Representatives of the City of Richwood and are each hereby authorized to transmit funds for investment in TexPool/TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of public funds.

B. An Authorized Representative of the City of Richwood may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the City of Richwood's TexPool/TexPool Prime account or (2) is no longer employed by the City of Richwood.

C. The City of Richwood may by Amending Resolution signed by the City of Richwood add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the City of Richwood.

List the Authorized Representatives of the City of Richwood, Texas:

Eric Foerster, City Manager
979-265-2082
efoerster@richwoodtx.gov

____
Signature

Kirsten Garcia, City Secretary
979-265-2082
kgarcia@richwoodtx.gov

Signature

Steven Boykin, Mayor
979-265-2082
sboykin@richwoodtx.gov

Signature

Marty Coursey, CGFO
979-265-2082
mcoursey@richwoodtx.gov

Signature

Primary Contact: **Kirsten Garcia, City Secretary**

Inquiry only Contact:

Marty Coursey, CGFO
979-265-2082
mcoursey@richwoodtx.gov

Signature

D. This Resolution and its authorization shall continue in full force and effect until amended or revoked by the City of Richwood, Texas, and until TexPool Participants' Services receives a copy of any such amendment or revocation.

PASSED AND APPROVED this the 8th day of June 2020.

THE CITY OF RICHWOOD, TEXAS **ATTEST**

Steve Boykin, Mayor

Kirsten Garcia, City Secretary

(Official Seal)

RESOLUTION CHANGING AUTHORIZED REPRESENTATIVES FOR LOCAL GOVERNMENT INVESTMENT COOPERATIVE

WHEREAS, City of Richwood, Texas
(the "Government Entity") by authority of that certain Local Government Investment Cooperative Resolution _____________ (the "Resolution") has entered into that certain Interlocal Agreement (the "Agreement") and has become a participant in the public funds investment pool created thereunder known as Local Government Investment Cooperative ("LOGIC");

WHEREAS, the Resolution designated on one or more "Authorized Representatives" within the meaning of the Agreement;

WHEREAS, the Government Entity now wishes to update and designate the following persons as the "Authorized Representatives" within the meaning of the Agreement;

NOW, THEREFORE, BE IT RESOLVED:

The following officers, officials or employees of the Government Entity are hereby designated as "Authorized Representatives" within the meaning of the Agreement, with full power and authority to: deposit money to and withdrawal money from the Government Entity's LOGIC account or accounts from time to time in accordance with the Agreement and the Information Statement describing the Agreement and to take all other actions deemed necessary or appropriate for the investment of funds of the Government Entity in LOGIC:

1. Name: Eric Foerster Title: City Manager
   Signature: ____________________ Phone: 979-265-2082
   Email: ____________________

2. Name: Kirsten Garcia Title: City Secretary
   Signature: ____________________ Phone: 979-265-2082
   Email: ____________________

3. Name: Steven Boykin Title: Mayor
   Signature: ____________________ Phone: 979-265-2082
   Email: ____________________

4. Name: ____________________ Title: ____________________
   Signature: ____________________ Phone: ____________________
   Email: ____________________

{REQUIRED} PRIMARY CONTACT: List the name of the Authorized Representative listed above that will be designated as the Primary Contact and will receive all LOGIC correspondence including transaction confirmations and monthly statements

Name: Kirsten Garcia, City Secretary

{OPTIONAL} INQUIRY ONLY CONTACT: In addition, the following additional Participant representative (***not listed above***) is designated as an ***Inquiry Only*** Representative authorized to obtain account information:

Name: Marty Coursey Title: Interim Finance Director

Signature: ________________ Phone: 979-265-2082

Email: mcoursey@richwoodtx

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

The foregoing supersedes and replaces the Government Entity's previous designation of officers, officials or employees of the Government Entity as Authorized Representatives under the Agreement pursuant to paragraph 4 of the Resolution. Except as hereby modified, the Resolution shall remain in full force and effect.

PASSED AND APPROVED this 8th day of June, 20 20.

OFFICIAL SEAL OF PARTICIPANT
(*REQUIRED*)

City of Richwood Texas
(NAME OF ENTITY/APPLICANT)

SIGNED BY: ________________
(Signature of official)

Steven Boykin, Mayor
(Printed name and title)

ATTESTED BY: ________________
(Signature of official)

Kirsten Garcia, City Secretary
(Printed name and title)

LOGIC strongly recommends that the Personal Identification Number (PIN) be changed if there is a change in "Authorized Representatives". Please include a request to change the PIN number when sending the "Amending Resolution" to LOGIC.

AGENDA MEMORANDUM
ITEM # CONSENT

CONTACT: Marty Coursey, CGFO; Interim Finance Director

SUBJECT: Approval of a resolution amending the authorized representatives under the investment agreement for LOGIC Investment Pool with authority to open accounts, deposit and withdraw funds, and to designate other authorized representatives as needed.

SUMMARY: Consider approving a resolution to amend the authorized representatives under the LOGIC Public Investment Pool Interlocal Agreement.

BACKGROUND INFORMATION:
LOGIC is a AAA rated local government investment pool created by Texas local government officials and is administered by Hilltop Securities and JP Morgan Chase. It is a AAA rated investment program tailored to the investment needs of Texas local governments in a conservative fund in full compliance with the Texas Public Investment Act.

ISSUE:
For City personnel to continue making deposits and withdrawals from our LOGIC Investment Pool accounts, an amending resolution must be approved by the governing body to override the previous designation of authorized representatives and all authorized representatives must sign the resolution. Currently the previous City Secretary, Interim City Manager, and Mayor Steven Boykin are the representatives. The approval of this resolution will supersede the previous signatory authorization and the following representatives will be added:

Eric Foerster, City Manager; Kirsten Garcia, City Secretary; and Steven Boykin, Mayor.

We would also request that Marty Coursey, Interim Finance Director be added as an optional inquiry only contact.

FISCAL IMPACT: None

RECOMMENDATION: Council to approve Resolution

RESOLUTION NO. 20-R-14

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF RICHWOOD, TEXAS, CHANGING AUTHORIZED REPRESENTATIVES FOR LOCAL GOVERNMENT INVESTMENT COOPERATIVE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Richwood, Texas by authority of that certain Local Government Investment Cooperative Resolution 20-R-14 has entered into that certain Interlocal Agreement and has become a participant in the public funds investment pool created there under known as Local Government Investment Cooperative ("LOGIC").

WHEREAS, the Resolution designated on one or more "Authorized Representative" within the meaning of the Agreement,

NOW, THEREFORE, BE IT RESOLVED:

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

The following officers, officials or employees of the Government Entity are hereby designated as "Authorized Representatives" within the meaning of the Agreement, with full power and authority to deposit money to and withdrawal money from the City of Richwood, Texas's LOGIC account or accounts from time to time in accordance with the Agreement and the Information Statement describing the Agreement and to take all other actions deemed necessary or appropriate for the investment of funds of the City of Richwood, Texas.

Eric Foerster, City Manager
979-265-2082
efoerster@richwoodtx.gov

____
Signature

Kirsten Garcia, City Secretary
979-265-2082
kgarcia@richwoodtx.gov

____
Signature

Steven Boykin, Mayor
979-265-2082
sboykin@richwoodtx.gov

____
Signature

Primary Contact: Kirsten Garcia, City Secretary

Inquiry only Contact:
Marty Coursey, CGFO
979-265-2082
mcoursey@richwoodtx.gov

The Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

The foregoing supersedes and replaces the City of Richwood, Texas' previous designation of officers, officials, or employees of the City of Richwood as Authorized Representatives under the Agreement pursuant to paragraph 4 of the Resolution. Except as hereby modified, the Resolution shall remain in full force and effect.

PASSED AND APPROVED this the 8th day of June, 2020.

