Melody Paradise, Mayor
Russell Brewster, Mayor Pro Tem

AGENDA

TOWN COUNCIL

August 25, 2014

Work Session 6:30 p.m.
Regular Session 7:30 p.m.
Council Chamber
1614 South Bowen Road

COUNCIL MEMBERS:
Fred Adair
Don Funderlic
Jane Barrett
Don Surratt

Matthew Fielder, City Manager

WORK SESSION 6:30 P.M.
REVIEW AND DISCUSS ITEMS ON THE REGULAR AGENDA, AND CONSIDER PLACING APPROVED ITEMS ON CONSENT AGENDA.
All consent agenda items are considered to be routine by the Council and will be enacted with one motion. There will be no separate discussion of items unless a Council Member so requests, in which event, the item will be removed from the general order of business and considered in its normal sequence.

1. City Manager Report
   - Update on the Personnel Vacancies
   - PantegoFest 2014
   - Boat and RV Ordinance

2. Approval of Bills Payable and Purchase Orders in excess of $1,000.
   A summary of invoices, purchase orders, and applicable copies are included in the agenda packet.

3. Approval and Acceptance of Minutes
   Approval of Town Council Minutes:
   - Town Council minutes from August 11, 2014

   Acceptance of Minutes of Boards and Commissions:
   - PEDC Minutes July 9, 2014
   - PEDC Minutes July 23, 2014
   - CRB Minutes July 1, 2014

RESOLUTION

4. Discuss, direct, and consider action on a Resolution of the Town of Pantego Authorizing the City Manager to Enter into an Interlocal Agreement with the City of Fort Worth to Participate in Fort Worth's Environmental Collection Center Household Hazardous Waste Program; Providing for an Effective Date.

5. Discuss, direct, and consider action on a Resolution of the Town of Pantego Authorizing the City Manager to enter into a Capital Lease Agreement with Frost Bank for the Financing of one Police vehicle, one Court Vehicle, and one Community Development vehicle.

6. Discuss, direct, and consider action on a Resolution of the Town of Pantego Approving the Town of Pantego Fixed Asset and Inventory Policy and Procedure; Providing for an Effective Date.

REGULAR SESSION 7:30 P. M.
CALL TO ORDER/WELCOME
INVOCATION BY: Julie Arrington, City Secretary
PLEDGE OF ALLEGIANCE
MAYOR/COUNCIL/STAFF COMMENTS OF COMMUNITY INTERESTS

COUNCIL LIAISON TO BOARD REPORT
- Community Relations Board
- Pantego Youth Leadership Council

PEDC REPORT

CITIZENS OPEN FORUM

This is a time for the public to address the Town Council on any subject not on this agenda. However, in accordance with the Open Meetings Act Section 551.042, the Town Council cannot discuss issues raised or make any decisions on that subject at this time. The Town Council or an appropriate Town official may make a statement of factual information or policy on the subject in response to an inquiry by a member of the public. Issues raised may be referred to Town Staff for research and possible future action.

APPROVAL OF CONSENT AGENDA ITEMS

Approval of the Consent Agenda authorizes the City Manager to implement each item in accordance with staff recommendations and all votes on final reading will be recorded as reflected on first reading unless otherwise indicated. Public comment will be accepted on items, with the exception of those items on which a public hearing has been held and closed by Council.

PUBLIC HEARING

7. First Public Hearing to receive comments and to consider the Proposed Tax Rate of $0.42 per $100 valuation for the Town's 2014-2015 Fiscal Year Budget.

8. First Public Hearing to receive comments and to consider the Proposed Budget for Fiscal Year October 1, 2014 through September 30, 2015.

9. Public Hearing, discuss, direct, and consider action on an Ordinance Amending the Town of Pantego Municipal Code of Ordinances Chapter 2 Animal Control; Article 2.02 – Impoundment, Section 2.02.002 Subsections (a) and (b) – Disposition of Impounded Animals by Revising the Length of Time for Holding of Animals; Article 2.04 – Rabies Reports and Quarantine, Section 2.04.003(a) Quarantine of Dogs, Cats, and Ferrets, Disposition of Other Animals, by Revising the Observation Period; Containing a Savings Clause; Repealing all Ordinances in Conflict Herewith; and Declaring an Effective Date.

NEW BUSINESS FOR DISCUSSION, REVIEW, APPROVAL, AND/OR DIRECT STAFF

10. Discuss and direct staff on an Ordinance of the Town of Pantego relating to crafted precious metals; containing a findings clause and other provisions relating to the foregoing subject.

Following the Scheduled Executive Session, the Council will reconvene in public session and may take any and all action necessary concerning the Executive Session.

SCHEDULED EXECUTIVE SESSION ITEMS

- The Council will convene in the City Manager's Office pursuant to the Texas Government Code for an executive session on the following items:
    1. Pursuant to Government Code Section 551.071 Litigation Matters, to discuss pending or contemplating litigation, settlement offers, and other legal matters that implicates the attorney-client privilege – Litigation Van Hoosier.

COUNCIL INQUIRY

If a member of the Council makes a spontaneous inquiry about a subject not on this agenda, then the Town Council or an appropriate Town official may make a statement of factual information or policy in response to such an inquiry. However, in accordance with Open Meetings Act Section 551.042, the Town Council cannot discuss issues raised or make any decisions on that subject at this time. Issues raised may be referred to Town Staff for research and possible future action.

ADJOURNMENT

CERTIFICATION

Prepared and posted in accordance with Chapter 551 of the Texas Government Code. I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the outside window of a display cabinet at the Town Hall of the Town of Pantego, Texas, a place of convenience and readily accessible to the general public at all times, and said Notice was posted by the following date and time: Friday, August 22, 2014 at 5:00 p.m., and remained so posted at least 72 hours before said meeting convened.

Julie Arrington, City Secretary

Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in Town functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight (48) hours prior to the scheduled starting time by calling the City Secretary's Office at (817) 548-5852.

Complete Council Agenda and background information are available for review at the City Secretary's Office and on the Town's website: www.townofpantego.com.

City Manager's Report

To: Mayor Paradise and Members of the Town Council

From: Matt Fielder, City Manager

Date: August 25, 2014

Personnel Vacancies
We currently have vacancies for a dispatcher, public works maintenance worker, and a police officer. Staff is working diligently to fill these.

Pantego Fest
April Coltharp will be on hand to present a short update on marketing efforts to date.

Boat and RV Ordinance
Attached are the comments received from Council Members regarding the Boat and RV Ordinance. Staff is seeking clarification in areas in which the comments differ.

Director's Review: _____
City Manager's Review: MDF

Boat and RV Key Points and Comments from Town Council

1. Definitions
    a. Mayor Pro Tem Brewster – change to mirror Piedmont (less restrictive)
    b. Councilmember Surratt – No Comment
    c. Councilmember Funderlic – No Comment
2. Shall be registered
    a. Mayor Pro Tem Brewster – Yes
    b. Councilmember Surratt – No Comment
    c. Councilmember Funderlic – Clarify State registration
3. Setback from curb
    a. Mayor Pro Tem Brewster – 10'
    b. Councilmember Surratt – 30'
    c. Councilmember Funderlic – 25'
4. Setback from side lot line
    a. Mayor Pro Tem Brewster – No Comment
    b. Councilmember Surratt – 20' when adjancent to street,
       5'+1' for every 1' over 6' tall when adjacent to property
    c. Councilmember Funderlic – No Comment
5. Setback from rear lot line
    a. Mayor Pro Tem Brewster – No Comment
    b. Councilmember Surratt - 5'+1' for every 1' over 6' tall when adjacent to property
    c. Councilmember Funderlic – No Comment
6. Time allowed for load/unload
    a. Mayor Pro Tem Brewster – 72 Hours
    b. Councilmember Surratt – No Comment
    c. Councilmember Funderlic – No Comment
7. Time allowed for servicing
    a. Mayor Pro Tem Brewster – No time limit
    b. Councilmember Surratt – No Comment
    c. Councilmember Funderlic – Allow twice per year and clarify permit process
8. Length allowed for boats and trailers
    a. Mayor Pro Tem Brewster – No Comment
    b. Councilmember Surratt – 30' (not including trailer tongue)
    c. Councilmember Funderlic – 30', clarify that boats and trailers are seperate
9. Length allowed for RV
    a. Mayor Pro Tem Brewster – 38'
    b. Councilmember Surratt – 40' (if in rear yard)
    c. Councilmember Funderlic – 30'
10. Grandfathering
    a. Mayor Pro Tem Brewster – No Comment
    b. Councilmember Surratt – Yes
    c. Councilmember Funderlic – Yes with permit applied for within 90 days and not transferrable

AGENDA BACKGROUND

AGENDA ITEM: **Approval of Bills Payable and Purchase Orders over $1,000.**

DATE: **August 25, 2014**

PRESENTER: Matthew Fielder, City Manager

BACKGROUND:

This agenda item includes a listing of bills payable over $1,000. Included are copies of invoices for professional services and purchase orders over $1,000, their attached memo, and invoice copies, if available.

FISCAL IMPACT:

Please review report for individual account number.

RECOMMENDATION:

Staff recommends the following motion:

Approval of the listing of bills payable over $1,000 and purchase orders as submitted.

ATTACHMENTS:

Expenditure Summary of approval list over $1,000 and purchase orders for August 25, 2014:

Professional Services:
- Alan Plummer Associates, Inc.
- Bill Lane, Attorney

Purchase Orders:
- 1620 – Martin Apparatus

Summary of Bills Payable over $1,000.00 and Purchase Orders Requiring Council Approval
8/25/2014

PROFESSIONAL SERVICES	AMOUNT	DESCRIPTION
Alan Plummer Associates, Inc.	$1,263.00	July 2014 Engineering Services
Bill Lane, Attorney	$1,837.50	August 2014 Invoice

PURCHASE ORDERS	AMOUNT	DESCRIPTION
1620-Martin Apparatus	$1,155.00	Quine 1 Starter Replacement

GENERAL BILLS	AMOUNT	DESCRIPTION
Verizon Wireless	$1,320.81	August 2014 Cell Phone Bill
City of Arlington	$1,131.00	August 2014 Radio Lease Payment
Time Warner Cable	$2,219.24	Telephone Bill Thru 9/16/14
Pantego Water Utilities	$1,869.30	July 2014 Water Usage`
Commerce Bank	$4,236.81	August Credit Card Expenses

ALAN PLUMMER ASSOCIATES, INC.

ENVIRONMENTAL ENGINEERS AND SCIENTISTS

1320 South University Drive, Suite 300
Fort Worth, Texas 76107

July 25, 2014
Project No: 1329-005-01
Invoice No: 000000036135
Project Manager: Brian Wright
Total Contract: 4,500.00

Town of Pantego
1614 South Bowen Road
Pantego, TX 76013

Project 1329-005-01 Well Improvement Evaluation

Professional Services through July 25, 2014

Phase A Well Improvment Evaluation

Professional Personnel

	Hours	Rate	Amount	
Principal I				
McDonald, Ellen	2.00	250.00	500.00	
Senior Project Manager				
Wright, Brian	3.50	218.00	763.00	
Totals	5.50		1,263.00	
Total Labor				**1,263.00**
		Total this Phase		**$1,263.00**
		Total this Invoice		**$1,263.00**

	Current	Prior	Total	Payments	A/R Balance
Billings to Date	**1,263.00**	**0.00**	**1,263.00**	**0.00**	**1,263.00**

Authorized By: Brian Wright Date: 8/7/14

Brian Wright

BILL LANE

1110 Tennison Road
Azle, Texas 76020
Phone 817-276-4709

DATE: July 9, 2014

Bill To:
VIA FACSIMILE 817-261-4538
Tom Griffith
Interim City Manager
Town of Pantego
1614 S Bowen Road
Pantego, Texas 76013

DESCRIPTION	AMOUNT
Court Services for Aug 2014	$1,837.50
TOTAL	$ 1,837.50

Make all checks payable to **BILL LANE**
If you have any questions concerning this invoice, contact **Alma Roden 817-276-4710**

TOWN OF PANTEGO

1614 S. BOWEN
PANTEGO, TEXAS 76013

No. 1620

INSTRUCTIONS TO VENDOR

1. PURCHASE ORDER NUMBER. Vendor must show purchase order number on all packages, shipping papers, invoices and relative correspondence.
2. INVOICING. Send invoices in duplicate to:
   TOWN OF PANTEGO
   PURCHASING DEPARTMENT
   CITY HALL
   PANTEGO, TEXAS 76013
3. TAXES. Municipality Tax Exempt
   Entity I.D. #75-1291097

TO Martin App

SHIP TO Pantego Fire.

DATE	ACCT #	DEPT
8-11-14	100-5-150-356.00	Fire.

QUANTITY ORDERED	QUANTITY RECEIVED	STOCK NUMBER / DESCRIPTION	PRICE	PER	AMOUNT
1		Replace Starter Quint One.	1,155.00		1155.00
		Emergency/Non-Budgeted			
				TOTAL	1155.00

APPROVED BY

PANTEGO FIRE DEPARTMENT

MEMO #: 000

To: City Manager Matt Fielder

From: Assistant Chief Robert Coker

Through: Chief Thomas Griffith

Subject: Request to expend funds

Release Date: 08-11-2014

I am requesting to expend budget funds up to the amount of $1,155.00, to replace the starter on Quint One.

Over the weekend the starter failed on Quint one. This failure did not cause an interruption in services to the town. At the time of the failure the on duty crew was able to swap over into the Engine.

We had a service tech come to the station on Sunday to diagnose the problem. The tech advised that the started would need to be replaced.

This is not a budgeted item from the 2013/14 annual budget.

Cc: A. Carmona

AGENDA BACKGROUND

AGENDA ITEM: Approval of the Town Council minutes and acceptance of Minutes of the various Boards and Commissions.

Date: August 25, 2014

PRESENTER:

Julie Arrington, City Secretary

BACKGROUND:

Minutes from Town Council and Pantego's various Boards and Commissions.

FISCAL IMPACT:

None.

RECOMMENDATION:

Staff recommends the approval of the minutes as presented.

ATTACHMENTS:

Town Council minutes from August 11, 2014

PEDC minutes from July 9, 2014
PEDC minutes from July 23, 2014
CRB minutes from July 1, 2014

Director's Review: *jca*
City Manager's Review: MDF

STATE OF TEXAS §

COUNTY OF TARRANT §

TOWN OF PANTEGO §

The Town Council of the Town of Pantego, Texas, met in regular session at 6:30 p.m. in the Council Chamber of Town Hall, 1614 South Bowen Road, Pantego, on the 11th day of August 2014 with the following members present:

Melody Paradise	**Mayor**
Russell Brewster	**Mayor Pro Tem**
Jane Barrett	**Council Members**
Don Funderlic	
Fred Adair	
Don Surratt	

Members absent:

None.

constituting a quorum. The following staff members were present:

Matt Fielder	**City Manager**
Julie Arrington	**City Secretary**
Jim Jeffrey	**Town Attorney**
Ariel Carmona	**Finance Director**
Chad Joyce	**Community Development Director**
Scott Williams	**Public Works Director**
Tom Griffith	**Chief of Public Safety**
Barry Reeves	**Assistant Police Chief**
Robert Coker	**Assistant Fire Chief**
Thressa Householder	**Court Administrator**

Also in attendance:

None.

WORK SESSION 6:30 P.M.

Mayor Paradise called the work session to order at 6:32 p.m.

Mayor, Council, and Staff discussed the following consent agenda items:

1. **City Manager Report**

   Mr. Fielder informed Council there are only two openings left; a dispatcher and a Public Works maintenance worker.

2. **Monthly Staff Reports**

   There was discussion on the Water Revenue Fund involving the infrastructure fee, sales tax fees, past due water accounts, and utility locations. There was discussion on drainage issues caused by joint failures within the pipes and on the Park Row water line project and bid procedures. Council inquired about the locations and the results of the mosquito traps.

3. **Approval of Bills Payable and Purchase Orders in excess of $1,000.**

There was discussion on the final cost of the Peachtree/Country Club Court construction; the complete costs of the well improvements versus what was already accrued and/or paid; plus the cost of Special Use Permit Applications and possibly raising them; and on the repairs needed for the ambulance.

4. Approval and Acceptance of Minutes

Approval of Town Council Minutes:

- Town Council minutes from July 14, 2014 Special Meeting
- Town Council minutes from July 28, 2014 Special Meeting

No comments on changes.

Acceptance of Minutes of Boards and Commissions:

- P & Z minutes from July 7, 2014
- CRB minutes from June 3, 2014

6. Discuss, direct, and consider action on a Resolution of the Town of Pantego Authorizing the City Manager to enter into a Capital lease Agreement with Frost Bank for the Financing of one Police vehicle, one Court vehicle, and one Community Development vehicle.

Ms. Carmona introduced this item and informed Council this item was discussed at a previous Council meeting. At the direction of Council several financial institutions were reviewed for the best rate. The proposal for this lease is from Frost Bank with four equal annual payments. There was discussion on the differences in a capital lease and cash purchase of the items requiring a budget amendment. Council directed Ms. Carmona to review the Capital Lease Budget providing the information for a revised budget with a cash purchase to be discussed at the next Budget Work Session.

Mayor Paradise adjourned the work session at 7:25 p.m.

REGULAR SESSION 7:30 P. M.
CALL TO ORDER/WELCOME

Mayor Paradise called the regular session to order at 7:41 p.m., welcomed everyone, and thanked them for coming out tonight.

Chad Joyce, Community Development Director led the invocation which was immediately followed by the Pledge of Allegiance.

MAYOR/COUNCIL/STAFF COMMENTS OF COMMUNITY INTERESTS

Councilmember Surratt welcomed everyone stating it is nice to see the Police and Fire staff here with their families.

Councilmember Funderlic welcomed everyone especially the wives and family of staff stating Council appreciates staff's dedication and making this a home oriented community.

Councilmember Barrett welcomed everyone stating it is great to see a full house.

Councilmember Adair stated it is great to see everyone here and he appreciates the work of staff for the Town and the families that support the first responders.

Mayor Pro-Tem Brewster stated great job to the first responders, he looks forward to the future, and appreciates seeing everyone here.

HONORS/RECOGNITIONS/RECEPTION

- Recognition of Police Officer Christine Hubbell in her recent graduation from the Police Academy
- Recognition of Fire Fighter Blake Slater for his promotion to Lieutenant.
- Oath of Office for Fire Fighter Lance Westman
- Oath of Office for Fire Fighter Ben Ogletree
- Oath of Office for Fire Fighter David Nock

Honors and Recognitions will be followed by a brief reception.

Mayor Paradise introduced Scott Williams and his family to the audience. She introduced Officer Christine Hubbell giving a brief summary of her accomplishment with the Police Academy.

Assistant Fire Chief Coker introduced Lieutenant Blake Slater and his wife, Holly Slater, giving a brief description of Lt. Slater's duties and accomplishments. Mrs. Slater pinned the Lieutenant badge onto Lt. Slater. Asst. Fire Chief Coker presented his Bugles and Chief Griffith presented the Lieutenant Helmet.

Mayor Paradise delivered the Oath of Office to Fire Fighter Lance Westman. Asst. Fire Chief Coker introduced Fire Fighter Westman and his fiancée, Jessica, who pinned his badge. Asst. Chief Coker gave a brief history of Fire Fighter Westman's part-time employment with the Town of Pantego and welcomed him to the Department.

Mayor Paradise delivered the Oath of Office to Fire Fighter Ben Ogletree. Asst. Fire Chief Coker introduced Fire Fighter Ogletree and his wife, Mandy Ogletree, who pinned his badge. Asst. Chief Coker gave a brief history of Fire Fighter Ogletree's previous employment and welcomed him to the department.

Mayor Paradise delivered the Oath of Office to Fire Fighter David Nock. Asst. Fire Chief Coker introduced Fire Fighter Nock, pinned his badge, gave a brief history of his previous employment, and welcomed him to the department.

The meeting was recessed at 8:00 p.m. for a brief reception

The meeting reconvened at 8:18 p.m.

COUNCIL LIAISON TO BOARD REPORT

Community Relations Board
Councilmember Barrett informed Council the Community Relations Board elected their officers; Barbara Rogers, President; Chuck White, Vice President; Annie Johnston, Secretary; and Victoria Roemmich, Treasurer. The Board discussed the events for 2014/2015 which will be Easter, Memorial Day, Halloween, Christmas, the Candy Train, and Movies in the Park. The next Moving in the Park will be Captain America: the Winter Soldier on September 13th at the Bicentennial Park.

Pantego Youth Leadership Council
Mayor Paradise informed the Council the back to school meeting for PYLC will be August 19th. The Application will be updated on the website as soon as possible.

PEDC REPORT

Councilmember Adair informed Council the PEDC Board has not held a PEDC Meeting since the last Council Meeting. On the next agenda the Board will hold a Public Hearing on the budgeted projects, discuss sponsoring a table for the Arlington Chamber of Commerce Annual Award Dinner, and the backdrops for tradeshows.

CITIZENS OPEN FORUM

None.

APPROVAL OF CONSENT AGENDA ITEMS

Mayor Pro-Tem Brewster made a motion to pull the Alan Plummer invoice for separate and further discussion. Councilmember Surratt seconded the motion.

The vote was as follows:
Ayes: Surratt, Funderlic, Barrett, Adair, and Brewster.
Nayes: None
Abstention: None

Mayor Paradise declared the vote passed unanimously

Councilmember Surratt made a motion to approve the Consent Agenda items 1, 2, 3, and 4 minus the Alan Plummer Authorization as discussed and those consent agenda items as discussed in the work session. Councilmember Funderlic seconded the motion.

The vote was as follows:
Ayes: Surratt, Funderlic, Barrett, Adair, and Brewster.
Nayes: None
Abstention: None

Mayor Paradise declared the vote passed unanimously.

There was discussion regarding the Alan Plummer Authorization pertaining to the original bill and the work completed plus the multiplier in addition to their actual cost.

Councilmember Adair made a motion to authorize the City Manager to enter into an agreement with Alan Plummer for well improvement evaluation not to exceed $20,950.00. Councilmember Barrett seconded the motion.

The vote was as follows:
Ayes: Surratt, Funderlic, Barrett, Adair, and Brewster.
Nayes: None
Abstention: None

Mayor Paradise declared the vote passed unanimously.

PUBLIC HEARING

5. **Public Hearing, discuss, direct, and consider action on a recommendation form the Planning & Zoning Commission regarding Zoning Case Z-203, a proposed renewal of the Special Use Permit as requested by Ann Farrell (Annie's Freeze) to continue use of a snow cone stand business located at 2304 West Park Row Drive, Tract 1A3, 1A3A, 1A3B, 1A5, 1A5B, 1A5C of the William J Barry Survey, Pantego, Tarrant County, Texas. The Property is generally located on the south side of West Park Row Drive between South Bowen and Milby Road.**

   Mr. Joyce presented the recommendation from the Planning & Zoning Commission assuring the quality and site plan are the same as the previous SUP. The Commission removed the 14 day restriction and the added an expiration term on change of ownership instead of two years.

   Public Hearing Opened at 8:34 p.m.

Annie Farrell informed Council she has customers that come from other municipalities. She has installed concrete benches and new umbrellas. She stated the business is family oriented, lots of fun and would like to continue her stay within Pantego.

Public Hearing Closed at 8:36 p.m.

There was discussion on the storage of the facility and decorations, the difficulty involved in making this a permanent structure, and expiration requirements for an SUP. Council would like to add an expiration to the SUP along with the change of ownership.

Mayor Pro-Tem Brewster made a motion to approve Zoning Case Z-203 with the 14-day stipulation removed and adding a three year expiration or change of ownership. Councilmember Surratt seconded the motion.

The Vote was as Follows:
Ayes: Surratt, Funderlic, Barrett, Adair, and Brewster.
Nayes: None.
Abstentions: None

Mayor Paradise declared the motion passed unanimously.

RESOLUTION

6. **Discuss, direct, and consider action on a Resolution of the Town of Pantego Authorizing the City Manager to enter into a Capital lease Agreement with Frost Bank for the Financing of one Police vehicle, one Court vehicle, and one Community Development vehicle.**

This item was discussed during the work session.

Councilmember Surratt made a motion to table this Resolution until the August 25, 2014 Council Meeting. Mayor Pro-Tem Brewster seconded the motion.

The Vote was as Follows:
Ayes: Surratt, Funderlic, Barrett, Adair, and Brewster.
Nayes: None.
Abstentions: None

Mayor Paradise declared the motion passed unanimously.

NEW BUSINESS FOR DISCUSSION, REVIEW, APPROVAL AND / OR DIRECT STAFF

7. **Discuss, review, and consider action on setting the dates for the vote on the proposed 2014 Ad Valorem Tax Rate and the 2014/2015 Fiscal Year Budget to be acted upon during the regular scheduled Town Council Agenda of September 8, 2014 and September 22, 2014 and to schedule two Public Hearings for the 2014 Ad Valorem Tax Rate and the 2014/2015 Fiscal Year Budget for August 25, 2014 at 7:30 p.m. and September 2, 2014 at 6:30 p.m.**

Ms. Carmona explained to Council the statutory requirements and the purpose for this agenda item. The Finance Department is proposing two public hearings on the tax rate and the budget for the regular session on August 25th at 7:30 p.m. and a Special Session on September 2nd at 6:30 p.m. and a final vote on the tax rate and the budget at the regular session held on September 8th to meet the requirements of the Local Government Code. The City Attorney discussed the schedule in regards to our two vote requirement in the Town of Pantego Municipal Code Chapter 1 and Council's ability to waive the two vote requirement.

Councilmember Barrett made a motion to schedule the first public hearing on August 25, 2014 and the second public hearing on September 2, 2014 with Council action taken at the September 8, 2014 Council Meeting. Councilmember Funderlic seconded the motion.

The Vote was as Follows:
Ayes: Surratt, Funderlic, Barrett, Adair, and Brewster.
Nayes: None.
Abstentions: None

Mayor Paradise declared the motion passed unanimously.

8. Discuss and review the 2014 Ad Valorem Certified Tax Roll from the Tarrant County Appraisal District.

There was discussion on the increase of mineral leases and a request for a breakdown of mineral rights.

9. Discuss and review the Certified Anticipated Collection Rate for the Tax Year 2014 from the Tarrant County Tax Assessor Collector.

Ms. Carmona introduced this item and informed the Council this is for informational purposes. The Texas Tax Code requires certification of the anticipated collection rates for each year. This rate is anticipated to be 100%.

Council recessed into Executive Session at 9:15 p.m.

SCHEDULED EXECUTIVE SESSION ITEMS

- The Council will convene in the City Manager's Office pursuant to the Texas Government Code for an executive session on the following items:
    1. Pursuant to Government Code Section 551.071 Litigation Matters, to discuss pending or contemplating litigation, settlement offers, and other legal matters that implicates the attorney-client privilege – Van Hoosier
    2. Pursuant to Government Code Section 551.072 to discuss the purchase, exchange, lease, or value of real property – Mineral Rights
    3. Pursuant to Government Code Section 551.074 to discuss and deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee – six month evaluation of the City Manager.

Council reconvened from Executive Session at 11:12 p.m.

Mayor Paradise declared there was no action taken on the Executive Session items.

Item #7 was reopened by Mayor Paradise for further discussion and a vote on the publication of the rates. Ms. Carmona read the current tax rate, the effective tax rate, and the rollback tax rates to Council.

Councilmember Funderlic made a motion to post the tax rates as read by the Finance Director. Mayor Pro-Tem Brewster seconded the vote.

The Vote was as Follows:
Ayes: Surratt, Funderlic, Barrett, Adair, and Brewster.
Nayes: None.
Abstentions: None

Mayor Paradise declared the motion passed unanimously.

OLD BUSINESS FOR DISCUSSION, REVIEW, APPROVAL AND / OR DIRECT STAFF

10. Discuss, direct, and consider action on an update from the City Manager regarding PantegoFest 2014.

Mr. Fielder presented several options for radio advertisement and a quote for an electronic billboard advertisement. He explained staff recommends the CBS radio estimate as the best combination of pre-event and on-site advertising for the event.

Councilmember Adair made a motion to authorize the City Manager to enter into a contract with CBS Radio for $3,250 for PantegoFest advertising. Councilmember Barrett seconded the motion.

The Vote was as Follows:
Ayes: Surratt, Funderlic, Barrett, Adair, and Brewster.
Nayes: None.
Abstentions: None

Mayor Paradise declared the motion passed unanimously.

11. Discuss, direct, and consider action on the Introduction of the 2014-2015 Fiscal Year Budget by the City Manager.

This item was not discussed due to time.

COUNCIL INQUIRY

None.

ADJOURNMENT

Mayor Paradise adjourned the regular session at 11:36 p.m.

APPROVED:

_____
Melody Paradise, Mayor

ATTEST:

_____
Julie Arrington, City Secretary

Pantego Economic Development Corporation
July 9, 2014

STATE OF TEXAS §

COUNTY OF TARRANT §

TOWN OF PANTEGO §

The Pantego Economic Development Corporation of the Town of Pantego, Texas, met in regular session at 7:00 p.m. in the Council Chamber, 1614 South Bowen Road, Pantego, on the 9th day of July 2014 with the following members present:

Bill Brown	**President**
Danny Lakey	**Vice President**
Fred Adair	**Secretary**
Arsalan Gittiban	**Treasurer**
Stephanie Springer	**Director**
Gloria Van Zandt	
Don Surratt	

Absent: **None**

Constituting a quorum. Staff present was:

Matt Fielder	**City Manager**
Chelsea Nelson	**Support Specialist**
Ariel Carmona	**Finance Director**
Chad Joyce	**Community Development Director**

Also in attendance:

Pam Mundo	**Economic Development Coordinator**

REGULAR SESSION 7:00 P.M.
CALL TO ORDER AND GENERAL COMMENTS

President Brown called the meeting to order at 7:00 p.m.

INVOCATION

Director Surratt led the invocation which was followed by the Pledge of Allegiance.

PRESIDENT'S COMMENTS

President Brown informed the Board he will hold the Executive Session before agenda item number 9.

PEDC MEMBER REPORTS/COMMENTS OF COMMUNITY INTEREST

Director Surratt gave positive comments on the information he received from Mundo and Associates, along with the pictures, via e-mail earlier today.

REGULAR BUSINESS

1. **Executive Director Report**

   Mr. Fielder informed the Board Scott Williams assumed the duties of Public Works Director on Monday. July 7th and gave the Board a brief description of Mr. Williams work history. He reminded the Board the Community Relations Board will host another movie night at Bicentennial Park at

9:00 p.m. on Saturday July 12th showing Monsters University.

2. **Approval of PEDC Minutes**
   - **June 25, 2014**

     No comments were given.

     Secretary Adair made a motion to approve the minutes as presented. Director Surratt seconded the motion.

     The vote was as follows:
     Ayes: Surratt, Adair, Lakey, Brown, Springer, Van Zandt, and Gittiban
     Nays: None
     Abstention: None

     President Brown declared the motion passed unanimously.

3. **Summary of Revenues and Expenditures**

   - **July 9, 2014**

     Director Surratt inquired if Alan Plummer and Associates itemize their invoices to reflect what they have accomplished and if their overall costs will meet the amount of the estimate. Mr. Fielder stated he believes their costs will meet the estimated amount.

     Director Surratt made a motion to approve the PEDC expenditures and payments for July 9th. Vice President Lakey seconded the motion.

     The vote was as follows:
     Ayes: Surratt, Adair, Lakey, Brown, Springer, Van Zandt, and Gittiban.
     Nayes: None.
     Abstentions: None.

     President Brown declared the motion passed unanimously.

CITIZEN'S OPEN FORUM

None.

DISCUSS, REVIEW AND CONSIDER ANY ACTION AND/OR DIRECT STAFF ON THE FOLLOWING ITEMS OF BUSINESS

4. **Discuss, direct, and consider action on a Proposal from Mark Joeckel for the Administration of the Town and PEDC Social Media pages.**

   Mr. Fielder introduced Mr. Joeckel and informed the Board he made a presentation last month at a Town Council Meeting.