THE CITY OF RICHWOOD, TEXAS	**ATTEST**
______________________________	________________________________
Steve Boykin, Mayor	Kirsten Garcia, City Secretary

(Official Seal)

City of Richwood
TEXAS

AGENDA MEMORANDUM- JUNE 8, 2020
ITEM # CONSENT

CONTACT: Marty Coursey, CGFO; Interim Finance Director
Eric Foerster, City Manager

SUBJECT: Submission of Quarterly Investment Report- Quarter 2, FY 2019-2020
Submission of Quarterly Investment Report – Quarter 1, FY 2019-2020

SUMMARY:
State law requires the City's investment officer to present an investment report to City Council on a quarterly basis. The relevant section of the Public Funds Investment Act is Chapter 2256. 023.Internal Management Reports. This chapter outlines information that must be reported along with the necessary certification signatures required by the Act. A copy 2256.023 is attached for your information.

BACKGROUND INFORMATION:
The Public Funds Investment Act (PFIA) Chapter 2256 governs the investment of government funds in Texas. Under this law, specific parameters are set for Texas cities, requiring them no less than quarterly, to provide the Council with a written report of investment transactions for all funds covered by this Chapter for the preceding reporting period. This report must include specific criteria as determined by the Act.

ISSUE:
During a review of the current year investment reports, it was determined that statutory requirements had not been met regarding the quarterly report. This amendment includes information required by Texas Local Government Code. Public Funds Investment Act. Chapter 2256.

FISCAL IMPACT: None

RECOMMENDATION: Council to approve Quarterly Investment Report-March 31, 2020 and Quarterly Investment Report- December 31, 2019 as amended.

Enclosures:
PFIA Chapter 2256.023
Quarterly Investment Report-March 31, 2020 as amended
Cash and Investment Schedule March 31, 2020
Quarterly Investment Report- December 31, 2019 as amended.
Cash and Investment Schedule December 31, 2019

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City of Richwood
TEXAS

PUBLIC FUNDS INVESTMENT ACT (PFIA)

Sec. 2256.023. INTERNAL MANAGEMENT REPORTS. (a) Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.

(b) The report must:

(1) describe in detail the investment position of the entity on the date of the report;

(2) be prepared jointly by all investment officers of the entity;

(3) be signed by each investment officer of the entity;

(4) contain a summary statement of each pooled fund group that states the:

(A) beginning market value for the reporting period;

(B) ending market value for the period; and

(C) fully accrued interest for the reporting period;

(5) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;

(6) state the maturity date of each separately invested asset that has a maturity date;

(7) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and

(8) state the compliance of the investment portfolio of the state agency or local government as it relates to:

(A) the investment strategy expressed in the agency's or local government's investment policy; and

(B) relevant provisions of this chapter.

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(c) The report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period.

(d) If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 12, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 9, eff. June 17, 2011.

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City of Richwood
TEXAS

Quarterly Investment Report
FOR QUARTER ENDING MARCH 31, 2020

Amended June 8, 2020

Portfolio	December 31, 2019 Book Value	December 31, 2019 Market Value	March 31, 2020 Book Value	March 31, 2020 Market Value
Cash	1,337,030.20	1,337,030.20	1,912,659.55	1,912,659.55
Investment Pools	7,885,629.19	7,885,629.19	8,432,068.44	8,432,068.44
Certificates of Deposits	511,717.06	511,717.06	514,348.74	514,348.74
TOTAL INVESTMENTS	9,734,376.45	9,734,376.45	10,859,076.73	10,859,076.73
Quarterly Investment Income				35,117.17
Weighted Average Maturity(WAM)				1
Weighted Average Yield				0.59%

The attached information comprises the quarterly investment report for the City of Richwood, Texas for the period ended March 31, 2020. The undersigned acknowledges and certifies that the City's investment portfolio has been and is in compliance with the policies and strategies as contained in the City's Investment Policy and also in compliance with the Public Funds Investment Act of the State of Texas(Chapter 2256, Texas Government Code).

Marty Coursey, Interim Finance Director Date

Eric Foerster, City Manager Date

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CITY OF RICHWOOD, TEXAS
Cash and Investment Scedule
Quarter ended
March 31,2020

Description	Investment	Yield to Maturity	Purchase Date	Maturity Date	Weight Average Maturity	Book Value 09/30/2019	Market Value 9/30/2019	Deposits /Purchases	Withdrawals /Maturities	Interest this quarter	Book Value 12/31/2019	Market Value 12/31/2019
Pooled Investment Fund												
General Fund	TexPool-449001	1.003%		1/1/2020	1	3,230,006.75	3,230,006.75		(3,000,000.00)	8,528.32	238,535.07	238,535.07
General Fund	TexStar -1110	0.96%		1/1/2020	1	262,252.65	262,252.65		-	1,110.96	263,363.61	263,363.61
General Fund	Logic -9001	1.0008%		1/1/2020	1	336,790.31	336,790.31			1,621.13	338,411.44	338,411.44
Restricted Funds												
2019 Bond Funds	TexPool Prime 5590(	1.34%		1/1/2020	1			3,000,000.00		6,353.82	3,006,353.82	3,006,353.82
2019 Util Cap Proj Fund	Logic-9002	1.0008%		1/1/2020	1	4,019,616.54	4,019,616.54			19,348.71	4,038,965.25	4,038,965.25
Total Pools		**1.06%**			**1**	**7,848,666.25**	**7,848,666.25**	**3,000,000.00**	**(3,000,000.00)**	**36,962.94**	**7,885,629.19**	**7,885,629.19**
First National Bank	CD-25765	0.70%		1/20/2020		91,749.35	91,749.35				91,749.35	91,749.35
First National Bank	CD-25718	1.55%		1/1/2020		126,217.05	126,217.05				126,217.05	126,217.05
First National Bank	CD-25741	1.50%		1/14/2020		59,105.87	59,105.87				59,105.87	59,105.87
First National Bank	CD-25766	1.55%		1/15/2020		128,022.18	128,022.18				128,022.18	128,022.18
First National Bank	CD-601286	0.50%		12/9/2019		106,089.50	106,089.50			533.11	106,622.61	106,622.61
Total Certificates of Deposits		**1.16%**				**511,183.95**	**511,183.95**	**-**	**-**	**533.11**	**511,717.06**	**511,717.06**
Total Investment Accounts		**1.11%**				**8,359,850.20**	**8,359,850.20**	**3,000,000.00**	**(3,000,000.00)**	**37,496.05**	**8,397,346.25**	**8,397,346.25**
Cash Accounts												
Pooled Cash-NOW ACCT	First Natl -3073	0.05%		1/1/2020	1	944,742.48	944,742.48	1,803,279.50	(1,436,243.35)	243.13	1,312,021.76	1,312,021.76
Beautification Fund	Brazos -635	0.05%		1/1/2020	1	27,121.77	27,121.77	-	(3,136.14)		23,985.63	23,985.63
Seizure Fund -NOW ACCT	First Natl -5076	0.05%		1/1/2020	1	1,022.55	1,022.55			0.26	1,022.81	1,022.81
Total Cash Accounts		**0.05%**			**1**	**972,886.80**	**972,886.80**	**1,803,279.50**	**(1,439,379.49)**	**243.39**	**1,337,030.20**	**1,337,030.20**
Total Cash and Investments		**0.58%**			**1**	**9,332,737.00**	**9,332,737.00**	**4,803,279.50**	**(4,439,379.49)**	**37,739.44**	**9,734,376.45**	**9,734,376.45**

% of total Cash/Investments
3.02%
3.34%
4.29%
38.12%
51.22%
81.01%
17.93%
24.67%
11.55%
25.02%
20.84%
5.26%
86.26%
98.13%
1.79%
0.08%
13.74%
100.00%

City of Richwood
TEXAS

Quarterly Investment Report
FOR QUARTER ENDING DECEMBER 31, 2019

Amended June 8, 2020

	September 30, 2019		December 31, 2019	
Portfolio	**Book Value**	**Market Value**	**Book Value**	**Market Value**
Cash	972,886.80	972,886.80	1,337,030.20	1,337,030.20
Investment Pools	7,848,666.25	7,848,666.25	7,885,629.19	7,885,629.19
Certificates of Deposits	511,183.95	511,183.95	511,717.06	511,717.06
TOTAL INVESTMENTS	9,332,737.00	9,332,737.00	9,734,376.45	9,734,376.45
Quarterly Investment Income				37,739.44
Weighted Average Maturity(WAM)				1
Weighted Average Yield				0.58%

The attached information comprises the quarterly investment report for the City of Richwood, Texas for the period ended December 31, 2019. The undersigned acknowledges and certifies that the City's investment portfolio has been and is in compliance with the policies and strategies as contained in the City's Investment Policy and also in compliance with the Public Funds Investment Act of the State of Texas(Chapter 2256, Texas Government Code).