   Mr. Joeckel gave a brief statement on his background and how he came to operate Arlington Proud. He went through his Power Point Presentation and presented an inventory of the Town's current Social Media and website pages. He illustrated his findings from his Google searches of different shopping categories; such as rental property, event planning, and restaurants. He recommends starting a Google Search AdWords Campaign, new websites, improved Search Engine Optimizations, monitor and support the success of the paid media programs, executing day-to-day social media initiatives, maintaining calendars, and promoting employee participation. He recommends a monthly management of the program. There was discussion on the number of

Search Engine Optimizations a business can have and a report that will show the number of searches each engine brings up. The cost of the engine is based on the number of clicks received from the engine. The cost of the click is based on the word used; such as Mexican food is approximately $0.75 per click.

There was no action on this item.

5. **Discuss, direct, and consider action on the Painting of the Park facilities and equipment.**

   Mr. Joyce reminded the Board the Budget includes $20,000 for this project. Staff has walked the Park and identified the priority for repairs to the park equipment. Since the estimates are over budget staff required estimates per piece of equipment. Staff recommends using Moffett Commercial Paint contracting and Stephens Painting for the work. The most important items to be painted are the bridges and Gazebo. There was discussion on the lack of guarantee for the work and the exact scope of work. Director Surratt is concerned with discussing the Park Master Plan with Council prior to spending money on the park repairs. The Board discussed the rust on the equipment and the priority of repairs compared to the timeline of the Park Master Plan approvals. President Brown will visit the park, take pictures of the needed repairs, obtain feedback from the painting contractors, and report back to staff and the Board.

   There was no action on this item.

6. **Discuss, direct, and consider action on the Park Row Arch Lighting Project.**

   Mr. Fielder reminded the Board they decided to table this item and add it with the Park Row Streetscape project. He informed the Board that Council has requested temporary or permanent lighting for Pantego Fest. Since there is cost associated with temporary lighting, he needs direction from the Board prior to getting this done. There was discussion on the costs and equipment needed. Staff was directed to contact companies and obtain estimates for temporary lighting and leaving it up through Christmas.

7. **Discuss, direct, and consider action on Pantego Fest.**

   There was discussion on sponsorships from the local businesses, the number of bags needed, and a demonstration of the different sizes. The Board collectively agreed there should be 1000 bags ordered and discussed how to distribute the bags and the design of the bags. The consensus of the Board is to have Pantego Fest and Shop Pantego on the bag and removing "Keep it Local". The left over bags will be reused for other promotional events. Mr. Fielder informed the Board if they spend more than $5,000 they must have three estimates to choose from. The Board agreed not to print T-shirts this year. There was discussion on hanging a banner with the logo across the arch on Park Row and other means to market the logo. Mr. Fielder informed the Board Barbara Brown has offered to advertise Pantego Fest on her electronic sign and there are plans to have an electronic sign at Bowen Rd. Staff was directed to obtain three estimates for the shopping bags.

8. **Discuss, direct, and consider action on a report regarding the loan incentives provided by the Board to various businesses located in Pantego.**

   Mr. Fielder informed the Board a summary of the loans and their status was placed on drop box. There was discussion on the power the Board has to enforce payment of the loans for businesses that are delinquent or closed. Staff was directed to have this item moved to an Executive Session with the EDC Attorney on the next agenda.

Regular Session Recessed at 9:03 p.m.

Executive Session opened at 9:05 p.m.

SCHEDULED EXECUTIVE SESSION

The PEDC will convene in the City Manager's Office pursuant to the Texas Government Code for an executive session as follows:

- **Pursuant to Government Code Section 551.074 to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee – Economic Development Coordinator Position.**

Following the Scheduled Executive Session, the PEDC will reconvene in public session and may take any and all action necessary concerning the Executive Session.

Executive Session closed at 9:44 p.m.

Regular Session reconvened at 9:45 p.m.

President Brown declared no action was taken during the executive session.

9. Discuss, direct, and consider action on the budget for the Fiscal year 2014/2015.

Mr. Fielder informed the Board the information from the discussion last week was put it into the budget format and due to the Bond Covenant the Board has to establish a separate debt service fund and maintain one year of debt service in reserve. These are the only non-discretionary expenditures the Board has. The cost of the Arlington Chamber of Commerce was added, the cost of painting was removed, and everything else is carried over from this year. Staff needs guidance on any adjustments for the numbers. A separate Project Fund was created for the incentives and funds were added to bringing the balance up to $150,000. There was discussion on moving the cost of the Arlington Chamber of Commerce into the Marketing and Advertising line item and on using the Sales Tax Revenue to increase the Project Fund. Mr. Fielder clarified the Park Maintenance funds transferred to the General Fund were for personnel expenses and the amount in the Project Fund Estimated Ending Fund Balance line item. The Board agreed to move $20,000 from the Project Funds to create a new line item for the Park Row Archway lighting.

Director Surratt made a motion to approve the PEDC Projects and Operating Fund Budget for 2014-2015 as discussed with the changes recommended for the Archway lighting in the amount of $20,000 with that $20,000 coming out of the $150,000 Project Funds. Director Springer seconded the motion.

The vote was as follows:
Ayes: Surratt, Adair, Lakey, Brown, Springer, Van Zandt, and Gittiban.
Nays: None
Abstentions: None

President Brown declared the motion passed unanimously.

PEDC MEMBER INQUIRY

None.

ADJOURNMENT

President Brown adjourned the regular session at 10:08 p.m.

APPROVED:

Bill Brown, President

PANTEGO ECONOMIC DEVELOPMENT CORPORATION TEXAS

ATTEST:

Fred Adair, Secretary

Pantego Economic Development Corporation
July 23, 2014

STATE OF TEXAS §

COUNTY OF TARRANT §

TOWN OF PANTEGO §

The Pantego Economic Development Corporation of the Town of Pantego, Texas, met in regular session at 7:00 p.m. in the Council Chamber, 1614 South Bowen Road, Pantego, on the 23rd day of July 2014 with the following members present:

Bill Brown	**President**
Danny Lakey	**Vice President**
Fred Adair	**Secretary**
Stephanie Springer	**Director**
Gloria Van Zandt	
Don Surratt	

Absent:

Arsalan Gittiban	**Treasurer**

Constituting a quorum. Staff present was:

Matt Fielder	**City Manager**
Julie Arrington	**City Secretary**
Jeff Moore	**PEDC Attorney**
Chad Joyce	**Community Development Director**

Also in attendance:

Pam Mundo	**Economic Development Coordinator**
Henry Lewczyk	**Arlington Chamber of Commerce**

REGULAR SESSION 7:00 P.M.
CALL TO ORDER AND GENERAL COMMENTS

President Brown called the meeting to order at 7:04 p.m.

INVOCATION

Secretary Adair led the invocation which was followed by the Pledge of Allegiance.

PRESIDENT'S COMMENTS

President Brown welcomed the audience and informed the Board the Executive Session will be held before item number 4.

PEDC MEMBER REPORTS/COMMENTS OF COMMUNITY INTEREST

None.

REGULAR BUSINESS

1. **Executive Director Report**

   Mr. Fielder informed the Board he has received an incentive application for a loan request from

Grand Starts Learning Academy, LLC. He has reviewed the application and staff has directed them to the Small Business Development Center.

2. **Approval of PEDC Minutes**
   - **July 9, 2014**

     No comments were given.

     Director Van Zandt made a motion to approve the minutes as presented. Director Surratt seconded the motion.

     The vote was as follows:
     Ayes: Surratt, Adair, Lakey, Brown, Springer, and Van Zandt
     Nays: None
     Abstention: None

     President Brown declared the motion passed unanimously.

3. **Summary of Revenues and Expenditures**

   - **July 23, 2014**

     There were no expenses to approve.

Regular Session Recessed at 7:08 p.m.

Executive Session opened at 7:11 p.m.

SCHEDULED EXECUTIVE SESSION

The PEDC will convene in the City Manager's Office pursuant to the Texas Government Code for an executive session as follows:

- **Pursuant to Government Code Section 551.071 Litigation Matters, to discuss pending or contemplating litigation, settlement offers, and other legal matters that implicates the attorney-client privilege – Loan Defaults.**

Executive Session closed at 7:40 p.m.

Regular Session reconvened at 7:41 p.m.

President Brown declared there was no action on this item.

CITIZEN'S OPEN FORUM

Pat Myers inquired if the PEDC was aware the Council passed the SUP for his store and if the Board had any questions.

DISCUSS, REVIEW AND CONSIDER ANY ACTION AND/OR DIRECT STAFF ON THE FOLLOWING ITEMS OF BUSINESS

4. **Discuss, direct, and consider action on estimates for the Shopping Bag to be used at Pantego Fest.**

   Vice President Danny Lakey abstained from this item.

Mr. Fielder informed the Board he has received three quotes. He has two verbal quotes; one from Graphic Images at $6.00 a bag and one from Texas Sportswear at $5.00 a bag. He has a written estimate from Shirtwerx at $5.25 a bag. The Board agreed to purchase 1,000 bags to start with.

Secretary Adair made a motion to authorize the City Manager to enter into an agreement with Shirtwerx to purchase 1,000 bags at a cost of $5,250.00 as discussed. Director Springer seconded the motion.

The vote was as follows:

Ayes: Surratt, Adair, Brown, Springer, and Van Zandt
Nayes: None
Abstentions: Lakey

President Brown declared the vote passed 5 to 0.

5. **Discuss, direct, and consider action on creating an Integration Committee for the Arlington Chamber of Commerce.**

Mr. Fielder introduced this item as a way to make sure all the aspects of the Chamber are covered with 100% participation.

Mr. Lewczyk presented the Board with a list of committees. He explained the purpose for each committee along with the meeting dates and times. Each board member discussed and signed up for the committee of their choice and will start attending the meetings in August. Mr. Lewczyk gave the board a copy of the Press Release that will go out tomorrow. There was discussion on quorums at the Chamber meetings, combining the Chamber Ribbon Cuttings and the Pantego Ribbon Cuttings together, and visiting the Arlington Chamber of Commerce.

6. **Discuss, direct, and consider action on the Painting of the Park Facilities and equipment.**

President Brown presented the Board with a list of his findings for needed repairs. There was discussion on the amount of work involved in re-painting the rusted poles and the best type of paint to use to receive the best longevity. Mr. Joyce and Mr. Williams will present this list to the contractor for an updated estimate.

No action was taken on this item.

PEDC MEMBER INQUIRY

None.

ADJOURNMENT

President Brown adjourned the regular session at 8:55 p.m.

APPROVED:

Bill Brown, President

ATTEST:

Fred Adair, Secretary

PANTEGO ECONOMIC DEVELOPMENT CORPORATION TEXAS

Community Relations Board Minutes
July 1, 2014

STATE OF TEXAS

COUNTY OF TARRANT

TOWN OF PANTEGO

The Community Relations Board of the Town of Pantego, Texas, met in regular session at 7:00 p.m. in the Council Chamber of Town Hall, 1614 South Bowen Road, Pantego, on the 1st day of July, 2014 with the following members present:

Barbara Rogers	**Chair**
Annie Johnston	**Secretary**
Lothar Heller	**Board Members**
Cal Kost	
Bridget Potter	
Victoria Roemmich	
Chuck White	

The following staff members were present:

Jennifer Pauley	**Staff Liaison**
Matt Fielder	**City Manager**

Others also in attendance:

Mayor Melody Paradise	**Town Mayor**

REGULAR SESSION 7:00

Chair Barbara Rogers called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

OLD BUSINESS

Approval of Minutes: June 3, 2014. Chuck White moves to approve minutes with amendments and Cal Kost seconds the motion. The minutes pass as amended.

CITIZENS OPEN FORUM

NEW BUSINESS FOR DISCUSSION, REVIEW, AND APPROVAL

1. **Movie Nights**

The remaining Summer Movie nights will be held at the park on August 9. Movies will begin at approximately 9:00pm. The Lions Club will be selling popcorn and water at the events.

The board requested assistance from Public Works to help set up the movie screen. We will also need the sound system, projector, and two tables.

The board expressed interest in having a local business sponsor a movie night in September. The sponsorship could include the full price of the movie or a partial donation. Donation inquiries have been made to El Chico Mexican restaurant and Texas Fitt at this time.

Suggestions for movies to be shown in September included *The Lego Movie*, *X-Men*, and *Captain America.*

The board also wishes to consider other months out of the year to host a movie night such as a Halloween themed movie or a Christmas/Holiday movie.

2. **Review Current and Proposed Budget**

The Community Relations Board's request for a budget extension was granted by Town Council to cover our remaining expenses for this 2013-2014 fiscal year.

For the upcoming 2014-2015 fiscal year, the board has put together a proposed budget. After reviewing expenses from each town event over the past 3-4 years, the board feels confident in submitting a budget request of $11,500.

The board would like to take inventory of all Halloween Decorations this October.

As a reminder, the town currently holds accounts with Lowes, Sams Club, and Ace Hardware.

3. **Welcome New Members**

The board welcomes two new members, Victoria Roemmich and Bridget Potter.

Elections for Board positions will be held at the next meeting.

4. **Halloween Carnival**

The Halloween Carnival event will be held on Saturday, October 25 this year.

An in-depth discussion on this event will be held next meeting. Chairperson Rogers encouraged members to come back with ideas for new carnival games and ways to improve the event.

A suggestion was made to invite food trucks to some of our upcoming events. The board and the Town will look into this further.

CRB MEMBER INQUIRY

No inquiries at this time.

ADJOURNMENT

Chairperson Rogers adjourned the regular session at 8:18 p.m.

APPROVED:

Barbara Rogers

Barbara Rogers, Chair

ATTEST:

Annie Johnston

Annie Johnston, Secretary

TOWN OF PANTEGO TEXAS

AGENDA BACKGROUND

AGENDA ITEM: Discuss, direct, and consider action on a Resolution of the Town of Pantego authorizing the City Manager to continue an Interlocal agreement with the City of Fort Worth to participate in Fort Worth's Environmental Collection Center Household Hazardous Waste Program.

DATE: August 11, 2014

PRESENTER:

Chad Joyce, Community Development Director

BACKGROUND:

The Town of Pantego has been engaged in an interlocal agreement with the City of Fort Worth allowing for residents to take household hazardous waste to Fort Worth's collection center for several years. In May of this year, Town Council approved a resolution to continue that agreement. The interlocal agreement with Fort Worth expires again in October 2014. This resolution would approve the City Manager to continue this agreement for fiscal year 2014/2015. The agreement is the same as in years past and will be used in addition to the new annual service offered by Republic Waste.

FISCAL IMPACT

$47.00 per trip paid by the resident

RECOMMENDATION:

Staff recommends approval of this resolution.

ATTACHMENTS:

Proposed Resolution
Exhibit A – First Amendment to Contract with Fort Worth

Director's Review: _____
City Manager's Review: _MDF__

RESOLUTION NO. 14-17

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PANTEGO AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH AND BETWEEN THE CITY OF FORT WORTH FOR PARTICIPATION IN FORT WORTH'S ENVIRONMENTAL COLLECTION CENTER HOUSEHOLD HAZARDOUS WASTE PROGRAM.

WHEREAS, the Town Council finds the need to offer a way for its residents to dispose of household hazardous materials in an environmentally sound manner; and

WHEREAS, the Texas Government Code, Chapter 791, authorizes the formulation of interlocal cooperation agreements between and among local governments; and

WHEREAS, the Texas Government Code, §791.011 provides that a local government may contract with another local government to perform governmental functions and services, and §791.003(3) (H) designates waste disposal as a governmental function and service; and

WHEREAS, the Texas Government Code §791.025 provides that a local government may agree with another local government to purchase services; and

WHEREAS, Fort Worth and the Town of Pantego have entered into that certain agreement identified as Resolution 14-07 (also the "Agreement") for the fiscal year 2014 (October 1, 2013 through September 30, 2014) whereby Fort Worth will purchase the services of a waste disposal/recycling firm or firms and will administer a household hazardous waste collection program; and

WHEREAS, that Agreement was for an initial term of one year and that Agreement provides for the extension of the term for up to three additional periods of one year each; and

WHEREAS, the parties agree that all other conditions, terms, and pricing shall remain the same as stated in Resolution 14-07; and

WHEREAS, Fort Worth and the Town of Pantego mutually desire to be subject to the provisions of Texas Government Code, Chapter 791, also known as the Interlocal Cooperation Act.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PANTEGO, TEXAS THAT:

Section 1: the Town Council hereby authorizes the City Manager to enter into the interlocal agreement with the City of Fort Worth to participate in the Fort Worth Environmental Collection Center Household Hazardous Waste Program. **(Exhibit A)**

Section 2: the Town of Pantego will issue a voucher to any resident requesting to dispose of household hazardous material at a fee of $47.00 per trip.

Section 3: Resolution 14-07 is extended to include the term beginning on October 1, 2014 and ending on September 30, 2015.

Section 4: During the extended term of the agreement, the Environmental Collection Center (ECC) will be closed on the following holidays that are observed on days the ECC would otherwise be open to the public:

Thanksgiving holiday, Thursday and Friday, November 27-28, 2014
Christmas holiday, Thursday, December 25, 2014
Independence Day holiday, Friday, July 3, 2015

Section 5: All definitions, terms, conditions, and prices as well as the rights and obligations of the parties set forth in Resolution 14-07 shall remain unchanged except as expressly set

forth herein.

Section 6: This resolution is effective immediately upon passage.

PASSED AND APPROVED this the 25th day of August 2014, at a regular meeting of the Town Council of the Town of Pantego, Texas, by a vote of __ ayes, __ nays and __ abstentions.

_____
Melody Paradise, Mayor

ATTEST:

_____
Julie Arrington, City Secretary

APPROVED AS TO FORM:

_____
Jim Jeffrey, City Attorney

STATE OF TEXAS §
§ KNOWN ALL BY THESE PRESENTS:
COUNTY OF TARRANT §

FIRST AMENDMENT TO
CITY SECRETARY CONTRACT NO. 45648

THIS FIRST AMENDMENT to City Secretary Contract No. 45648 is entered into by and between the City of Fort Worth, a home-rule municipal corporation situated in Tarrant County, Texas ("Fort Worth"), acting through Fernando Costa, its duly authorized Assistant City Manager, and The City of Pantego, located in County, Texas ("Participant"), acting through , its duly authorized .

WHEREAS, Fort Worth and The City of the Participant have entered into that certain agreement identified as City Secretary Contract No. 45648 (also the "Agreement") for fiscal year 2014 (October 1, 2013 through September 30, 2014) whereby Fort Worth will purchase the services of a waste disposal/recycling firm or firms and will administer a household hazardous waste collection program as authorized by Mayor and Council Communication C-26421; and

WHEREAS, that Agreement was for an initial term of one year and that Agreement provides for the extension of the term for up to three additional periods of one year each; and

WHEREAS, the parties wish to extend the term of the initial Agreement for an additional year commencing on October 1, 2014 through September 30, 2015; and

WHEREAS, the parties agree that all other conditions, terms, and pricing shall remain the same as stated in City Secretary Contract No. 45648;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the parties hereto agree as follows:

1. <u>Extended term of agreement:</u>

City Secretary Contract number 45648 is extended to include the term beginning on October 1, 2014 and ending on September 30, 2015.

2. <u>Anticipated Holiday Closures:</u>

During the extended term of the agreement, the Environmental Collection Center (ECC) will be closed on the following holidays that are observed on days the ECC would otherwise be open to the public:

Thanksgiving holiday, Thursday and Friday, November 27-28, 2014
Christmas holiday, Thursday, December 25, 2014
Independence Day holiday, Friday, July 3, 2015

3. Miscellaneous:

All definitions, terms, conditions, and prices, as well as the rights and obligations of the parties as set forth in City Secretary Contract number 45648 shall remain unchanged except as expressly set forth herein.

IN WITNESS THEREOF, the parties have executed this contract in triplicate in Fort Worth, Texas, on the dates written below.

CITY OF FORT WORTH

BY: _____
Fernando Costa
Assistant City Manager

Date: _____

THE CITY OF PANTEGO

BY: _____

APPROVED AS TO FORM
AND LEGALITY:

_____
Arthur N. Bashor
Assistant City Attorney

WITNESS:

_____

ATTEST:

_____
Mary J. Kayser
City Secretary

AGENDA BACKGROUND

AGENDA ITEM: Discuss, direct, and consider action on a Resolution of the Town of Pantego Authorizing the City Manager to enter into a Capital Lease Agreement with Frost Bank for the Financing of One Police Vehicle, One Court Vehicle, and One Community Development Truck.

Date: August 25, 2014

PRESENTER:

Ariel Carmona, Financial Director
Julie Arrington, City Secretary

BACKGROUND:

These vehicles were purchased earlier this year with cash. At the direction of Council staff obtained a lease agreement for these vehicles.

This item was tabled at the Town Council meeting dated August 11, 2015. This item was discussed at the last budget work session under the Equipment Replace Plan. Per parliamentary procedure this item must be brought back before Council at the next Council meeting for a motion to approve, or a motion to deny, or a lack of motion, which will kill the agenda item. This will need to be removed from the consent agenda if Council does not want to approve this item.

FISCAL IMPACT:
If approved there will be four (4) annual payments of $26,010.67 for a total of $100,646.82. This includes an interest rate of 2.1460%.

If failed Council will need to amend the budget for fiscal year 2013/2014 at a future Council meeting.

RECOMMENDATION:

Staff is at the discretion of Council

ATTACHMENTS:

Capital Lease Agreement

Director's Review: *jca*
City Manager's Review: MDF

FROST BANK
100 West Houston Street - c/o Frost Leasing
San Antonio, Texas 78205

July 25, 2014

Town of Pantego, Texas
Attention: Matthew Fielder
1614 S Bowen Rd
Pantego, TX 76013

RE: Lease Number 774732897-002

Dear Mr. Fielder:

Thank you for choosing the Frost Bank to handle your finance needs. Enclosed please find for your signature the following documents necessary to complete your lease transaction:

Municipal Equipment Lease/Purchase Agreement
Exhibit A and Exhibit B

Additionally, please find the following documents which you will need to have prepared on the City's letterhead, complete, sign and return with the lease agreement:

ESSENTIAL USE LETTER, INCUMBENCY CERTIFICATE, MEETING MINUTES to include the Reimbursement Resolution, and the IRS LETTER which will need to include a completed copy of the appropriate IRS form submitted to them and the Certified Mail Receipt # used to submit the letter to the IRS, Power of Attorney forms to process title transfers.

The last document is a sample "Opinion Letter" to be completed by the City's counsel. This letter is to be prepared on counsel's letterhead.

We will require a copy of your drivers license to process the title transfers.

Attached is the ADVANCE PAYMENT BILLING INVOICE. Please include your check for the amount due. This represents any lease fees for your transaction and the advance billing of your first lease payment.

I have also included a prepaid return overnight package to my attention to expedite the return of these documents to me. (You may call 1-800-800-8984 for "LSO" pickup if you do not have a drop box convenient to you.) If you have any question, please do not hesitate to contact me. My direct number is 210-220-4366.

Sincerely,

Teresa Hilton
Lease Documentation
210-220-4366

FROST BANK
c/o Frost Leasing
100 West Houston Street
San Antonio, Texas 78205

Municipal Equipment Lease/Purchase Agreement

Number 774732897-002 dated as of July 25, 2014

THIS MUNICIPAL EQUIPMENT LEASE/PURCHASE AGREEMENT (this "Agreement") dated as of July 25, 2014 by and between Town of Pantego, Texas ("Purchaser") having its principal place of business at 1614 S Bowen Rd., Pantego, Texas, 76013 (said state being referred to throughout this Agreement as the "State") and FROST BANK ("Bank").

WITNESSETH

WHEREAS, with regard to any Equipment (hereinafter defined) not owned by Purchaser, Bank owns or can acquire such Equipment and Purchaser desires to lease/purchase said Equipment through the financing herein provided;

WHEREAS, Purchaser may desire to lease/purchase equipment under this Agreement from time to time whereby this Agreement shall apply to all such additional lease/purchases.

NOW, THEREFORE, in consideration of the covenants herein, the parties agree by entering into this Agreement, including all related Acceptance Certificates (as hereinafter defined), as amended from time to time, as follows:

I. Assignment to Bank; Sale to Purchaser; Term; Security Interest; Tax Certifications.

Section 1.1. Assignment to Bank. Purchaser assigns to Bank all rights, if any, which Purchaser has or may hereafter acquire in the personal property (the "Equipment") identified specifically in any Exhibit marked as an Exhibit "B" hereto as dated from time to time (the "Installment Payment Schedule") which exhibits set forth various matters related to such Equipment and related purchase orders (the "Purchase Orders"), as issued to any supplier of Equipment (a "Vendor") reserving to Purchaser, however, so long as Purchaser is entitled to possess the Equipment, all rights to property (other than the Equipment itself) and service that Vendors are obligated to provide. Purchaser irrevocably constitutes Bank its true and lawful attorney-in-fact with full power to demand, receive, and give acquittance for all moneys and claims with respect to Purchase Orders, to endorse any related instruments and to institute any proceedings which Bank deems advisable.

Section 1.2. Delivery Acceptance. Bank shall cause the Equipment to be delivered to Purchaser at the Equipment Location (as specified in the applicable Exhibit "B"), and Purchaser shall accept the Equipment as soon as it has met the acceptance criteria specified in the applicable purchase documents. Purchaser shall irrevocably accept the Equipment under lease and shall evidence the commencement of the lease with respect thereto by executing and delivering to Bank an acceptance certificate in the form attached as Exhibit "A" (an "Acceptance Certificate").

Section 1.3. Sale to Purchaser. Subject to the terms hereof, Bank will sell each item (an "Item") of Equipment to Purchaser, and Purchaser will purchase each Item from Bank by making the installment purchase payments (the "Installment Payments") according to the Installment Payment Schedule. The cost of each Item, delivery and installation charges, Bank's legal expenses, origination fees, and all other related costs will be included in the total cost of the Item as shown in each Exhibit "B."

Section 1.4. Term. This Agreement will be effective on the date hereof. With respect to any Item, except as may be otherwise specifically provided in this Agreement, the obligation to make the Installment Payments provided for in this Agreement and as set forth in each Installment Payment Schedule hereto will begin on the execution of an Acceptance Certificate and expire or terminate upon the first to occur of: (a) the end of the fiscal year of Purchaser ("Fiscal Year") during which an Event of Nonappropriation (as defined in Section 2.6 below) occurs; (b) an optional payment date as specified in Exhibit "B" hereto ("Optional Payment Date") upon which date the Purchaser may prepay the price of an Item (the "Option Price"); (c) an event of default, as defined in Article V below ("Event of Default"), and a termination of Purchaser's possession of the Item; or (d) the later of the last installment payment date ("Installment Payment Date")

specified in Exhibit "B" or the date on which all Installment Payments are paid. Expiration or termination of this Agreement will terminate all obligations of Purchaser with respect to such Item (except to the extent moneys have theretofore been appropriated for such purpose). Upon termination described in clause (a) or (c) above, title to the Item shall thereupon be deemed transferred to Bank.

Section 1.5. Title. Title to each Item will pass to Purchaser upon the execution and delivery of an Acceptance Certificate subject to the Bank's rights hereunder. Purchaser will keep each Item free of all encumbrances except Bank's purchase money security interest.

Section 1.6. Security Interest. To secure payment of all amounts due under this Agreement and to secure the performance and observance by Purchaser of all the covenants expressed or implied herein, Purchaser hereby grants a purchase money security interest in the Equipment to Bank in accordance with the Uniform Commercial Code or other applicable code of the State, said security interest to also cover all of Purchaser's interest (whether ownership or otherwise, and whether presently existing or hereafter acquired) in and to any and all the following: (i) future replacements, betterments, substitutions and additions to any of the Equipment; (ii) rentals, deposits, and other sums as may become due Purchaser as lessor under any and all leases of any Equipment, whether written or oral; (iii) purchase contracts or similar agreements (and all rights of Purchaser thereunder) executed by Purchaser and any other individual or entity pursuant to the terms of which such individual or entity has contracted to purchase from Purchaser the Equipment or any part thereof; and (iv) proceeds of the Equipment or any of the foregoing, including, without limitation, all condemnation or insurance proceeds arising out of or with respect to the Equipment or any of the foregoing.

Section 1.7. Tax Certification and Indemnification.

(a) Purchaser agrees and certifies as follows: (1) Moneys on deposit in any fund or account related to this Agreement will not be used in a way that will cause the interest component of any Installment Payment to be includable in Bank's gross income for federal tax purposes; (2) No use will be made of proceeds of this Agreement, or any funds or accounts of Purchaser which may be deemed to be such proceeds, which would cause this Agreement to be an "arbitrage bond" under section 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder (the "Code"). Purchaser will comply with the requirements of section 148 of the Code; (3) Purchaser will not take, cause to be taken or fail to take any action, the result of which would cause the interest component of any Installment Payment to be ineligible for exclusion from Bank's gross income under section 103 of the Code or would cause this Agreement to be a "private activity bond" or to fail to meet any applicable requirement of section 149 of the Code; (4) Purchaser will timely file the information report required by section 149(e) of the Code (Form 8038-G or 8038-GC), and promptly provide to Bank evidence of Purchaser's filing of all necessary documents with the Internal Revenue Service; (5) This Agreement will not at any time be a "private activity bond" (as defined in section 141 of the Code); (6) the reasonably anticipated amount of tax exempt obligations as described in section 103(a) of the Code ("Tax Exempt Obligations") (including this Agreement and qualified 501(c)(3) bonds and excluding other private activity bonds) that will be issued by Purchaser and its subordinate entities during any calendar year in which an Acceptance Certificate is delivered will not exceed $30,000,000. Not more than $30,000,000 of obligations issued by Purchaser during any calendar year in which an Acceptance Certificate is delivered will be designated by Purchaser as a "qualified tax exempt obligation" for purposes of section 265(b)(3) of the Code. This Agreement has been entered into on the basis that Bank will be entitled to the exception contained in section 265(b)(3) of the Code (the "Exception") with respect to the deduction of interest expense allocable to tax-exempt interest. The Purchaser hereby designates this Agreement as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code. If, as a result of the falsity or breach of Purchaser's representations or agreements in this Section 1.7, Bank will not have or will lose the right to claim the Exception, upon thirty (30) days' written notice to Purchaser by Bank, Purchaser shall, to the extent permitted by this Agreement and by applicable law, pay Bank an amount which, in the reasonable opinion of Bank and after deduction of all taxes required to be paid by Bank with respect to receipt of such amount, will cause Bank's net after-tax return over the term of this Agreement to equal the net after-tax return that would have been available if Bank had been entitled to the Exception.

(b) Purchaser is exempt from the arbitrage rebate requirements of section 148(f) of the Code because: (1) Under section 148(f)(4)(D) of the Code (i) it is a political subdivision of the State with general taxing powers and is not a subordinate entity of any other political subdivision, (ii) this Agreement will not at any time be a "private activity bond" (as defined in section 141 of the Code), (iii) 95% or more of the net proceeds of this Agreement will be used for local governmental activities of Purchaser within the meaning of section 148(f)(4)(D)(i)(III) of the Code, (iv) Purchaser has not issued any Tax Exempt Obligations in the current calendar year other than this Agreement and those referenced in Section

1.7(a) above, (v) the aggregate face amount of all Tax Exempt Obligations (other than private activity bonds), including this Agreement, which will be issued by Purchaser and its subordinate entities during the calendar year in which an Item is delivered will not exceed $5,000,000; or (2) Purchaser is entitled to the exception under section 148(f)(4)(B)(1) of the Code because the gross proceeds (as defined in section 148(f)(6)(B) of the Code) of this Agreement (including costs of issuance) will be expended for and allocated to the governmental purposes of this Agreement within six months after the date hereof.

(c) To the extent Purchaser fails to qualify for either of the above rebate exceptions, it will (i) timely pay to the United States any payments necessary to preserve the tax-exempt status of the interest component of the Installment Payments (provided, that this Section is not intended to create a debt for purposes of the Constitution of the State) and (ii) take all such actions that may be necessary to comply with the rebate requirements of section 148(f) of the Code.

(d) Bank, on behalf of Purchaser, will pay the proceeds of this Agreement to the Vendor of the Equipment no later than five (5) business days after execution of an Acceptance Certificate. Purchaser therefore reasonably expects that such proceeds will be spent within the three-year temporary period provided in the Treasury Regulations issued or proposed under the Code including amendments and successor provisions thereto (the "Regulations").