Marty Coursey, Interim Finance Director Date

Eric Foerster, City Manager Date

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City of Richwood, Texas
Cash and Investment Schedule
Quarter ended
December 31, 2019

Description	Investment	Yield to Maturity	Purchase Date	Maturity Date	Weight Average Maturity	Book Value 12/31/2019	Market Value 12/31/2019	Deposits /Purchases	Withdrawals /Maturities	Interest this quarter	Book Value 3/31/2020	Market Value 3/31/2020	% of total Cash/Investments
Pooled Investment Fund													
General Fund	TexPool-449001	1.001%		4/1/2020	1	238,535.07	238,535.07			828.34	239,363.41	239,363.41	3.02%
General Fund	TexStar -1110	0.96%		4/1/2020	1	263,363.61	263,363.61			889.27	264,252.88	264,252.88	3.34%
General Fund	Logic -9001	1.0008%		4/1/2020	1	338,411.44	338,411.44			1,402.17	339,813.61	339,813.61	4.29%
Restricted Funds													
2019 Bond Funds	TexPool Prime 55900	1.001%		4/1/2020	1	3,006,353.82	3,006,353.82			12,236.07	3,018,589.89	3,018,589.89	38.12%
2019 Util Cap Proj Fund	Logic-9002	1.0008%		4/1/2020	1	4,038,965.25	4,038,965.25			16,734.66	4,055,699.91	4,055,699.91	51.22%
Total Pools		**0.99%**			**1**	**7,885,629.19**	**7,885,629.19**	**-**	**-**	**32,090.51**	**7,917,719.70**	**7,917,719.70**	**76.54%**
First National Bank	CD-25765	1.30%		1/29/2020		91,749.35	91,749.35			294.10	92,043.45	92,043.45	17.90%
First National Bank	CD-25718	1.55%		1/1/2020		126,217.05	126,217.05			970.14	127,187.19	127,187.19	24.73%
First National Bank	CD-25741	1.50%		1/14/2020		59,105.87	59,105.87			257.41	59,363.28	59,363.28	11.54%
First National Bank	CD-25766	1.55%		1/15/2020		128,022.18	128,022.18			978.58	129,000.76	129,000.76	25.08%
First National Bank	CD-601286	0.50%		3/8/2020		106,622.61	106,622.61			131.45	106,754.06	106,754.06	20.76%
Total Certificates of Deposits		**1.28%**				**511,717.06**	**511,717.06**	**-**	**-**	**2,631.68**	**514,348.74**	**514,348.74**	**4.97%**
Total Investment Accounts		**1.14%**				**8,397,346.25**	**8,397,346.25**	**-**	**-**	**34,722.19**	**8,432,068.44**	**8,432,068.44**	**81.51%**
Cash Accounts													
Pooled Cash-NOW ACCT	First Natl -3073	0.05%		4/1/2020	1	1,312,021.76	1,312,021.76	2,131,172.24	(1,558,659.30)	394.76	1,884,929.46	1,884,929.46	98.55%
Beautification Fund	Brazos -635	0.05%		4/1/2020	1	23,985.63	23,985.63	4,811.22	(2,089.79)	-	26,707.06	26,707.06	1.40%
Seizure Fund -NOW ACCT	First Natl -5076	0.05%		4/1/2020	1	1,022.81	1,022.81			0.22	1,023.03	1,023.03	0.05%
Total Cash Accounts		**0.05%**			**1**	**1,337,030.20**	**1,337,030.20**	**2,135,983.46**	**(1,560,749.09)**	**394.98**	**1,912,659.55**	**1,912,659.55**	**18.49%**
Total Cash and Investments		**0.59%**			**1**	**9,734,376.45**	**9,734,376.45**	**2,135,983.46**	**(1,560,749.09)**	**35,117.17**	**10,344,727.99**	**10,344,727.99**	**100.00%**

City of Richwood, Texas
Cash and Investment Schedule
Quarter ended
December 31, 2019

City of Richwood
TEXAS

AGENDA MEMORANDUM-JUNE 8, 2020
ITEM # CONSENT

CONTACT: Marty Coursey, CGFO; Interim Finance Director

SUBJECT: Monthly Budget Summary Report

SUMMARY: **Receive and/or approval of April 2020 Budget Report**

BACKGROUND INFORMATION:
The information provided is for the FY 2019-20 budget period, month ending April 30, 2020. . This summary highlights several key points related to the current month's activity for the General Fund and for the Water and Sewer Fund only. The attached report in unaudited and may include corrections from prior months.

DISCUSSION:
<u>10-General Fund</u>
As of April 30, 2020, General Fund revenues total $2,238,319.81 or 85.61% of the budget year to date. General Fund expenditures total $1,542,450.99, or 58.16% of the budget with 7 months or 58.33% of the year completed.

Revenue (GF)
- Current M & O (Maintenance and Operations) Property tax (29-4103). The City has received 93.88% of its annual budgeted amount to date in April. Most of the property taxes are collected between December to February each year. This percentage is consistent with the same period, prior year collections of 94.0%.
- Sales Tax revenue (29-4117) received this month totaled $42,352.76 for taxes collected on February 2020 sales reported for monthly filers. The City is ahead of budget in this line item at 66.01% of revenue collected.
- Franchise Fees are paid quarterly and generally received two months after the quarter end. Franchise fees are slightly above budget in April.
- Permits and Licenses revenues total $3,877.10 for April which is below normal, due to virus.
- Court fees for April are $4,544.99, this is less than the amount recognized in April 2019 of 7,658.47 and could also be due to virus.

Expenditures (GF)
The Administrative Department (10) is below budget with $43,274.28 spent for April or 49.28% of the annual budget utilized to date. Personnel & Benefits are elevated due to Retirement benefits (01-5106) allocated by Texas Municipal Retirement System increased in January 2020 for all full-time employees and an overage occurred in Workers Compensation expenses. Supplies that included Food, Office and Custodial Supplies are elevated due to the Christmas party expenses.

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The Finance Department (11) ls below budget with $28,012.58 spent this month or 55.83% of the annual budget year to date.

Judicial Department (06) expenditures for the month are $5,516.56 or 49.30% of the year to date budget spent.

The Permitting & Inspections Department (10) expenditures are below budget with $3,405.00 for April or 47.75% of the annual budget year to date.

The Police Department (05) expenditures for the month are $105,135.49 or 61.39% year to date which is slightly above what the was expected. Operating Supplies (05-5240) and Vehicle M & R (05-5340) increased This is due to the Insurance auto and liability payments made in April and needed repairs to vehicles in the fleet. Information Technology Services (05-5550) contractual agreements totaled more than estimated during the budget process by $980.78.

The Fire Department (07) expenditures for the month are $23,627.23 or 78.54% of the annual budget year to date. The increase in budget is mainly due to Building & Ground M & R (07-5310) expenses for the fire station improvements that included construction due to water damage, repairs to the station roof, new cabinets and heating and air-conditioning repairs.

The Code Enforcement Department (09) expenditures for the month are $3,876.96 or 38.10% of the annual budget to date.

The City Maintenance Department (02) expenditures for the month are $21,533.20 or 44.01% of the annual budget to date.

The Streets and Drainage Department (03) shows no budget allocated for this department in FY 2019-20.

The Emergency/Disaster (99) shows no budget allocated for this department in FY 2019-20.

The Parks and Recreation Department (08) expenditures for the month are $1,594.02 or 65.00% of the annual budget to date. The increase is due to the overall Operating expenses (08-5240) and Building & Ground M &R (08-5310) so that necessary repairs to the Community Bldg. and additional expense of tree removal.

The Other Financing Sources and Uses is a non-department budget used to record all budgeted transfers to/from funds. No monthly transfers were recorded to date.