(e) Purchaser has investigated the facts, estimates and circumstances in existence on the date hereof, together with Purchaser's exceptions as to future events. These are true and are complete in all material respects, and on the basis of such, it is not expected that the use of the sale proceeds hereof or any other moneys or property will be used in a manner which will cause this Agreement to be an arbitrage bond within the meaning of section 148 of the Code. Such expectations are reasonable, and there are no other facts, estimates or circumstances that would materially change such expectations.

(f) None of the proceeds hereof will be used, directly or indirectly, in any trade or business carried on by any person other than a governmental unit, which is defined to include any state of the United States and any political subdivision, agency, instrumentality or entity acting by or on behalf of a state, but not including the United States or any agency or instrumentality thereof, no more than 10% of the Equipment will be used directly or indirectly in a trade or business carried on by any such person, and no more than 5% of the Equipment will be used directly or indirectly in trade or business carried on by any such person that is not related to any government use of such Equipment.

(g) The payment of the Installment Payments will not be directly or indirectly (i) secured by any interest in property used or to be used for a private business use or payments in respect thereof, or (ii) derived from payments in respect of property or borrowed money used or to be used for private business.

(h) None of the proceeds hereof will be used, directly or indirectly, to make or finance loans to persons other than a governmental unit.

(i) No person, other than Purchaser or another governmental unit, will use the Equipment on any basis other than the same basis as the general public; and no person other than a governmental unit will be a user of the Equipment as a result of (i) ownership, or (ii) actual or beneficial use pursuant to a lease or a management or incentive payment contract, or (iii) any other similar arrangement.

(j) Within fifteen (15) days before the date hereof, Purchaser has not sold (nor will it deliver within fifteen (15) days after the date hereof) any other obligations pursuant to the same plan of financing that will be paid from substantially the same source of funds (or which will have substantially the same claim to be paid from substantially the same source of funds), without regard to guarantees from unrelated parties, as this Agreement or which will be paid directly or indirectly from the proceeds hereof.

(k) No Item is expected to be sold or otherwise disposed of prior to the expiration of this Agreement.

(l) The certifications and representations made herein are intended, and may be relied upon, as a certification described in Section 1.148-2(b)(2) of the Regulations.

(m) Bank represents that it is entering into this Agreement for investment and not for assignment to others. The amount Bank funds pursuant hereto is the issue price hereof and does not exceed the fair market value of this Agreement as of the date hereof.

(n) Should the interest component of payments hereunder be deemed by the federal government or determined by the Internal Revenue Service or a court of competent jurisdiction or an opinion of nationally recognized bond counsel not to be exempt from gross income, subject to the provisions of Section 2.6 hereof, Purchaser will pay as additional sums hereunder sufficient funds to adjust the interest to be paid hereunder to an amount equivalent to the after-tax interest rate contemplated hereunder as a tax exempt transaction. Said adjustment will be retroactive and apply to any installments already paid by Purchaser to Bank to the extent that any ruling by any such taxing authority requires the payment of additional tax on payments already received by Bank. This obligation will survive the expiration of this Agreement.

II. Payment of Purchase Price; Warranty Disclaimers.

Section 2.1. Agreement to Pay. Subject to the limitation of Section 2.5 of this Agreement, Purchaser will pay the Installment Payments to Bank from funds appropriated therefor and any other moneys legally available for that purpose, at the place set forth in Exhibit "B" or such other place as Bank may designate, in such amounts, including principal and interest, and on such date as called for in each Supplement hereto along with the reasonable expenses of Bank related hereto, except expenses included in the cost of the Equipment pursuant to Section 1.3, and any other payment required under this Agreement. If any amount payable hereunder is not paid within ten (10) days after it is due, Purchaser will pay to Bank an amount equal to five percent (5%) of such overdue payment as a delinquency charge. Purchaser agrees with Bank that such a delinquency charge is reasonable compensation to Bank for the handling of such late payments. Purchaser's payment obligation hereunder is not subject to any defense, right of setoff or counterclaim arising out of any breach by Bank, hereunder or otherwise, or out of any indebtedness or any liability at any time owing by Bank. BANK HAS NO RIGHT TO COMPEL PURCHASER TO LEVY OR COLLECT TAXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT APPROPRIATED THEREFOR IN THE THEN CURRENT FISCAL YEAR OF PURCHASER.

Section 2.2. Warranties. BANK MAKES NO EXPRESS OR IMPLIED WARRANTIES AS TO ANY MATTER WHATSOEVER, INCLUDING THE EXTENT OF OR ENFORCEABILITY OF ANY CLAIM, WARRANTY, AGREEMENT OR REPRESENTATION ASSIGNED TO PURCHASER UNDER ARTICLE III BELOW. NO DEFECT OR UNFITNESS OF ANY ITEM WILL RELIEVE PURCHASER OF ITS OBLIGATIONS HEREUNDER. BANK MAKES NO REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, OR ITS DELIVERY, INSTALLATION, DESIGN, PERFORMANCE, SPECIFICATIONS, CONDITION, DURABILITY, SUITABILITY, FITNESS FOR USE OR MERCHANTABILITY. AS BETWEEN BANK AND PURCHASER, ALL EQUIPMENT IS ACCEPTED AND PURCHASED HEREUNDER BY PURCHASER "AS IS," "WHERE-IS," AND "WITH ALL FAULTS," AND BANK WILL NOT BE RESPONSIBLE FOR ANY PATENT OR LATENT DEFECTS THEREIN, OR ANY DAMAGES, WHETHER ACTUAL, SPECIAL, CONSEQUENTIAL OR INCIDENTAL, ARISING THEREFROM. Under no circumstances will Bank be liable for actual, special, incidental, consequential or other damages of or to Purchaser, or any other entity arising out of or in connection with the maintenance, use or performance of the Equipment.

Section 2.3. Prepayment. If no Event of Default, or event which with notice or lapse of time, could become an Event of Default, exists, upon thirty (30) days prior written notice, Purchaser may prepay the purchase price of all, but not less than all, Items on any Optional Payment Date by paying the applicable Option Price in the specific Exhibit "B" applicable to the Item(s) plus the Installment Payment due on such date, whereupon Bank will release its purchase money security interest in the Item(s).

Section 2.4. Appropriations. (a) Purchaser, by entering into this Agreement, acknowledges its current intention to make all payments due under this Agreement during its current Fiscal Year on the dates such payments are then due, but does not commit to a legal or other obligation to make other payments due under this Agreement or to incur any liability or debt beyond the revenue and income provided during its then current Fiscal Year. The liability and obligations of Purchaser during each Fiscal Year and remedies of Bank will be limited to recovery only of funds appropriated for payments for such Fiscal Year. (b) Purchaser agrees (i) that the governing body of Purchaser shall, for each ensuing Fiscal Year in which the payments are scheduled to be made, to the extent funds have been appropriated for such Fiscal Year, make all such payments as and when due; and (ii) that if sufficient funds are appropriated and budgeted for the next Fiscal Year for the sale and lease of the Equipment, then this Agreement will continue during such Fiscal Year.

Section 2.5. Funding Intent. Purchaser reasonably believes that sufficient funds can be obtained to make all Installment Payments and other payments during the term of this Agreement. Purchaser affirms that funds to pay Installment Payments and other payments under this Agreement are available for Purchaser's current Fiscal Year. Purchaser and Bank agree that Purchaser's obligation to make Installment Payments under this Agreement will be

Purchaser's current expense and will not be interpreted to be a debt in violation of applicable law or constitutional limitations or requirements. Nothing contained in this Agreement will be interpreted as a pledge of Purchaser's general tax revenues, funds or moneys.

Section 2.6. Nonappropriation. If, during a Fiscal Year (the "Current Fiscal Year") the governing body of Purchaser fails to specifically include in its proposed budget or related documents, or to appropriate sufficient funds to make the Installment Payments and other amounts due under this Agreement in the next succeeding Fiscal Year with regard to any specific Item, then Purchaser will immediately (but in no event later than 90 days prior to the end of the Current Fiscal Year) notify Bank or its assignee of such occurrence. In such event, an event of nonappropriation ("Event of Nonappropriation") will be deemed to have occurred, and this Agreement will be terminated as it applies to said specific Item to which such Event of Nonappropriation applies at the end of the Current Fiscal Year, whereupon Purchaser will be obligated to pay all amounts then due under this Agreement subject to the provisions herein. At the end of the Current Fiscal Year, Bank will have the right to take possession of such Item and title to such Item shall vest in Bank, and all rights of Purchaser in and to such Item including rights to possession, shall terminate. Nothing in this Section or elsewhere in this Agreement will be deemed in any way to obligate Purchaser or create a debt of Purchaser beyond its Current Fiscal Year. If Purchaser makes all payments due under this Agreement through the end of the Current Fiscal Year and relinquishes such Item as provided elsewhere in this Agreement, then Purchaser will have no further liability under this Agreement as it relates to the specific Item as to which such Act of Nonappropriation has occurred and the Item has been surrendered to Bank.

III. Duties of Bank.

So long as no Event of Default or Event of Nonappropriation has occurred, Bank assigns to Purchaser all of Bank's rights to suppliers' and manufacturers' warranties and service agreements with respect to the Equipment, and Bank agrees to cooperate with Purchaser, at Purchaser's expense, in asserting such rights, provided that Purchaser shall, to the extent permitted by law, indemnify and hold harmless Bank from and against all related claims, costs, damages, losses and liabilities. If no Event of Default or Event of Nonappropriation has occurred, Purchaser's use of the Equipment will not be interrupted by Bank or anyone claiming solely through or under Bank.

IV. Duties of Purchaser.

Section 4.1. Use and Maintenance of Equipment. Purchaser agrees that the Equipment will be used solely in the conduct of its business at its principal place of business unless Bank is otherwise notified in writing of an alternate location and Bank first agrees to such alternate location in writing. Purchaser will maintain the Equipment in good repair and working order, reasonable wear and tear excepted, but in any event, to the same extent that Purchaser would, in the prudent management of its properties, maintain comparable equipment. Purchaser will comply with all laws, rules and regulations with respect to the use, maintenance and operation of the Equipment, and if any additional improvement to or replacement of any Item is required, Purchaser will do so at its own expense. Purchaser may add parts or accessories to any Item if it does not impair the value, utility or warranties of such Item and is readily removable without causing material damage.

Section 4.2. Sale and Encumbrance. Purchaser will not sell, lease or encumber the Equipment and will continue to own and use it for the public purposes of Purchaser.

Section 4.3. Inspection and Tags. At any time during Purchaser's normal working hours, Bank may inspect the Equipment where it is located and inspect all related records of Purchaser. Bank may attach tags to any Item showing that Bank retains a purchase money security interest in it. Purchaser will not allow any other name to be placed on any Item that might be interpreted as a claim to a lien thereon.

Section 4.4. Insurance; Damage or Destruction. Purchaser will provide public liability insurance and physical damage and loss acceptable to Bank with respect to the Equipment in amounts not less than those specified in Exhibit "B" with either a responsible insurance company authorized to do business in the State or an actuarially sound self-insurance program. Each policy will name Bank as an additional insured and loss payee and provide that it may be altered or canceled only after thirty (30) days' prior written notice to Bank. On demand, Purchaser will deliver to Bank evidence satisfactory to Bank showing the existence of such insurance, and will deliver to Bank evidence satisfactory to Bank showing renewal or replacement of such insurance within thirty (30) days prior to expiration or cancellation. If Purchaser fails to maintain such insurance, Bank may obtain such insurance as Bank deems necessary, and Purchaser will reimburse Bank for all premiums therefor, together with interest at the maximum rate permitted pursuant to Chapter 1204,

Government Code, as amended, or other applicable law then in effect. Purchaser assumes all risk of loss to the Equipment. Purchaser will immediately notify Bank of any loss for which an insurance claim may be made, and shall, at Purchaser's option: (a) Exercise its option to prepay under Section 2.3; or (b) Place any damaged Items in as good a condition as before such damage, and replace any missing Items with similar equipment of at least equal value. Any such replacement will be subject to this Agreement, and Purchaser hereby grants to Bank a security interest therein free of all liens.

Section 4.5. Taxes. Purchaser shall, to the extent permitted by law, pay when due and indemnify Bank against all taxes and charges of any nature imposed against Bank, Purchaser or the Equipment with respect to the Equipment or its purchase, ownership, delivery, leasing, possession, use, or disposition, or upon the rentals or earnings therefrom, or with respect to the Agreement, unless Purchaser is contesting such in good faith and by appropriate proceedings. If any report or return is required with respect to any obligation of Purchaser under this Section, Purchaser will notify Bank and make such report or return in a manner satisfactory to Bank.

Section 4.6. Indemnification. To the extent permitted by applicable law, Purchaser will indemnify, protect, and hold harmless Bank or any assignee or transferee of Bank and their respective agents and servants from and against all claims, causes of action, damages, liability (including strict liability in tort), costs, fees, penalties or expenses (including attorney's fees) incurred in any manner by or for the account of any of them relating to the Equipment or any part thereof, including without limitation, the construction, purchase, delivery, installation, ownership, leasing or return of the Equipment as a result of the use, maintenance, repair, replacement, operation or condition thereof (whether defects are latent or discoverable by Bank or by Purchaser) except such as may result from the gross negligence or willful misconduct of Bank, or assignee or transferee thereof and their respective agents and servants. This Section will be effective from the date the first Item of Equipment is ordered. Purchaser agrees to give Bank prompt notice of any claim or liability hereby indemnified against. Bank agrees to cooperate with Purchaser in any defense or other action which Purchaser is obligated to undertake.

Section 4.7. Mortgages, Liens, Etc. Purchaser will not directly or indirectly create, incur, assume, or permit the existence of any mortgage, security interest, pledge, lien, charge, encumbrance, or claim on or with respect to the Equipment, title thereto or any interest therein except the respective rights of Bank and Purchaser as herein provided and liens for taxes either not yet due or being contested in good faith and by appropriate proceedings. Purchaser will promptly, at its own expense, take such actions as may be necessary duly to discharge any such mortgage, security interest, pledge, lien, charge, encumbrance, or claim not specifically excepted above.

V. Events of Default and Remedies.

Section 5.1. Events of Default. The following will be Events of Default: (a) Purchaser's failure to pay any payment hereunder within 10 days after it is due; (b) Purchaser's failure to maintain the insurance required under Section 4.4; (c) Purchaser's failure to perform any covenant, condition or agreement under this Agreement within 30 days after written notice from Bank requesting that such failure be remedied; (d) Any representation or warranty made by Purchaser to Bank is materially false or misleading when made; (e) Purchaser becomes insolvent or bankrupt or makes an assignment for the benefit of creditors or consents to the appointment of a trustee or receiver, or a trustee or a receiver is appointed for Purchaser for a substantial part of its property without its consent and is not dismissed within a period of sixty (60) days, or bankruptcy, reorganization or insolvency proceedings are instituted by Purchaser; (f) Purchaser defaults in any other material agreement to which Purchaser is a party with third parties resulting in a right by such third parties to accelerate the maturity of Purchaser's obligations under such other agreement, and such obligations materially impair Purchaser's ability to pay its obligations to Bank under this Agreement; and (g) Purchaser fails to comply with its obligations under Section 2.6 following an Event of Nonappropriation.