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30-Water, Sewer and Solid Waste Fund
As of April 30, 2020, Water, Sewer, and Solid Waste Funds year to date revenues totals $1,263,135.22 or 59.92%. Water, Sewer, and Solid Waste Fund operating expenditures total $976,127.48, or 57.95% of the budget with 7 months or 58.33% of the year completed. No operating transfers were allocated in April.

FISCAL IMPACT: 58.33% of the fiscal year has expired

RECOMMENDATION: Council to approve April 2020 Budget Summary Report for General Fund and the Water, Sewer and Solid Waste Funds.

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City of Richwood
Operational Budget Report
10 General Fund - 10/01/2019 to 04/30/2020
58.33% of the fiscal year has expired

	Prior YTD	Current Period	Current YTD	Annual Budget	Remaining Budget	% Earned/Used
-						
Revenue						
Taxes	1,863,937.27	60,853.89	2,071,932.94	2,344,000.00	272,067.06	88.39%
Licenses and permits	70,906.04	3,877.10	58,357.71	112,250.00	53,892.29	51.99%
Intergovernmental revenue	0.00	0.00	0.00	1,100.00	1,100.00	0.00%
Charges for services	4,812.00	(435.00)	1,724.00	8,500.00	6,776.00	20.28%
Fines and forfeitures	58,224.71	4,544.99	43,980.18	104,000.00	60,019.82	42.29%
Special Revenues	3,998.98	0.00	1,184.64	1,200.00	15.36	98.72%
Interest	10,846.14	322.78	19,762.79	14,000.00	(5,762.79)	141.16%
Miscellaneous revenue	33,556.55	4,035.59	41,377.55	29,360.00	(12,017.55)	140.93%
Total Revenue	**2,046,281.69**	**73,199.35**	**2,238,319.81**	**2,614,410.00**	**376,090.19**	**85.61%**
Expenditures						
General Government						
Administration						
Personnel & Benefits	236,499.45	27,067.05	145,604.07	222,373.00	76,768.93	65.48%
Supplies	19,401.63	418.93	12,496.35	19,720.00	7,223.65	63.37%
Maintenance & Repair	117.50	0.00	4,401.87	10,000.00	5,598.13	44.02%
Utilities	5,587.20	1,049.36	6,027.86	11,000.00	4,972.14	54.80%
Professional Services	84,388.13	8,802.00	59,780.27	206,300.00	146,519.73	28.98%
Other Services	35,324.01	5,867.27	26,204.63	45,295.00	19,090.37	57.85%
Capital Equipment	897.85	69.67	1,486.40	4,800.00	3,313.60	30.97%
Total Administration	**382,215.77**	**43,274.28**	**256,001.45**	**519,488.00**	**263,486.55**	**49.28%**
Finance Department						
Personnel & Benefits	0.00	23,768.00	68,774.25	173,148.00	104,373.75	39.72%
Supplies	0.00	0.00	976.13	5,150.00	4,173.87	18.95%
Maintenance & Repair	0.00	0.00	0.00	2,800.00	2,800.00	0.00%
Utilities	0.00	51.16	325.25	0.00	(325.25)	0.00%
Professional Services	0.00	938.92	53,475.29	47,500.00	(5,975.29)	112.58%
Other Services	0.00	3,254.50	15,104.84	18,550.00	3,445.16	81.43%
Capital Equipment	0.00	0.00	0.00	1,200.00	1,200.00	0.00%
Total Finance Department	**0.00**	**28,012.58**	**138,655.76**	**248,348.00**	**109,692.24**	**55.83%**
Judicial						
Personnel & Benefits	36,520.14	5,416.43	30,350.56	64,196.00	33,845.44	47.28%
Supplies	890.06	100.13	1,260.40	2,650.00	1,389.60	47.56%
Utilities	282.91	0.00	144.93	500.00	355.07	28.99%
Professional Services	5,171.78	0.00	10,830.00	17,800.00	6,970.00	60.84%
Other Services	2,353.00	0.00	373.00	2,000.00	1,627.00	18.65%
Capital Equipment	1,468.89	0.00	0.00	0.00	0.00	0.00%
Total Judicial	**46,686.78**	**5,516.56**	**42,958.89**	**87,146.00**	**44,187.11**	**49.30%**
Permitting & Inspections						
Personnel & Benefits	29,106.30	3,405.00	32,708.54	74,000.00	41,291.46	44.20%
Supplies	208.23	0.00	1,664.04	100.00	(1,564.04)	1,664.04%
Maintenance & Repair	890.96	0.00	0.00	0.00	0.00	0.00%
Professional Services	0.00	0.00	2,588.18	3,000.00	411.82	86.27%
Other Services	9,964.80	0.00	640.98	1,650.00	1,009.02	38.85%
Total Permitting & Inspections	**40,170.29**	**3,405.00**	**37,601.74**	**78,750.00**	**41,148.26**	**47.75%**
Special Revenue Expenditures						
Supplies	1,396.97	77.51	1,156.59	0.00	(1,156.59)	0.00%
Total Special Revenue Expenditures	**1,396.97**	**77.51**	**1,156.59**	**0.00**	**(1,156.59)**	**0.00%**
Total General Government	**470,469.81**	**80,285.93**	**476,374.43**	**933,732.00**	**457,357.57**	**51.02%**
Public Safety						
Police Department						
Personnel & Benefits	438,707.38	86,688.39	483,711.91	807,737.00	324,025.09	59.88%
Supplies	14,326.19	3,326.30	19,168.40	38,650.00	19,481.60	49.59%
Maintenance & Repair	16,336.85	2,831.73	17,479.67	23,800.00	6,320.33	73.44%
Utilities	7,411.68	1,210.58	8,710.70	12,600.00	3,889.30	69.13%
Professional Services	26,344.60	10,750.00	47,362.77	73,375.00	26,012.23	64.55%
Other Services	23,124.30	0.00	23,605.61	24,000.00	394.39	98.36%
Capital Equipment	3,422.88	328.49	4,588.75	4,700.00	111.25	97.63%
Total Police Department	**529,673.88**	**105,135.49**	**604,627.81**	**984,862.00**	**380,234.19**	**61.39%**
Fire Department						
Personnel & Benefits	14,471.45	0.00	731.96	26,300.00	25,568.04	2.78%
Supplies	1,517.54	153.26	528.26	15,400.00	14,871.74	3.43%

City of Richwood

Operational Budget Report
10 General Fund - 10/01/2019 to 04/30/2020
58.33% of the fiscal year has expired

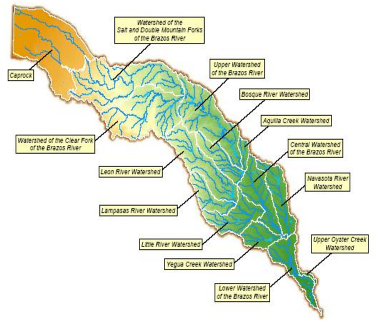
	Prior YTD	Current Period	Current YTD	Annual Budget	Remaining Budget	% Earned/Used
Maintenance & Repair	24,597.20	0.00	101,164.03	20,650.00	(80,514.03)	489.90%
Utilities	1,792.62	223.97	1,639.17	3,600.00	1,960.83	45.53%
Professional Services	23,250.00	23,250.00	93,000.00	102,300.00	9,300.00	90.91%
Other Services	10,065.02	0.00	10,548.27	15,500.00	4,951.73	68.05%
Capital Equipment	40,182.17	0.00	10,605.65	90,907.00	80,301.35	11.67%
Total Fire Department	**115,876.00**	**23,627.23**	**218,217.34**	**274,657.00**	**56,439.66**	**79.45%**
Code Enforcement						
Personnel & Benefits	26,414.67	3,876.96	18,195.62	47,730.00	29,534.38	38.12%
Supplies	78.00	0.00	0.00	1,000.00	1,000.00	0.00%
Professional Services	1,413.44	0.00	840.00	3,200.00	2,360.00	26.25%
Other Services	417.00	0.00	0.00	800.00	800.00	0.00%
Total Code Enforcement	**28,323.11**	**3,876.96**	**19,035.62**	**52,730.00**	**33,694.38**	**36.10%**
Total Public Safety	**673,872.99**	**132,639.68**	**841,880.77**	**1,312,249.00**	**470,368.23**	**64.16%**
Public Works						
City Maintenance						
Personnel & Benefits	60,499.06	13,539.87	56,615.79	144,389.00	87,773.21	39.21%
Supplies	7,429.59	883.72	5,058.30	16,600.00	11,541.70	30.47%
Maintenance & Repair	9,163.68	4,356.48	20,115.67	28,450.00	8,334.33	70.71%
Utilities	16,654.69	2,810.61	17,090.69	30,800.00	13,709.31	55.49%
Professional Services	63.00	0.00	0.00	0.00	0.00	0.00%
Other Services	2,389.81	14.06	3,209.29	4,900.00	1,690.71	65.50%
Capital Equipment	15,490.30	0.00	8,851.60	26,776.00	17,924.40	33.06%
Total City Maintenance	**111,690.13**	**21,604.74**	**110,941.34**	**251,915.00**	**140,973.66**	**44.04%**
Streets and Drainage						
Maintenance & Repair	41,389.89	3.65	382.95	0.00	(382.95)	0.00%
Capital Equipment	16,380.00	279.38	583.34	0.00	(583.34)	0.00%
Total Streets and Drainage	**57,769.89**	**283.03**	**966.29**	**0.00**	**(966.29)**	**0.00%**
Emergency/Disaster						
Professional Services	21,765.25	0.00	0.00	0.00	0.00	0.00%
Capital Equipment	0.00	611.81	2,849.95	0.00	(2,849.95)	0.00%
Total Emergency/Disaster	**21,765.25**	**611.81**	**2,849.95**	**0.00**	**(2,849.95)**	**0.00%**
Total Public Works	**191,225.27**	**22,499.58**	**114,757.58**	**251,915.00**	**137,157.42**	**45.55%**
Parks & Recreation						
Parks and Recreation						
Supplies	777.73	357.79	1,407.26	3,200.00	1,792.74	43.98%
Maintenance & Repair	4,953.20	954.85	20,478.80	25,500.00	5,021.20	80.31%
Utilities	913.29	189.03	781.12	2,000.00	1,218.88	39.06%
Other Services	5,198.04	152.35	3,889.57	10,220.00	6,330.43	38.06%
Capital Equipment	0.00	0.00	100.00	0.00	(100.00)	0.00%
Total Parks and Recreation	**11,842.26**	**1,654.02**	**26,656.75**	**40,920.00**	**14,263.25**	**65.14%**
Total Parks & Recreation	**11,842.26**	**1,654.02**	**26,656.75**	**40,920.00**	**14,263.25**	**65.14%**
Miscellaneous	0.00	0.00	82,781.46	113,367.00	30,585.54	73.02%
Total Expenditures	**1,347,410.33**	**237,079.21**	**1,542,450.99**	**2,652,183.00**	**1,109,732.01**	**58.16%**
Other Financing Sources and Uses						
Sources						
Transfers In	104,410.00	0.00	800.00	142,000.00	141,200.00	0.56%
Total Sources	**104,410.00**	**0.00**	**800.00**	**142,000.00**	**141,200.00**	**0.56%**
Uses						
Transfers Out	173,909.00	0.00	0.00	233,304.00	233,304.00	0.00%
Total Uses	**173,909.00**	**0.00**	**0.00**	**233,304.00**	**233,304.00**	**0.00%**
Total Other Financing Sources and Uses	**(69,499.00)**	**0.00**	**800.00**	**(91,304.00)**	**(92,104.00)**	**-0.88%**
Total -	**629,372.36**	**(163,879.86)**	**696,668.82**	**(129,077.00)**	**(825,745.82)**	**-539.73%**

City of Richwood
Operational Budget Report
30 Water and Sewer Fund - 10/01/2019 to 04/30/2020
58.33% of the fiscal year has expired

	Prior YTD	Current Period	Current YTD	Annual Budget	Remaining Budget	% Earned/Used
-						
Net Operating Income (Loss)						
Operating income						
Sewer Department	515,469.96	71,181.22	485,214.57	837,200.00	351,985.43	57.96%
Water Department	562,756.77	87,404.55	604,257.61	989,000.00	384,742.39	61.10%
Solid Waste Department	139,745.37	25,805.46	177,055.94	282,000.00	104,944.06	62.79%
Total Operating income	**1,134,617.02**	**184,257.11**	**1,263,135.22**	**2,108,200.00**	**845,064.78**	**59.92%**
Operating expense						
Sewer Department						
Personnel & Benefits	0.00	13,763.41	68,954.99	154,914.00	85,959.01	44.51%
Supplies	0.00	0.00	571.15	16,240.00	15,668.85	3.52%
Maintenance & Repair	0.00	3,715.00	4,277.69	83,770.00	79,492.31	5.11%
Utilities	0.00	0.00	0.00	23,200.00	23,200.00	0.00%
Professional Services	0.00	0.00	70,843.53	412,300.00	341,456.47	17.18%
Other Services	0.00	0.00	(902.25)	13,800.00	14,702.25	-6.54%
Capital Equipment	209,852.79	0.00	67,298.06	14,300.00	(52,998.06)	470.62%
Total Sewer Department	**209,852.79**	**17,478.41**	**211,043.17**	**718,524.00**	**507,480.83**	**29.37%**
Water Department						
Personnel & Benefits	215,077.94	23,049.58	144,486.01	203,153.00	58,666.99	71.12%
Supplies	27,122.29	3,162.96	25,661.07	26,300.00	638.93	97.57%
Maintenance & Repair	48,083.62	3,613.20	43,855.42	75,470.00	31,614.58	58.11%
Utilities	29,286.48	4,874.11	31,586.04	30,100.00	(1,486.04)	104.94%
Professional Services	121,394.77	40,202.83	196,357.92	321,000.00	124,642.08	61.17%
Other Services	24,322.19	0.00	20,080.34	19,250.00	(830.34)	104.31%
Capital Equipment	135,762.37	47,606.27	167,801.70	0.00	(167,801.70)	0.00%
Total Water Department	**601,049.66**	**122,508.95**	**629,828.50**	**675,273.00**	**45,444.50**	**93.27%**
Solid Waste Department						
Personnel & Benefits	0.00	1,739.73	10,213.53	20,732.00	10,518.47	49.26%
Professional Services	0.00	0.00	0.00	270,000.00	270,000.00	0.00%
Capital Equipment	134,252.49	20,840.38	125,042.28	0.00	(125,042.28)	0.00%
Total Solid Waste Department	**134,252.49**	**22,580.11**	**135,255.81**	**290,732.00**	**155,476.19**	**46.52%**
Total Operating expense	**945,154.94**	**162,567.47**	**976,127.48**	**1,684,529.00**	**708,401.52**	**57.95%**
Total Net Operating Income (Loss)	**189,462.08**	**21,689.64**	**287,007.74**	**423,671.00**	**136,663.26**	**67.74%**
Total -	**189,462.08**	**21,689.64**	**287,007.74**	**423,671.00**	**136,663.26**	**67.74%**

Environmental Technology Center (EnvTC)

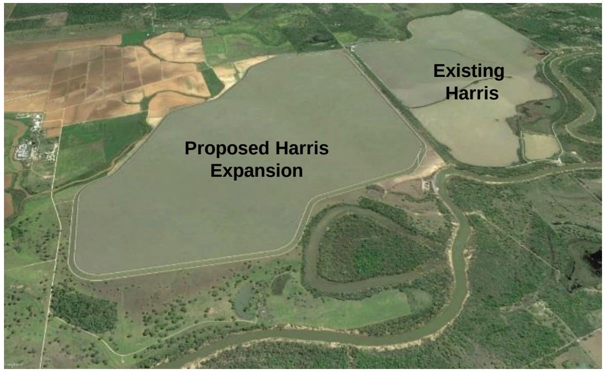
Dow Reservoir Expansion Project and Dow/BWA SWIFT Funding Collaboration



Presented by: Tim Finley, Ronnie Woodruff

2015

2009



SIX SIGMA

5/26/2020

Dow and BWA Need More Local Reservoir Storage

- Dow has insufficient **stored water** to assure the reliable operation of our facilities and/or the reliable delivery of stored water to BWA and other local industrial users through a serious drought.