Section 5.2. Remedies. Whenever an Event of Default has occurred, Bank may, subject to the limitation of Section 2.4 of this Agreement, exercise any one or more of the following remedies: (a) By written notice to Purchaser, declare all amounts coming due during the current Fiscal Year for all Equipment to be immediately due and payable; (b) Take possession of the Equipment wherever the Equipment is located, without demand or notice, without any court order or other process of law, sell or lease it and retain the proceeds, holding Purchaser liable for an amount equal to (i) all amounts payable hereunder to the end of the then current Fiscal Year less (ii) the proceeds of such sale or lease; provided however, if the proceeds of such sale or lease exceed the amount required to compensate Bank for all payments contemplated under this Agreement plus any expenses related to said sale or lease, any costs to repair or replace the Equipment and any other expenses related thereto, then such excess proceeds will be paid to Purchaser; (c) Require Purchaser to deliver the Equipment to a location designated by Bank; (d) Proceed by court action to enforce performance by Purchaser of any terms

of this Agreement and/or to recover all damages and expenses incurred by Bank by reason of any Event of Default; and (c) Exercise any other right or remedy available to Bank at law or in equity. Also, Purchaser shall pay Bank all costs and expenses (including reasonable legal fees and costs) incurred by Bank in enforcing any of the terms, conditions or provisions of this Agreement. Upon repossession or surrender of any Equipment, Bank shall lease, sell or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice and at public or private sale, and apply the net proceeds thereof (after deducting all expenses (including reasonable legal fees and costs) incurred in connection therewith) to the amounts owed to Bank hereunder; provided, however, that subject to the provisions of Section 2.6, Purchaser shall remain liable to Bank for any deficiency that remains after any sale or lease of such Equipment to the extent permitted by law. These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

Section 5.3. No Remedy Exclusive; Repossession. (a) No remedy herein is exclusive, and every remedy is in addition to every other remedy at law or in equity. No delay in exercising or failure to exercise any right or power will be a waiver thereof. No notice will be necessary to entitle Bank to exercise any remedy, except as required in this Article. To the extent permitted by law, Purchaser waives any requirements of law, now or hereafter in effect, that might limit of modify Bank's remedies; (b) If Bank is entitled to repossess the Equipment, Purchaser shall, if Bank requests, make it available at a reasonable place designated by Bank and execute and deliver such documents as may be required to establish clear title to the Equipment in Bank. Purchaser will bear all costs of removal and delivery of the Equipment and repairs to Purchaser's property.

VI. Representations, Covenants and Warranties of Purchaser.

Section 6.1. Representations, Covenants and Warranties of Purchaser. (a) Purchaser represents, covenants and warrants for the benefit of Bank that Purchaser is a political subdivision of the State with statutory authority to enter into this Agreement, and has been duly authorized to execute, deliver and carry out its obligations under this Agreement and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body politic and corporate. Purchaser is not subject to any legal or contractual provision that restricts or prevents it from entering into and performing it obligations under this Agreement, except laws affecting creditors' rights generally. There is no known pending or threatened action, proceeding, or investigation affecting Purchaser, nor to the best knowledge of Purchaser, is there any basis therefor, wherein an unfavorable result would adversely affect this Agreement; and (b) The Equipment is and will remain personal property, and not fixtures. The execution and performance of this Agreement will not violate any judgment, order, law or regulation, constitute a default under any instrument binding upon Purchaser, or create any encumbrance upon any assets of Purchaser or the Equipment, except as herein provided. Purchaser has never non-appropriated or defaulted under any of its obligations under any lease-purchaser contract, bond, or other debt obligation. Purchaser has been duly authorized to execute and deliver this Agreement under the terms and provisions of its duly adopted resolution and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the due authorization of this Agreement. No approval, consent, or withholding of objection is required from any governmental authority other than Purchaser with respect to the entering into or performance by Purchaser of this Agreement. The balance sheet of Purchaser for its most recent Fiscal Year and the related earnings statement of Purchaser for such Fiscal Year have been furnished to Bank and fairly present Purchaser's financial condition as of such date and the results of its operations for such fiscal year in accordance with generally accepted accounting principles consistently applied, and since such date there has been no material adverse change in such condition or operations.

Section 6.2. Opinion of Counsel. Upon Bank's request, Purchaser will deliver to Bank an opinion of Purchaser's legal counsel on and as of the date of this Agreement or any time deemed reasonably appropriate by Bank, with respect to the matters in Section 6.1 and such other matters as Bank reasonably requests. In addition, Purchaser agrees to provide Bank with any other documents reasonably requested by Bank prior to Bank's funding of this Agreement.

Section 6.3. Financial Statements. Purchaser shall keep its books and records in accordance with generally accepted accounting principles. Purchaser agrees that it will furnish Bank Purchaser's current audited financial statements within 120 days of each Fiscal Year end including (i) a balance sheet, (ii) statement of revenues, expenses and changes in fund balances, (iii) statement of cash flows, (iv) operating fund budget analysis, and (v) appropriate notes, schedules and attachments to the financial statements; and permit Bank or its agents and representatives to inspect Purchaser's books and records and make extracts therefrom. Purchaser represents and warrants to Bank that all financial statements which have been delivered to Bank fairly and accurately reflect Purchaser's financial condition and there has been no material adverse change in Purchaser's financial condition as reflected in the financial statements since the date thereof.

VII. Assignments.

Bank may assign and grant a security interest in any of its rights or interests in this Agreement or the Equipment. Bank or any future assignee will notify Purchaser of the assignment and provide the name and address of the assignee to Purchaser. PURCHASER WILL NOT ASSIGN OR GRANT A SECURITY INTEREST IN THIS AGREEMENT OR THE EQUIPMENT, IN WHOLE OR IN PART.

VIII. Bank's Rights to Perform for Purchaser.

(a) Subject to the limitations set forth within this Agreement, if Purchaser fails to perform or comply with any of its agreements contained herein, Bank may, but will not be required to, make any payment or perform or comply with any covenant or agreement contained herein, and all reasonable expenses of Bank incurred in connection therewith will be payable by Purchaser upon demand, together with interest at the maximum rate of interest allowed under Chapter 1204, Government Code, as amended, or other applicable law then in effect from the date of payment to the date of reimbursement; (b) Purchaser will promptly and duly (i) execute and deliver to Bank such further documents or instruments of further assurance and take such further action as Bank may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Bank hereunder, at the expense of Purchaser; or (ii) authorize Bank to file financing statements describing the Equipment.

IX. Miscellaneous.

This Agreement will be governed by the laws of the State. If a provision of this Agreement is invalid or unenforceable, the remainder may be enforced to the fullest extent permitted by law. This Agreement and each Acceptance Certificate may be executed in multiple original counterparts. This Agreement will bind and inure to the benefit of the parties' permitted successors and assigns. The headings herein will not in any way affect this Agreement. This Agreement is the entire agreement of the parties and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof. This Agreement may not be amended, changed or modified except by written agreement executed by both parties hereto. Any waiver by Bank, implied or written, shall not constitute consent for any other breach of the same or other provision. All representations, warranties and covenants made by Purchaser shall survive termination of this Agreement. Upon demand, Purchaser will promptly reimburse Bank for any filing or recordation fees or expenses (including reasonable legal fees and costs) incurred by Purchaser in perfecting or protecting its interests in the Equipment and under this Agreement. Purchaser shall promptly execute and deliver to Bank such documents and take such further action as Bank may from time to time reasonably request to carry out the intent and purpose of this Agreement and to protect the rights and remedies of Bank created or intended to be created hereunder. Service of all notices under this Agreement shall be sufficient if mailed to the respective party at its address set forth herein or at such other address as the parties may provide to each other in writing from time to time. Any such notice mailed to said address shall be effective when deposited in the United States mail, duly addressed with first class postage prepaid. Notwithstanding anything contained in this Agreement to the contrary, in no event shall interest contracted for, charged or received hereunder, plus any other charges in connection herewith that constitute interest on this Agreement under applicable law, result in a "net effective interest rate" as defined in Section 271.003(6) of the Local Government Code, as amended, in excess of the net effective rate at which public securities may be issued in accordance with Chapter 1204, Government Code, as amended. The amounts of such interest or other charges previously paid to Bank in excess of the amounts permitted by the preceding sentence shall be applied by Bank to reduce the principal of the indebtedness incurred by Purchaser pursuant to this Agreement, or, at the option of Bank, be refunded. To the extent permitted by Chapter 1204, Government Code, as amended, or other applicable law then in effect, determination of the maximum net effective interest rate shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of this Agreement and such indebtedness, all interest at any time contracted for, charged or received from Purchaser hereof in connection with the indebtedness evidenced hereby, so that the actual rate of interest on such indebtedness is uniform throughout the term hereof. Interest on the unpaid amounts under this Agreement shall be computed as simple interest.

IN WITNESS WHEREOF, Purchaser and Bank have executed this Agreement as of the date first above written.

Town of Pantego, Texas

(S E A L)

_____

By: Matthew Fielder, City Manager

Attested and Countersigned:

_____

Clerk/ Recorder/ Secretary of Lessee

Notice address:
1614 S Bowen Rd
Pantego, Texas 76013

FROST BANK

_____

By: Authorized Officer of Frost Leasing

Notice address:
Frost Bank
P.O. Box 59
San Antonio, Texas 78291-0059
Attention: Leasing Department

FROST BANK
c/o Frost Leasing
100 West Houston Street
San Antonio, Texas 78205

Exhibit "A"

Acceptance Certificate

Number 774732897-002 dated as of July 25, 2014

The undersigned Purchaser, having entered into a Municipal Equipment Lease/Purchase Agreement dated July 25, 2014, (the "Agreement"), with FROST BANK ("Bank"), does hereby certify to Bank that:

1. The equipment listed in the attached Exhibit B (the "Equipment") dated July 25, 2014 is of a size, design, capacity, and manufacture selected by Purchaser, is in good condition and has been satisfactorily delivered and installed. Purchaser hereby expressly assumes all responsibilities in connection with the delivery and installation thereof;

2. Purchaser is satisfied that the Equipment is suitable for Purchaser's purposes;

3. The Purchaser has complied with all applicable competitive bidding requirements in connection with the lease/purchase acquisition of the Equipment;

4. Unless otherwise indicated on Exhibit B, the Equipment is new and unused on the date hereof except for routine testing and inspection;

5. Upon payment of the purchase price to the Vendors indicated in Exhibit B, there will be no liens, security interests, or encumbrances against the Equipment except the interest of Bank under the Agreement;

6. The Equipment is personal property and will not become either real property, fixtures or inventory;

7. Purchaser authorizes Bank to pay the Vendors indicated in Exhibit B for the Equipment;

8. The representations and warranties of Purchaser contained in the Agreement are true and correct in all material respects as of the date of this certificate;

9. There exists no Event of Nonappropriation as of the date of this certificate;

10. There exists no Event of Default or condition which, but for the passing of time or giving of notice or both, would constitute an Event of Default under the Agreement nor has there been any material change or difference in the Purchaser's covenants, representations or ability to meet its obligations under the Agreement; and

11. The lease/purchase of the Equipment as shown on the attached Exhibit B has been duly authorized by the governing body of the Purchaser.

Dated: _____

Town of Pantego, Texas

(SEAL)

_____

By: Matthew Fielder, City Manager

FROST BANK
c/o Frost Leasing
100 West Houston Street
San Antonio, Texas 78205

Exhibit "B"

Number 774732897-002 dated as of July 25, 2014

1. ITEMS OF EQUIPMENT COVERED BY THIS AGREEMENT:

Quantity	Description	Serial Number	Cost
1	2014 Chev CTA	1GNLC2E02ER143504	$30,195.68

Vendor Name:	Reliable Chevrolet	Contact:	Doug Adams
Address:	800 N Central Expwy	Phone:	972-952-1561
City, State & Zip:	Richardson, TX 75080	Fax:	

Quantity	Description	Serial Number	Cost
	2 siren speakers on pushbumper, 2 line6Js on angle brackets, wigwag, par 36 R/B fog lights, CF Stalker radar, CF digital ally camera, gamer console with cupholder and armrest, mongoose with computer dock, CF computer, CF Motorola Astro radio, 12 volt outlet, Cencom sapphire with Carson dual tone amp, Liberty lightbar with traffic advisor, CF zebra printer, Pro-gard recess pangel cage with lohers, CF dual gun race, window guards, rear partition/seat combo, outer edge lightbar, M43 on hitch location, tailflash		$11,173.25

Vendor Name:	Pursuit Safety, Inc	Contact:	
Address:	4947 State Hwy 276	Phone:	972-772-4747
City, State & Zip:	Royse City, TX 75189	Fax:	

Quantity	Description	Serial Number	Cost
	Add-on running board lights and zebra printer dock		$508.00

Vendor Name:	Pursuit Safety, Inc	Contact:	
Address:	4947 State Hwy 276	Phone:	972-722-4747
City, State & Zip:	Royse City, TX 75189	Fax:	

Quantity	Description	Serial Number	Cost
	Remove camera system, radar, radio and gunrack only		$600.00

Vendor Name:	Pursuit Safety, Inc.	Contact:	
Address:	4947 State Hwy 276	Phone:	972-772-4747
City, State & Zip:	Royse City, TX 75189	Fax:	

Quantity	Description	Serial Number	Cost
1	2014 Chev CTA	1GNLC2E07ER142753	$29,790.88

Vendor Name:	Reliable Chevrolet	Contact:	
Address:	800 North Central Expressway	Phone:	972-952-1561
City, State & Zip:	Richardson, TX 75080	Fax:	

Quantity	Description	Serial Number	Cost
	Slick top, siren speaker behind grille, M4's behind grille, wigwag, inner edge, gamber console, CF Motorola radio, antenna, cencom, lockbox behind console, front and read cages with recess panel and prisoner seat, dual avengers in side windows and dominator in back glass.		$8,205.09

Vendor Name:	Pursuit Safety, Inc.	Contact:	
Address:	4947 State Hwy 276	Phone:	972-772-4747
City, State & Zip:	Royse City, TX 75189	Fax:	

Quantity	Description	Serial Number	Cost
1	2014 Ford PK	1FTFX1CF8EKE25456	$20,174.00

Vendor Name:	N/A	Contact:	
Address:		Phone:	
City, State & Zip:		Fax:	

Equipment Location:

1614 S Bowen Rd, Pantego, Texas 76013

2. **PAYMENT AUTHORIZATION SCHEDULE:**

Equipment Cost (per vendors invoice)	$100,646.82	
Less Trade-In Allowance	$	
Less Down Payment	$	
Equals Amount Financed		$100,646.82

Purchaser will pay 4 periodic payments of $26,010.67 each on an annual basis starting on August 15, 2014. Each due date is an Optional Payment Date.

SEE ATTACHED PAYMENT AMORTIZATION REPORT, which is incorporated into this Exhibit "B" as if fully set forth herein.

3. **THIS OBLIGATION EARNS INTEREST AT AN ANNUAL PERCENTAGE RATE OF 2.1460%.**
The Installment Payments herein will be composed of principal and interest. In the event of changes in the Annual Percentage Rate due to events as outlined in Section 1.7 of this Agreement (Tax Certification and Indemnification), this payment and amortization schedule will be modified to Bank's equivalent taxable annual percentage rate in order to preserve Bank's anticipated after tax yield, subject to the limitations set forth in Article IX of this Agreement.

4. **The minimum amount of insurance to be provided by Purchaser with respect hereto is as follows:**

a. The lesser of (i) $1,000,000.00 Comprehensive General Liability or (ii) the maximum limits of liability of Purchaser under applicable law, as amended from time to time.

b. Physical Damage and Loss: $100,646.82

c. Additional riders, exclusions or special terms required by Bank:
Frost Bank, its successors and assigns shall be named as "Loss Payee" on the Physical Damage and Loss coverage and named as "Additional Insured" on the General Liability coverage.
In the event that Purchaser self-insures for Physical Damage and Loss Insurance required, Purchaser shall maintain Umbrella Liability Maximum Damage coverage.

Payment Amortization Report Town of Panlego $100,646.82 (July 23/d) Annual Payments In Advance.ia

Custome/: Town of Panlego

Inte/est Rate: 2.1460% (Monthly)

Pe/	Date	Payment	Principal	Interest	Principal Balance	Accrued Interest	Accrued Int Bal	Net Balance
0	7/23/14	0.00	0.00	0.00	100,646.82	0.00	0.00	100,646.82
	8/15/14	26,010.67	25,878.71	131.96	74,768.11	131.96	0.00	74,768.11
1	8/23/14	0.00	0.00	0.00	74,768.11	0.00	0.00	74,768.11
	9/15/14	0.00	0.00	0.00	74,768.11	133.71	133.71	74,901.81
2	9/23/14	0.00	0.00	0.00	74,768.11	0.00	133.71	74,901.81
	10/15/14	0.00	0.00	0.00	74,768.11	133.95	267.66	75,035.76
3	10/23/14	0.00	0.00	0.00	74,768.11	0.00	267.66	75,035.76
	11/15/14	0.00	0.00	0.00	74,768.11	134.19	401.84	75,169.95
4	11/23/14	0.00	0.00	0.00	74,768.11	0.00	401.84	75,169.95
	12/15/14	0.00	0.00	0.00	74,768.11	134.43	536.27	75,304.38
5	12/23/14	0.00	0.00	0.00	74,768.11	0.00	536.27	75,304.38
	2014	26,010.67	25,878.71	131.96		668.23		
	1/15/15	0.00	0.00	0.00	74,768.11	134.67	670.94	75,439.04
6	1/23/15	0.00	0.00	0.00	74,768.11	0.00	670.94	75,439.04
	2/15/15	0.00	0.00	0.00	74,768.11	134.91	805.85	75,573.95
7	2/23/15	0.00	0.00	0.00	74,768.11	0.00	805.85	75,573.95
	3/15/15	0.00	0.00	0.00	74,768.11	135.15	941.00	75,709.10
8	3/23/15	0.00	0.00	0.00	74,768.11	0.00	941.00	75,709.10
	4/15/15	0.00	0.00	0.00	74,768.11	135.39	1,076.39	75,844.49
9	4/23/15	0.00	0.00	0.00	74,768.11	0.00	1,076.39	75,844.49
	5/15/15	0.00	0.00	0.00	74,768.11	135.63	1,212.02	75,980.13
10	5/23/15	0.00	0.00	0.00	74,768.11	0.00	1,212.02	75,980.13
	6/15/15	0.00	0.00	0.00	74,768.11	135.88	1,347.90	76,116.00
11	6/23/15	0.00	0.00	0.00	74,768.11	0.00	1,347.90	76,116.00
	7/15/15	0.00	0.00	0.00	74,768.11	136.12	1,484.02	76,252.12
12	7/23/15	0.00	0.00	0.00	74,768.11	0.00	1,484.02	76,252.12
	8/15/15	26,010.67	24,390.30	1,620.38	50,377.81	136.36	0.00	50,377.81
13	8/23/15	0.00	0.00	0.00	50,377.81	0.00	0.00	50,377.81
	9/15/15	0.00	0.00	0.00	50,377.81	90.09	90.09	50,467.90
14	9/23/15	0.00	0.00	0.00	50,377.81	0.00	90.09	50,467.90
	10/15/15	0.00	0.00	0.00	50,377.81	90.25	180.34	50,558.15
15	10/23/15	0.00	0.00	0.00	50,377.81	0.00	180.34	50,558.15
	11/15/15	0.00	0.00	0.00	50,377.81	90.41	270.76	50,648.57
16	11/23/15	0.00	0.00	0.00	50,377.81	0.00	270.76	50,648.57
	12/15/15	0.00	0.00	0.00	50,377.81	90.58	361.33	50,739.14
17	12/23/15	0.00	0.00	0.00	50,377.81	0.00	361.33	50,739.14
	2015	26,010.67	24,390.30	1,620.38		1,445.44		
	1/15/16	0.00	0.00	0.00	50,377.81	90.74	452.07	50,829.88

Payment Amortization Report Town of Pantego $100,646.82 (July 23rd) Annual Payments In Advance ia

Customer: Town of Pantego

Inte/est Rate: **2.1460% (Monthly)**

Pe/	Date	Payment	Principal	Interest	Principal Balance	Accrued Interest	Accrued Int Bal	Net Balance
18	1/23/16	0.00	0.00	0.00	50,377.81	0.00	452.07	50,829.88
	2/15/16	0.00	0.00	0.00	50,377.81	90.90	542.97	50,920.78
19	2/23/16	0.00	0.00	0.00	50,377.81	0.00	542.97	50,920.78
	3/15/16	0.00	0.00	0.00	50,377.81	91.06	634.03	51,011.84
20	3/23/16	0.00	0.00	0.00	50,377.81	0.00	634.03	51,011.84
	4/15/16	0.00	0.00	0.00	50,377.81	91.22	725.26	51,103.07
21	4/23/16	0.00	0.00	0.00	50,377.81	0.00	725.26	51,103.07
	5/15/16	0.00	0.00	0.00	50,377.81	91.39	816.64	51,194.45
22	5/23/16	0.00	0.00	0.00	50,377.81	0.00	816.64	51,194.45
	6/15/16	0.00	0.00	0.00	50,377.81	91.55	908.20	51,286.01
23	6/23/16	0.00	0.00	0.00	50,377.81	0.00	908.20	51,286.01
	7/15/16	0.00	0.00	0.00	50,377.81	91.72	999.91	51,377.72
24	7/23/16	0.00	0.00	0.00	50,377.81	0.00	999.91	51,377.72
	8/15/16	26,010.67	24,918.88	1,091.79	25,458.93	91.88	0.00	25,458.93
25	8/23/16	0.00	0.00	0.00	25,458.93	0.00	0.00	25,458.93
	9/15/16	0.00	0.00	0.00	25,458.93	45.53	45.53	25,504.46
26	9/23/16	0.00	0.00	0.00	25,458.93	0.00	45.53	25,504.46
	10/15/16	0.00	0.00	0.00	25,458.93	45.61	91.14	25,550.07
27	10/23/16	0.00	0.00	0.00	25,458.93	0.00	91.14	25,550.07
	11/15/16	0.00	0.00	0.00	25,458.93	45.69	136.83	25,595.76
28	11/23/16	0.00	0.00	0.00	25,458.93	0.00	136.83	25,595.76
	12/15/16	0.00	0.00	0.00	25,458.93	45.77	182.60	25,641.53
29	12/23/16	0.00	0.00	0.00	25,458.93	0.00	182.60	25,641.53
	2016	26,010.67	24,918.88	1,091.79		913.06		
	1/15/17	0.00	0.00	0.00	25,458.93	45.85	228.46	25,687.38
30	1/23/17	0.00	0.00	0.00	25,458.93	0.00	228.46	25,687.38
	2/15/17	0.00	0.00	0.00	25,458.93	45.94	274.39	25,733.32
31	2/23/17	0.00	0.00	0.00	25,458.93	0.00	274.39	25,733.32
	3/15/17	0.00	0.00	0.00	25,458.93	46.02	320.41	25,779.34
32	3/23/17	0.00	0.00	0.00	25,458.93	0.00	320.41	25,779.34
	4/15/17	0.00	0.00	0.00	25,458.93	46.10	366.52	25,825.44
33	4/23/17	0.00	0.00	0.00	25,458.93	0.00	366.52	25,825.44
	5/15/17	0.00	0.00	0.00	25,458.93	46.18	412.70	25,871.63
34	5/23/17	0.00	0.00	0.00	25,458.93	0.00	412.70	25,871.63
	6/15/17	0.00	0.00	0.00	25,458.93	46.27	458.97	25,917.89
35	6/23/17	0.00	0.00	0.00	25,458.93	0.00	458.97	25,917.89
	7/15/17	0.00	0.00	0.00	25,458.93	46.35	505.32	25,964.24
36	7/23/17	0.00	0.00	0.00	25,458.93	0.00	505.32	25,964.24
	8/15/17	26,010.67	25,458.93	551.75	0.00	46.43	0.00	0.00

Payment Amortization Report Town of Pantego $100,646.82 (July 23rd) Annual Payments In Advance.ia

Customer: Town of Pantego

Interest Rate: 2.1460% (Monthly)

Per	Date	Payment	Principal	Interest	Principal Balance	Accrued Interest	Accrued Int Bal	Net Balance
37	8/23/17	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	2017	26,010.67	25,458.93	551.75		369.14		
	Totals:	104,042.69	100,646.82	3,395.88		3,395.88		

5. **PURCHASER'S BILLING ADDRESS:**

Name:	Town of Pantego
Address:	1614 S Bowen Rd
City, State & Zip:	Pantego, Texas 76013

6. **ADDRESS PAYMENTS TO (Place of Payment):**

Frost Bank
P.O. Box 59
San Antonio, Texas 78291-0059
Attention: Leasing Department

7. **PREPAYMENT – OPTION PRICE:**

The Option Price will be determined by taking the remaining Principal Balance in 2. Above and multiplying that amount by 102.50% and adding any interest accrued through the date said Option Price is paid.

Dated: _____

Town of Pantego, Texas

(SEAL)

_____
By: Matthew Fielder, City Manger

LESSEE TO COMPLETE THE FOLLOWING:

Property Insurance

Insurance Co.		Policy #
Effective Date	Expiration	Limit $
Agency Name		Agent
Agency Address		
Phone Number _____	Fax Number _____	

Liability Insurance (if different than Property Insurance)

Insurance Co.		Policy #
Effective Date	Expiration	Limit $
Agency Name		Agent
Agency Address		
Phone Number _____	Fax Number _____	

[Prepare and complete on Lessee Letterhead]

ESSENTIAL USE LETTER

TO: Frost Bank
P.O. Box 1600
San Antonio, Texas 78296

RE: Municipal Equipment Lease/Purchase Agreement,
Lease Number (*Supplement Number*) _____,

This letter is being written with respect to the use of the equipment ("Equipment") listed in the Equipment Schedule(s) identified by the Lease Number specified above.

Purchaser represents that the Equipment will be used by:

_____ for the following purposes:
(Department or Division Using the Equipment)

(State how and for what purpose the Equipment will be used)

_____
_____
_____
_____
_____

Purchaser further represents that the use of the Equipment is essential to Purchaser's proper, efficient and economic operation; that Purchaser shall be the only entity to own, operate and use the Equipment, and that Purchaser will not do, or fail to do, any act if such act or failure to act will cause the interest portion of the lease payments to become subject to federal income taxation under the Internal Revenue Code of 1986, as amended.

_____
Purchaser

By:X_____
Purchaser's Authorized Signature

By:X_____
Purchaser's Authorized Signature

_____
Print Name and Title

_____
Print Name and Title

_____
Date

_____
Date

[Prepare and complete on Lessee Letterhead]

INCUMBENCY CERTIFICATE

We, the undersigned, hereby certify that we are the duly qualified and acting __(title)_____ of ____(lessee name)_____ ("Purchaser"); and, with respect to the Municipal Equipment Lease/Purchase Agreement dated as of _____, 20__ (the "Agreement"), by and between Purchaser and Frost Bank, that we are the persons who hold the respective offices or positions set forth opposite their signatures below; that the signatures below written are true and correct signatures of said persons' and that as of the date of execution of the Agreement such persons were duly qualified and acting as the officers or position holders indicated below and duly authorized to execute the same:

Name	Office or Position	Signature

Dated: _____

By: _____

Title: _____
(Clerk / Recorder / Secretary of Lessee)

MEETING MINUTES

The following is a true and exact copy of the ___[resolution, ordinance or order]___ unanimously approved during the ____[City Council or described other governing body]___ Meeting of ___[Purchaser]____ dated _____, 20__.

It has been unanimously approved and agreed upon by the ___[City Council or described other governing body]___ to acquire the use of and finance through Frost Bank, equipment generally described as ___[describe equipment]___ costing $_____ for a term of ____[#]__ months, at ___% annual percentage rate, pursuant to a Municipal Equipment Lease/Purchase Agreement, dated _____, 20__ (the "Agreement"). The first ____ [monthly quarterly]annual]___ payment of $_____ will be paid on_____, 20__, followed by ___(# of remaining payments) _____ [monthly/quarterly/annual] payments of $_____ each.

The Purchaser hereby designates this Agreement as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code.

_____[Name]_____ and ____[Name]____ have been authorized to sign the Agreement and necessary documents related thereto on behalf of ___[Purchaser]___. In addition, the ___[City Council or describe other governing body]____ intends that expenditures paid no earlier than sixty (60) days prior to the date hereof from its own funds for the above equipment will be reimbursed with proceeds of the above financing. The officers of the ___[Purchaser]___ are hereby severally authorized and directed to execute and deliver the Agreement substantially in the form presented to the meeting with such changes therein as the officers executing the Agreement shall approve, such approval to be conclusively evidenced by such execution thereof.

The officer of the ___[Purchaser]___ signing this certificate hereby declares that such signing shall constitute the official signing of the attached copy of such resolution for all purposes. Advance notice of the time, place and purpose of the meeting was given to each member of the ___[Purchaser]___ and the meeting and the deliberation of the resolution was open to the public at all times during such meeting. Written notice of such meeting, including the subject of the above entitled resolution, was posted and given at least 72 hours in advance thereof in accordance with the provisions of Chapter 551 of the Texas Government Code, as amended.

_____
[Municipality or describe other entity]

By:_____

Title:_____

Date:_____

[Prepare and complete on Lessee Letterhead]

[include the completed copy of appropriate 8038 form & Cert. Rect. #]

_____, 20____

Via Certified Mail: _____ [Certified Mail Number]
Return Receipt Requested

Internal Revenue Service
Ogden, UT 84201

Re: Municipal Equipment Lease/Purchase Agreement (__ [Name of Lessee]____)

Dear Sir:

Enclosed please find Form [8038-G] [8038-GC] for the above-referenced obligation. Please stamp the enclosed copy as received and return to the undersigned in the enclosed self-addressed stamped envelope.

Thank you for your assistance.

Sincerely,

Enclosure

Texas Department of Motor Vehicles

Power of Attorney to Transfer Motor Vehicle

VTR-271
(Rev. 11/09)
Page 1 of 1

- No Alterations Allowed
- Complete All Sections
- Type or Print in Black or Blue Ink

This is to certify that I, Town of Pantego, Texas
Name of Owner

of the County of Tarrant

and the State of Texas, owner of the following described motor vehicle, do make, constitute and appoint:

FROST BANK
Type or Print Name

of the County of BEXAR and the State of TX, my true and lawful attorney,

for me and in my name, place and stead to sell, transfer, and assign or purchase and apply for the title on the motor vehicle described as follows:

Year	Make	Body Style	Model	License Plate Number
2014	CHEV	LL	CTA	

Vehicle Identification Number	Title / Document Number
1GNLC2E07ER142753	

This completed and signed form grants my attorney full power and authority to do and perform all and every act necessary to transfer and assign the legal title to the motor vehicle described, or to purchase and apply for a title to anyone who may be designated by my attorney.

NOTE: This form must be properly completed before it is an acceptable document. The power of attorney cannot be granted to the selling or buying dealer, an employee of the dealer, or relative of the dealer, unless the vehicle is exempt from the odometer disclosure law (i.e., the year model is ten or more years old, the carrying capacity exceeds two tons, or the vehicle is not self-propelled). This form may be used in a dealer sale if a disinterested third party is appointed. A disinterested third party is defined as an individual with no relationship to the dealer or dealership.

If a Power of Attorney is used to apply for a certified copy of title, the person(s) signing must include a photocopy of their U.S. government issued photo identification (a state issued Driver License, a U.S. Government issued Identification Card, or a U.S. passport).

I further certify that the current odometer reading is _____ miles and to the best of
(No Tenths)

my knowledge the odometer reading is the ***ACTUAL*** mileage of the vehicle unless one of the following statements is checked:

☐ 1. The mileage stated is in ***EXCESS*** of its mechanical limits.

☐ 2. The odometer reading is ***NOT*** the actual mileage. ***WARNING - ODOMETER DISCREPANCY***

SIGN HE

TOWN OF PANTEGO, TEXAS
Name of Owner

Signature of Owner

1614 S BOWEN RD	PANTEGO	TX	76013
Address	City	State	Zip Code

Date

WARNING: State Law provides that falsifying information on any required statement or application is a third-degree felony.

Texas Department of Motor Vehicles

Power of Attorney to Transfer Motor Vehicle

- No Alterations Allowed
- Complete All Sections
- Type or Print in Black or Blue Ink

This is to certify that I, Town of Pantego, Texas
Name of Owner

of the County of Tarrant

and the State of Texas, owner of the following described motor vehicle, do make, constitute and appoint:
FROST BANK
Type or Print Name

of the County of BEXAR and the State of TX, my true and lawful attorney,

for me and in my name, place and stead to sell, transfer, and assign or purchase and apply for the title on the motor vehicle described as follows:

Year	Make	Body Style	Model	License Plate Number
2014	FORD	PK		

Vehicle Identification Number	Title / Document Number
1FTFX1CF8EKE25456	

This completed and signed form grants my attorney full power and authority to do and perform all and every act necessary to transfer and assign the legal title to the motor vehicle described, or to purchase and apply for a title to anyone who may be designated by my attorney.

NOTE: This form must be properly completed before it is an acceptable document. The power of attorney cannot be granted to the selling or buying dealer, an employee of the dealer, or relative of the dealer, unless the vehicle is exempt from the odometer disclosure law (i.e., the year model is ten or more years old, the carrying capacity exceeds two tons, or the vehicle is not self-propelled). This form may be used in a dealer sale if a disinterested third party is appointed. A disinterested third party is defined as an individual with no relationship to the dealer or dealership.