- Dow, BWA and Local Industrial User using Dow Surface Water Supply currently have ~2 months of reliable local storage; both Dow and the State of Texas have determined we need 6 months of local storage.

- This **stored water** gap is being managed today with short-term BRA contracts that are potentially “at risk” storage supply and will be unavailable in the very near future.

Ask – Enable Dow/BWA Partnering To Access State Funding

- **Dow is requesting that BWA (and member cities) support development of a partnership agreement(s) to enable access to financially advantaged TWDB funds to build the reservoir**
  - Access to financially advantaged TWDB SWIFT funds is critical to move forward
  - Specifically requesting support for a BWA Board Resolution to enable BWA to….
    - Submit a TWDB SWIFT Fund Application for a $15 MM Planning Phase Loan (April 28 Board)
    - Authorize BWA to Negotiate a Design/Construction Partnership Agreement with Dow

- Anticipated TWDB Funding Plan - Two Step Approach
  - Phase 1 (2020): **Up to $15 MM Deferred Planning Phase Loan**
  - Phase 2 (2022-2026): Est. $335 MM Subsidized Interest Design/Construction Phase Loan (Targeted 2021 approval)

- Repayment of Loans
  - Phase 1 - TWDB Loan Repayment -100% Dow
    - Dow Potable Water Contract will be Amended to Recover Loan Repayment through the Dow Potable Water Price
  - Planned Phase 2 Loan Repayment – Anticipated to Be All or Predominantly Industrial Users
    - Developing Project/Financing Structure To Maximize Win-Win Benefits Prior to Seeking BWA/Member Cities Approval
    - **Anticipating Member Cites and BWA Board Approval for Phase 2 will be sought in Q4 2020 or Q1 2021**

Why – What's in this for BWA and Member Cities

- **No rate increase due to this project**

- Enables BWA to increase stored water reserves for the existing 15.7 MGD surface water plant from 60 days to 180 Days
  - Anticipate that partnering and use of financial advantage funding will provide a $20 MM capital equivalent advantage to BWA for securing stored water in the Expand Harris Project
  - State required 180 days of local BWA storage is expected to be provided at no cost to BWA or BWA member Cities (Assume BWA Secures Rosenberg BRA Contract Water)

- Project protects local industries capability to produce; Supports retention of and/or creation of local jobs

- Zero BWA and Member City risk for supporting planning phase loan; Dow is committing to 100% repayment plus costs

- Design/construction partnering must be developed to be a very clear Win-Win for BWA and member cities, as well as for DOW

RESOLUTION NO. 20-R-13

RESOLUTION APPROVING ISSUANCE UP TO A MAXIMUM AMOUNT OF $15,000,000 BRAZOSPORT WATER AUTHORITY SPECIAL PROJECT REVENUE BONDS (HARRIS RESERVOIR EXPANSION PROJECT), TAXABLE SERIES 2020 AND ANY ADDITIONAL SERIES; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Brazosport Water Authority (the "Authority") was created by 1985 Tex. Laws, Reg. Sess., Ch. 449 at 3063, as amended, under the authority of Article XIV, Section 59 of the Texas Constitution, and the boundaries of the Authority have not been in any way changed or altered since the enactment of Chapter 449, Acts of the 69th Legislature of Texas, Regular Session, 1985. The Authority has entered into a take-or-pay water supply contract (the "Contract"), dated February 20, 1987, with seven member cities of the Authority, including the City of Richwood (the "City"), under the terms of which the cities are collectively obligated to make payments to the Authority sufficient to pay the principal and interest requirements on outstanding bonds relating to the System (as defined in the Contract), and such Contracts remain in full force and effect;

WHEREAS, the Board of Directors (the "Board") of the Authority desires to proceed with the planning of an expansion of the Harris Reservoir on land adjacent thereto and construction of certain other facilities including an intake and pump station to divert existing surface water from the Brazos River (the "Special Project"), which improvements constitute Special Project Facilities as described in Section 8.4 of the Contract, through the issuance of the Authority's Special Project Revenue Bonds (Harris Reservoir Expansion Project), in one or more series (the "Bonds"), beginning with Taxable Series 2020 in an aggregate principal amount not to exceed $15,000,000 under a bond resolution in substantially the form attached as Exhibit A hereto (the "Bond Resolution"), and has authorized the Authority's attorneys and financial advisors to take any action reasonably necessary to proceed with preparation for the issuance of Bonds for the Special Project;

WHEREAS, pursuant to Section 8.2 of the Contract, the City Council finds that the City is not in default under the Contract;

WHEREAS, pursuant to Section 8.4 of the Contract, the City Council of the City of Richwood (the "City Council") acknowledges that neither its consent nor its finding that the Special Project is necessary and feasible are required because the Special Project consists of Special Project Facilities other than improvements to the System for benefit of Participating Customers under the Contract (each capitalized term as defined in the Contract);

WHEREAS, pursuant to Section 8.4 of the Contract, the Board of the Authority (i) finds that the Special Project is necessary and feasible to serve certain third parties contracting with the Authority to purchase treated surface water from the Authority and (ii) agrees that the Special Project will be completed with proceeds of the Bonds;

WHEREAS, pursuant to Section 9.4 of the Contract, the City Council and the Authority agree that it is mutually beneficial, but not required, for the City to formally consent to the Special Project and issuance of the Bonds;

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

SECTION 1.01. CONSENT TO SPECIAL PROJECT AND BONDS. The City hereby consents to the Authority's performance of the Special Project and issuance of the Bonds.

SECTION 1.02. FINDINGS. It is hereby found and determined that the matters and facts set out in the preamble to this Resolution are true and correct.

SECTION 1.03. INTERPRETATIONS. The titles and headings of the sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof in this Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

SECTION 1.04. CITY'S SUCCESSORS AND ASSIGNS. Whenever, in this Resolution, the City Council is named and referred to it shall be deemed to include its successors and assigns, and all covenants and agreements in this Resolution by or on behalf of the City, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

SECTION 1.05. SEVERABILITY CLAUSE. If any word, phrase, clause, sentence, paragraph, section or other part of this Resolution, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Resolution and the application of such word, phrase, clause, sentence, paragraph, section or other part of this Resolution to any persons or circumstances shall not be affected thereby.

SECTION 1.06. OPEN MEETING. It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

PASSED AND APPROVED this the 8th day of June 2020.

THE CITY OF RICHWOOD, TEXAS	**ATTEST**
______________________________	______________________________
Steve Boykin, Mayor	Kirsten Garcia, City Secretary

(Official Seal)

POLICY AND PROCEDURE MANUAL

Section: Attendance
Policy: Policy in the event of an Emergency Closing of City Offices
Policy #: 1303
Effective: April 2014
Revised: March 2015

POLICY IN THE EVENT OF AN EMERGENCY CLOSING OF CITY OFFICES

The City of Richwood shall provide paid leave for "essential" and "non-essential" employees in the event of certain emergencies including, but not limited to: hurricanes, tornadoes, floods and other Acts of God; nuclear, chemical and biological emergencies, terrorist attack or any other emergency declared by a federal, state or local authority. The local authority shall be the Mayor (or their designee).

In the event that an emergency closing of City offices is ordered, regular full time employees who are not required to work during an emergency closure, including part-time and temporary employees shall be paid their regular wages for that day(s). This time not worked shall not be included in the calculation of over time for that pay period.

Whenever there is an emergency closure of City offices, all essential employees, exempt (their salary shall be converted to its hourly equivalent) and non-exempt, who are required to work during an emergency closure shall be compensated at one and one-half (1 ½) times their hourly rate for the duration of the emergency closure for all documented time during which they actually worked. The term "actually worked" means time actively engaged in physical or mental exertion related to the City's business (at the direction and control of the Department Head or City Council) either on the City's premises or actively engaged in the same manner in the City's business off-premises at the direction and control of the Department Head or the City Council. The term "actually worked" shall include "stand-by" and "stand-by"/sleep-time as recognized under the Fair Labor Standard Act (FLSA) only in instances where the employee is required by his/her Department Head (or City Council) to stay on City premises engaged to wait on instructions to work and the employee does, in fact, stay and/or sleep on the City premises.

The maximum number of work hours which may be recorded for any work day is 24 hours during the first 72 hours of the emergency closure and 18 hours per day thereafter.

The "emergency closure" compensation period shall begin with the date of the declaration of emergency in the City of Richwood by the order of the Mayor, and the ending date of the emergency closure compensation date in shall be the date of the lifting of the declaration by the Mayor and the opening of city offices for regular business and work attendance by non-essential City employees and if clarification on this ending date as defined herein becomes necessary, the City Council shall designate the emergency closure ending date as defined herein by Council order.

Any essential employee who fails to report to work as scheduled during an "emergency evacuation order" may be subject to disciplinary action, up to and including job termination, if such employee is necessary to provide for the safety and well-being of the general public or is otherwise necessary for the restoration of vital services. All essential employees must be designated and made aware of their assignments prior to an emergency. A list of essential employees shall be provided to the Emergency Management Coordinator. Essential employees are those who are required to stay or report to their assigned areas performing necessary tasks during the emergency, or those who are required to return to work after an immediate threat is over. The list for each department shall be updated annually. All other employees shall report to their usual work areas as soon as possible following the order for resumption of normal operations, pursuant to the lifting of the emergency closure order and/or instructions from the applicable Department Head.

Any employee who is off work or scheduled to be off on sick leave, vacation, funeral leave, workers' compensation, FMLA (paid or unpaid), or disciplinary leave, shall have their leave recorded as such.

The City reserves the right to amend, change or delete this policy at any time, with or without prior notice. Furthermore, this policy does not grant a right or benefit to any employee, either expressed or implied, that in any way alters the "at will" basis of employment that is intended by the City.

POLICY AND PROCEDURE MANUAL

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Effective: April 2014
Revised: April 2019

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In the event that an emergency closing of City offices is ordered, regular full time employees who are not required to work during an emergency closure, including part-time and temporary employees shall be paid their regular wages for that day(s). This time not worked shall not be included in the calculation of over time for that pay period.

Whenever there is an emergency closure of City offices, all essential employees, exempt (their salary shall be converted to its hourly equivalent) and non-exempt, who are required to work during an emergency closure shall be compensated at one and one-half (1 ½) times their hourly rate for the duration of the emergency closure for all documented time during which they actually worked. The term "actually worked" means time actively engaged in physical or mental exertion related to the City's business (at the direction and control of the Department Head or City Council) either on the City's premises or actively engaged in the same manner in the City's business off-premises at the direction and control of the Department Head or the City Council. The term "actually worked" shall include "stand-by" and "stand-by"/sleep-time as recognized under the Fair Labor Standard Act (FLSA) only in instances where the employee is required by his/her Department Head (or City Council) to stay on City premises engaged to wait on instructions to work and the employee does, in fact, stay and/or sleep on the City premises.

The maximum number of work hours which may be recorded for any work day is 24 hours during the first 72 hours of the emergency closure and 18 hours per day thereafter.

The "emergency closure" compensation period shall begin with the date of the declaration of emergency in the City of Richwood by the order of the Mayor, and the ending date of the emergency closure compensation date in shall be the date of the lifting of the declaration by the Mayor and the opening of city offices for regular business and work attendance by non-essential City employees and if clarification on this ending date as defined herein becomes necessary, the City Council shall designate the emergency closure ending date as defined herein by Council order.

Any essential employee who fails to report to work as scheduled during an "emergency evacuation order" may be subject to disciplinary action, up to and including job termination, if such employee is necessary to provide for the safety and well-being of the general public or is otherwise necessary for the restoration of vital services. All essential employees must be designated and made aware of their assignments prior to an emergency. A list of essential employees shall be provided to the Emergency Management Coordinator. Essential employees are those who are required to stay or report to their assigned areas performing necessary tasks during the emergency, or those who are required to return to work after an immediate threat is over. The list for each department shall be updated annually. All other employees shall report to their usual work areas as soon as possible following the order for resumption of normal operations, pursuant to the lifting of the emergency closure order and/or instructions from the applicable Department Head.

Any employee who is off work or scheduled to be off on sick leave, vacation, funeral leave, workers' compensation, FMLA (paid or unpaid), or disciplinary leave, shall have their leave recorded as such.

WAIVER OF ESSENTIAL PERSONNEL STATUS

A. If an employee has personal circumstances, which would affect his/her ability to work during an emergency, it is the responsibility of the employee to submit a Waiver Request Form to their department Director or designee by May 1st of each year.

B. Following consideration and completion of the waiver review by the Department Director or Designee, the waiver is to be submitted to the Human Resources Department immediately for final determination.

C. Upon approval of the waiver, supervisors are required to take action to ensure that a replacement employee is assigned to cover the employee's duties during the Emergency.

D. The employee must file additional Waiver Request Forms when his/her circumstances change.

E. An employee who is denied approval of a Waiver Request may appeal by submitting the request to Human Resources. Appeals will be reviewed by City Manager, and the City Manager's decision shall be final.

F. Waivers that meet the following circumstances may be approved:

1. An employee who is a single parent with primary responsibility for a child or children under the age of 18 and the child's other parent is not able to care for the child or children in the event of an emergency; or
2. An employee who has primary responsibility for care of a chronically ill familymember, who due to their medical condition requires the employee's care or assistance in the event of an emergency and for whomother care arrangements cannot be made. Written, current year medical documentation is required. Documentation must confirm the family member's condition and the dependence upon the employee to provide care in the event of an emergency; or
3. An employee who personally suffers from serious health problems and is medically restricted from emergency services. Written, current year medical documentation is required. Documentation must confirm the employee's condition and the inability to perform duties in the event of an emergency; or

4. An employee who is pregnant. Written, current year medical documentation is required. Documentation must confirm the projected due date of delivery, recommended restrictions, if any, and projected period of recovery after delivery; or

5. An employee with children under the age of 18 and both spouses work for the City of Galveston and must report to work during an emergency; or

6. An employee who cannot perform the essential functions of his/her position and who has not been released to "full duty" by his/her physician at the time of an emergency. Written, current year medical documentation is required. Documentation must confirm the employee's condition and the inability to perform duties in the event of an emergency. This may include an employee who is on approved leave due to an occupational and/or non-occupational illness or injury; or who is on limited duty assignment or no work status; or

7. An employee on approved leave due to a death in the employee's immediate family; or

8. Any employee who is on FamilyMedical Leave for any eligible purpose; or

9. Other waivers may be considered on a case by case basis.

The City reserves the right to amend, change or delete this policy at any time, with or without prior notice. Furthermore, this policy does not grant a right or benefit to any employee, either expressed or implied, that in any way alters the "at will" basis of employment that is intended by the City.

City of Richwood
TEXAS

AGENDA MEMORANDUM
ITEM # CONSENT

CONTACT: Clif Custer, Director of Public Works

SUBJECT: Public Works is requesting Council Approval for a transfer of $6,000 from Sewer Lines M&R (30-20-5390) to Building and Grounds M&R (30-20-5310). A formal budget amendment including this transfer will be presented on June 27, 2020.

SUMMARY: **Consider approving a transfer of $6,000 from Sewer Lines M&R (30-20-5390) to Building and Grounds M&R (30-20-5310).**

ISSUE: This is necessary is to replace dilapidated fencing at lift station #5 and Lift Station 4. Total estimate for both fences is $7000. Public Works will utilize $1000 from the Building and Grounds M&R line item and request the transfer to fund the remaining $6000 balance.

FISCAL IMPACT: None, this is a line item transfer within one department and will not exceed the departmental budget.

RECOMMENDATION: Council to approve transfer of funds.

Thank you,

Clif Custer

AGENDA MEMORANDUM-JUNE 8, 2020
ITEM

CONTACT: Marty Coursey, CGFO; Interim Finance Director

SUBJECT: Discussion and/or approval of signatures for the engagement letter regarding auditing services as determined in the attached letter with Kennemer, Masters & Lunsford, Certified Public Accountants LLC with regards to the FY 2020 year ending September 30, 2020.

SUMMARY: **Discuss and/or approval of the continuation of auditing services provided by Kennemer, Masters & Lunsford for the period ending September 30, 2020 and provide alternatives.**

BACKGROUND INFORMATION:
It is suggested as a "best practice" with Government Finance Officers Association (GFOA) to rotate audit firms at least every five years. This can include partner rotation as an alternative to changing firms. The key factor in evaluating the benefits of mandatory audit firm rotation is the public interest. After a period of service, say 20 years, auditors may become too complacent and close to the client creating a familiarity threat to independence. Conflicts of interest develop over time making it more difficult for auditors to exercise professional skepticism in gathering and evaluating financial data to ensure the financial statements do not contain any material misstatements.

ISSUE:
Kennemer, Masters & Lunsford, CPA LLC has provided auditing services for more than nineteen years for the City of Richwood. It is my understanding the audit managers and partners have not been required to rotate or provide their rotation schedules. Council may want to determine if another set of eyes is appropriate at this time. A request for qualifications has been prepared along with a calendar.

FISCAL IMPACT: Proposed budgetary item for FY 21.

RECOMMENDATION: Staff recommends an RFQ (Request for Qualifications) for auditing services be initiated, with the inclusion of our current auditors, Kennemer, Masters & Lunsford and a contract initiated July 6, 2020.

(979) 265 2082
info@richwoodtx.gov
1800 Brazosport Blvd. N.
Richwood, Texas 77531

Engagement Letter

April 20, 2020

Honorable Mayor and
Members of City Council
City of Richwood
Richwood, Texas

We are pleased to confirm our understanding of the services we are to provide the City of Richwood (the "City") for the year ended September 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ended September 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.
2) Schedule of Revenue, Expenditure, and Changes in Fund Balances – Budget and Actual – General Fund.
3) Required related Pension Schedules
4) Required related Other Post-Employment Benefits (OPEB) Schedules

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

1) Combing and individual fund statements and schedule.

Audit Objectives

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

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

Audit Procedures—General

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

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

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

Audit Procedures—Internal Control

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

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

Other Services

We will also assist in preparing the financial statements and related notes of the City in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

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

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

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

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

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

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

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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

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

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

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal or state agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

We will coordinate the beginning dates for the audit fieldwork with appropriate City personnel later in the year (initial planning, interim, and year-end audit fieldwork). Based upon approximate fieldwork dates, we plan to issue a draft copy of our reports no later than February 26, 2021. Lijie Liu, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $ 36,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 120 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We are providing you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2017 peer review report accompanies this letter. Further as a supplement to this letter, we are enclosing an explanation of certain of our Firm's Client Service Concepts. We have found that such explanation helps avoid misunderstandings and enhances our ability to work closely with our clients.

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

Very truly yours,

KM&L, LLC

RESPONSE:

This letter correctly sets forth the understanding of the City of Richwood.

Management signature: ___________________________

Title: ____

Date: ____

Governance signature: ___________________________

Title: ____

Date: ____

Robert D. Goldstein, CPA

11318 Meadow Lake Drive • Houston, TX 77077-6832
(713) 787-9927 • e-mail RDGTexas@aol.com
Member of the TSCPA and the AICPA Center for Audit Quality

Report on the Firm's System of Quality Control

July 13, 2017

To the Members of Kennemer, Masters & Lunsford, LLC
and the Peer Review Committee of the Texas Society of CPAs

I have reviewed the system of quality control for the accounting and auditing practice of Kennemer, Masters & Lunsford, LLC (the firm) in effect for the year ended March 31, 2017. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the Standards at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, and an examination of a service organization [SOC 1 engagement].

As part of my peer review, I considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of my procedures.

Opinion

In my opinion, the system of quality control for the accounting and auditing practice of Kennemer, Masters & Lunsford, LLC in effect for the year ended March 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Kennemer, Masters & Lunsford, LLC has received a peer review rating of *pass*.

Robert D. Goldstein, CPA

Robert D. Goldstein, CPA

City of Richwood
TEXAS

June 1, 2020

Patricia Ditto
102 Pearl Drive
Lake Jackson, Texas 77566

Patricia:

It is with great pleasure that I offer you the Deputy Finance Director position.

This is a full-time exempt position. We have considered your request for change in proposed salary terms, and agree to increase the offer by $5,000, for both titles of Deputy Finance Director and Finance Director. You would be subject to a 120-day probationary period. During your probation period, we are offering you a title of Deputy Finance Director and starting annual salary of $63,000 (from $58,000). Upon successful completion of your probationary period, you would be awarded the title of Finance Director and a salary increase, bringing your annual salary to $66,815 (from $61,815).

In addition, your compensation package includes the following (these details are for information purposes and are subject to any policy or plan changes) options:

- Eligibility for health, dental, and vision coverage, subject to plan terms.
- Eligibility for flexible spending accounts and a monthly $25 contribution to an employer-funded HRA.
- Participation in the TMRS retirement system at a rate of five (5) percent with the City providing a 2:1 match.
- Eligibility for company-paid benefits such as life insurance, short- and long-term disability and long-term care, subject to applicable waiting periods.

- Sick leave is earned at the rate of 8 hours per month and will be available upon completion of your probationary period.
- Vacation for the reminder of the calendar year will be prorated from your date of hire at 10 hours per month and will be available upon completion of your probationary period. Based on your prior experience, next calendar year you will be granted 120 hours of vacation.
- Paid administrative leave is granted at 40 hours per year and will be available immediately.
- Paid holidays. (12 per year)

This job offer is contingent upon the following:

(a) Completion of a satisfactory background check.
(b) Approval by the City Council.

Please indicate your acceptance of our offer by signing below and returning a signed copy to me no later than Tuesday, June 2, 2020. If you have any questions about this offer, please contact me at 979-265-2082 or efoerster@richwoodtx.gov.

I am really looking forward to having you as part of the team. I believe your leadership, knowledge, and experience will help you play a vital role in making Richwood a better place for our residents and businesses.

Sincerely,

C.E. 6/1/2020

Eric Foerster
City Manager

I have read and understood the provisions of this offer of employment, and I accept the above conditional job offer. I understand that my employment with City of Richwood is considered at will, meaning that either the company or I may terminate this employment relationship at any time with or without cause or notice.

This offer shall remain open until June 2, 2020.

City of Richwood
TEXAS

Date: 6-1-2020

Signature: [illegible]

(979) 265 2082

info@richwoodtx.gov

1800 Brazosport Blvd. N.

Richwood, Texas 77531

City Managers Report

06/08/2020

We are making good progress on the budget. Marty is working through many procedural items and we will heed her suggestions and bring these changes to the council for approval.

We have offered the open position in finance to Patricia Ditto, and we hope council approves her appointment.

We met with the Mayor for an Emergency Management Committee Meeting on Tuesday the 2nd. We ran through some hurricane preparations just as Cristobal was spinning up in the South of Mexico. We covered some response issues and items that we have changed. I think we are in great shape with most of the staff having been through these types of issues before. We are tweaking a few things in the EOC (connectivity) and we are seeking solutions for window coverings for city hall.

Clif had several smaller sidewalk projects that have been completed in the past few weeks and we posted them on social media. Cliff also has several landowners ready to sign their easement agreements with the city for our water project in the OWS area. We are pushing hard to get these wrapped up as quickly as possible.

Our disaster declaration ended on May the 30th, and we should be submitting our totals for reimbursement as soon as possible. Due to our low reimbursement request, we should qualify for the fast-track payments back to the city under the DR-4485 grant. The entire city staff is back working out of their normal offices at city hall.

I did speak with one developer regarding the Marquis @ Magnolia properties and possibly building it out. He will check back with me later as they are still doing some research on the property. I also spoke with another developer wanting to build some apartments, but they are speculating a 2022-2023 building time frame. They advised they would get back with me after they complete some market research on the local area.

We are preparing for the upcoming workshop on Saturday the 27th and we are excited to get the budget process moving forward.

Respectfully,

Eric Foerster, MPA, CPM