If a Power of Attorney is used to apply for a certified copy of title, the person(s) signing must include a photocopy of their U.S. government issued photo identification (a state issued Driver License, a U.S. Government issued Identification Card, or a U.S. passport).

I further certify that the current odometer reading is _____ miles and to the best of
(No Tenths)
my knowledge the odometer reading is the ***ACTUAL*** mileage of the vehicle unless one of the following statements is checked:

☐ 1. The mileage stated is in ***EXCESS*** of its mechanical limits.

☐ 2. The odometer reading is ***NOT*** the actual mileage. ***WARNING - ODOMETER DISCREPANCY***

SIGN HE

TOWN OF PANTEGO, TEXAS
Name of Owner

Signature of Owner

1614 S BOWEN RD	PANTEGO	TX	76013
Address	City	State	Zip Code

Date

WARNING: State Law provides that falsifying information on any required statement or application is a third-degree felony.

Texas Department of Motor Vehicles

Power of Attorney to Transfer Motor Vehicle

- No Alterations Allowed
- Complete All Sections
- Type or Print in Black or Blue Ink

This is to certify that I, Town of Pantego, Texas
Name of Owner

of the County of Tarrant

and the State of Texas, owner of the following described motor vehicle, do make, constitute and appoint:

FROST BANK
Type or Print Name

of the County of BEXAR and the State of TX, my true and lawful attorney,

for me and in my name, place and stead to sell, transfer, and assign or purchase and apply for the title on the motor vehicle described as follows:

Year	Make	Body Style	Model	License Plate Number
2014	CHEV	LL	CTA	

Vehicle Identification Number	Title / Document Number
1GNLC2E02ER143504	

This completed and signed form grants my attorney full power and authority to do and perform all and every act necessary to transfer and assign the legal title to the motor vehicle described, or to purchase and apply for a title to anyone who may be designated by my attorney.

NOTE: This form must be properly completed before it is an acceptable document. The power of attorney cannot be granted to the selling or buying dealer, an employee of the dealer, or relative of the dealer, unless the vehicle is exempt from the odometer disclosure law (i.e., the year model is ten or more years old, the carrying capacity exceeds two tons, or the vehicle is not self-propelled). This form may be used in a dealer sale if a disinterested third party is appointed. A disinterested third party is defined as an individual with no relationship to the dealer or dealership.

If a Power of Attorney is used to apply for a certified copy of title, the person(s) signing must include a photocopy of their U.S. government issued photo identification (a state issued Driver License, a U.S. Government issued Identification Card, or a U.S. passport).

I further certify that the current odometer reading is _____ miles and to the best of
(No Tenths)

my knowledge the odometer reading is the ***ACTUAL*** mileage of the vehicle unless one of the following statements is checked:

☐ 1. The mileage stated is in ***EXCESS*** of its mechanical limits.

☐ 2. The odometer reading is ***NOT*** the actual mileage. ***WARNING - ODOMETER DISCREPANCY***

SIGN HERE

TOWN OF PANTEGO, TEXAS
Name of Owner

Signature of Owner

1614 S BOWEN RD	PANTEGO	TX	76013
Address	City	State	Zip Code

Date

WARNING: State Law provides that falsifying information on any required statement or application is a third-degree felony.

[OPINION Letter – Counsel Letterhead]

_____, 20__

Frost Bank
100 W. Houston St., RB-2 Lease
San Antonio, Texas 78205

Ladies and Gentlemen:

As counsel for _____, ("Purchaser"), I have examined an executed counterpart of the Municipal Equipment Lease/Purchase Agreement and Exhibit "B" (Installment Payment Schedule) (collectively the "Municipal Lease Purchase Agreement") dated as of _____, 20__ between Purchaser and FROST BANK ("Bank"), the proceedings taken by the governing body of Purchaser to authorize Purchaser's execution of and performance under the Municipal Lease Purchase Agreement, including without limitation the meeting minutes and other documents and matters of law as I have deemed relevant and necessary in rendering this opinion.

Based upon the foregoing examination, I am of the opinion that:

1. Purchaser is a State or a political subdivision thereof, as those terms are used in section 103 of the United States Internal Revenue Code (the "Code"), and is authorized by the Constitution and laws of the State of Texas to enter into the transaction(s) contemplated by the Municipal Lease Purchase Agreement and to carry out its obligations thereunder.

2. Purchaser's obligations(s) under the Municipal Lease Purchase Agreement is a State or local bond within the meaning of section 103 of the Code.

3. The Municipal Lease Purchase Agreement has been duly authorized, executed and delivered by Purchaser, and constitutes the legal, valid and binding obligation of Purchaser, enforceable according to its terms, except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditor's rights generally or usual equity principles in the event equitable remedies should be sought.

4. No authorization, approval, consent or other order of any governmental authority, other than authorizations, approvals, consents and orders which have already been obtained, is required for the valid authorization, execution and delivery of the Municipal Lease Purchase Agreement or the performance by Purchaser of its obligations in the transactions contemplated thereby.

5. No litigation of any nature is now pending or, to my knowledge, threatened, challenging the authority of Purchaser to enter into, or seeking to restrain or enjoin the execution or performance by Purchaser of, the Municipal Lease Purchase Agreement, challenging the security interest of Bank or its assigns in the Equipment (as defined in the Municipal

Lease Purchase Agreement), nor seeking to restrain or enjoin Purchaser from appropriating sufficient funds to pay the installment payments contemplated by the Municipal Lease Purchase Agreement.

6. The execution and delivery of the Municipal Lease Purchase Agreement and the compliance with the provisions thereof by Purchaser and the consummation by Purchaser of the transactions contemplated thereby under the circumstances contemplated thereby, do not in any material respect conflict with or constitute on the part of Purchaser a breach of or default under any agreement or other instrument to which Purchaser is a party or by which it is bound or any existing law, regulation, court order or consent decree to which Purchaser is subject.

7. All required public bidding procedures, if any, applicable to an award to Bank of the transaction(s) contemplated under the Municipal Lease Purchase Agreement have been properly and completely followed by Purchaser.

8. The Equipment is personal property and, when subject to use by Purchaser, will not be or become fixtures under the laws of the State of Texas.

Very truly yours,

Name:_____
Title: Attorney for Purchaser

FROST BANK
c/o Frost Leasing
100 West Houston Street
San Antonio, Texas 78205

Advance Payment Billing Invoice

Master Lease Number 774732897 dated as of July 25, 2014
Supplement Number 774732897-002 dated as of July 25, 2014

Date of Invoice: July 25, 2014

TOWN OF PANTEGO, TEXAS
1614 South Bowen Road
Pantego, TX 76013

Description	Payment	Sales/Use Tax	Other Charges	Amount Due
Lease Processing Fee			$400.00	$ 400.00
Lease Payment in Advance	$26,010.67			26,010.67
			Total Due	$26,410.67

INVOICE - AUTHORIZATION TO DEBIT

Lessee hereby *AUTHORIZES LESSOR TO DEDUCT FROM LESSEE'S* FROST BANK checking account number _____ the "Total Due" *on this invoice only.*

X)_____
Authorized Signer on account designated to be charged.

OR INCLUDE YOUR CHECK FOR THIS INVOICE AMOUNT & RETURN WITH YOUR EXECUTED DOCUMENTS.

FROST BANK
c/o Frost Leasing
100 West Houston Street
San Antonio, Texas 78205

Advance Payment Billing Invoice

Master Lease Number 774732897 dated as of July 25, 2014
Supplement Number 774732897-002 dated as of July 25, 2014

Date of Invoice: July 25, 2014

TOWN OF PANTEGO, TEXAS
1614 South Bowen Road
Pantego, TX 76013

Description	Payment	Sales/Use Tax	Other Charges	Amount Due
Lease Processing Fee			$400.00	$ 400.00
Lease Payment in Advance	$26,010.67			26,010.67
Title work fee for three vehicles			33.00	99.00
			Total Due	$26,509.67

INVOICE - AUTHORIZATION TO DEBIT

Lessee hereby *AUTHORIZES LESSOR TO DEDUCT FROM LESSEE'S* **FROST BANK** checking account number _____ the "Total Due" *on this invoice only.*

X)_____
Authorized Signer on account designated to be charged.

OR **INCLUDE YOUR CHECK FOR THIS INVOICE AMOUNT & RETURN WITH YOUR EXECUTED DOCUMENTS.**

AGENDA BACKGROUND

AGENDA ITEM: Discuss, direct, and consider action on a Resolution of the Town of Pantego Approving the Town of Pantego's Fixed Asset and Inventory Policy and Procedure; Providing for an Effective Date.

DATE: August 25, 2014

PRESENTERS: Ariel Carmona, Finance Director

BACKGROUND:

This policy comes as a result of last year's annual audit management comment on capital asset disposals. Town management met with the Finance/Audit Committee on August 18th to review the policy. Per the Finance/Audit Committee recommendations and discussion, the policy draft was revised and is therefore presented to Council for final approval. This policy and procedure establishes a set of requirements that provide a number of benefits including:

- Fixed asset data will be more complete, accurate and up-to-date so the information necessary for accounting and financial reporting and management decision making is available when needed.
- Control over asset inventory and movement as well as maintenance (from procurement/acquisition through disposal).
- Better definition of the capital budgeting process.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends the Fixed Asset and Inventory Policy and Procedures be approved as presented.

ATTACHMENT:

Fixed Asset and Inventory Policy and Procedures
2013 Management Comment from External Auditors

Director's Review: AC
City Manager's Review: _MDF_

RESOLUTION NO. 14-XX

A RESOLUTION OF THE TOWN COUNCIL ADOPTING A FIXED ASSET AND INVENTORY POLICY AND PROCEDURE FOR THE TOWN OF PANTEGO; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Title 4 Section 101.002 of the Texas Local Government Code states the governing body of a municipality may manage and control the finances of the municipality; and

WHEREAS, the Town Council has reviewed the attached Fixed Asset and Inventory Policy and Procedure for the Town of Pantego; and

WHEREAS, the Fixed Asset and Inventory Policy and Procedure outlines the controls over the Town's fixed assets and inventory to ensure the assets are properly acquired, safeguarded, controlled, recorded, and disposed of ensuring adherence with Generally Accepted Accounting Principles, applicable to federal and state laws, Town policies and procedures, and private granting agencies regulations; and

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PANTEGO, TEXAS:

Section 1: the Town Council hereby adopts the attached Fixed Asset and Inventory Policy and Procedure in "Exhibit A." as the Town's Fixed Asset Policy.

Section 2: all policies or resolutions in conflict with the provisions of this resolution or which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only. The non-conflicting sections, sentences, paragraphs, and phrases shall remain in full force and effect.

Section 3: this resolution shall be in full force and is effective immediately upon passage.

PASSED AND APPROVED this the 25th day of August 2014, at a regular meeting of the Town Council of the Town of Pantego, Texas, by a vote of __ ayes, _ nays and __ abstentions.

_____
Melody Paradise, Mayor

ATTEST:

_____
Julie Arrington, City Secretary

APPROVED AS TO FORM:

_____
James T. Jeffrey, Jr., City Attorney

TOWN OF PANTEGO, TEXAS

Fixed Asset and Inventory Policy and Procedures

August 25th, 2014

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A. INTRODUCTION

POLICY STATEMENT

The Town of Pantego (the "Town") requires that amounts expensed for fixed assets (in excess of certain thresholds and whether purchased, constructed, gifted/donated, or leased) be capitalized, depreciated and periodically reviewed for impairment or possible write-off in accordance with Generally Accepted Accounting Principles (GAAP), federal and state laws, Town policies and procedures, and private granting agencies regulations. All fixed assets are owned or accountable by the Town and not a specific individual, department or other operating unit. Compliance with the policies and procedures defined herein is mandatory for all Town of Pantego staff working for or on behalf of the Town.

The Town capitalizes fixed asset purchases when they meet all of the following criteria; otherwise, the expenditure is recorded as an operating expense in the fiscal year incurred:

- Owned or considered owned by the Town or government agencies,
- Held for operations (e.g. not for resale or investment),
- Useful life that exceeds one year, and
- Meets the following materiality thresholds:

Category Capitalization Threshold

- Land N/A – all land is capitalized;
- Building (including Construction In Progress) $5,000 – aggregate of project costs;
- Building Improvement or Renovation $5,000 – aggregate of project costs;
- Infrastructure $5,000 – aggregate of project costs;
- Moveable Equipment $5,000 individually or operating unit;
- Vehicles $5,000 individually or operating unit;
- Software $5,000 individually or operating unit.

PURPOSE OF POLICY

The Town of Pantego Fixed Assets and Inventory policy and procedures document has been developed to provide the information necessary to:

1. Properly identify fixed assets;
2. Ensure that the Town's fixed assets are properly acquired, safeguarded, controlled, recorded and disposed of;
3. Ensure adherence with Generally Accepted Accounting Principles (GAAP), applicable federal and state laws, Town policies and procedures, and private granting agencies regulations;
4. Promote consistent accounting treatment across the Town;
5. Ensure the operating results of Town units are properly recorded and reported; and
6. Improved equipment utilization through control and identification of property that is not needed or underutilized.

RESPONSIBILITIES

Finance Department is responsible for the general oversight of fixed assets and the establishment and monitoring of proper internal controls, including maintaining the procedure document and answering questions regarding the document.

The Finance department is responsible for:

1. Ensuring the integrity of all fixed asset data including recording all transactions relating to acquisitions, disposals, transfers, write-downs, write-ups, Construction in Process (CIP), depreciation and physical inventory.
2. Providing training to all Town personnel involved in the acquisition, disposal and transfer of fixed assets.
3. Reconciling book to physical inventory variances, and propose adjustments as needed.
4. Ensuring fixed assets are properly identified, tagged and that authorization is obtained for all transfers, trade-ins and disposals.
5. Ensuring compliance with GAAP, federal and state laws and Town policies and procedures.

Department Heads are responsible for ensuring that equipment belonging to their department is adequately controlled and safeguarded. Department Heads are also responsible for designating an individual for maintaining equipment records, conducting an annual physical inventory, and communicating with Finance personnel to ensure accurate equipment data.

Departments are responsible for conducting annual physical inventory (where applicable) and provide results for updating the official fixed asset records. Departments will report to the Finance Department equipment transfers from one department to another department, equipment relocation to a different building, or property disposal as a result of trade-in, theft, or other insurable loss. Department will ensure that the Town's assets and inventory not currently in use are stored in areas where access is limited to authorized personnel only.

B. PROCEDURES

1. ACQUISITIONS

1.1. Overview

- Acquisition, within the context of this document, encompasses the various methods by which the Town obtains, receives, and becomes accountable for property. The most common method of acquisition of property is through purchases. Other methods include donations (or gifts) and leases.
- When an acquisition meets the requirements of a capital asset, as defined in this procedure document, a Fixed Asset Addition Worksheet must be completed. All accompanying invoices, purchase requisitions and/or purchase orders must be attached to the Fixed Asset Addition Worksheet in order for that asset to be added into the Fixed Asset module.

1.2. Purchases

Purchases are verified by the Department Head and approved by the Town Council prior to a purchase order being issued.

1.2.1. Approvals

- All fixed asset approvals will be conditioned upon compliance with general operating and grant budget limits, as well as sound investment decision making.
- A purchase requisition and purchase order must be completed and approved for all fixed asset purchases.

1.3. Purchases to Upgrade Existing Equipment

1.3.1. Trade-Ins - Since the equipment being traded in is permanently leaving the Town, this is actually a twofold transaction: an acquisition and a disposal. (See section 4. "Disposals, Transfers and Impairments" for disposal detail).

1.3.2. Improvements/Renovations/Upgrades - Defined as any addition made to, or change made in, an asset, other than routine maintenance, that prolongs its life or increases its efficiency. These upgrades will be entered into the fixed asset system as a *component* of the original asset so that the *upgrade* can be readily identifiable as a component of the original asset.

1.4. Donations (Gifts) given to the Town

Any donated fixed asset will be reported to the Finance Department if it has an estimated fair market value of $5,000 or more individually or as an operating unit. The Department receiving the donation has the responsibility of reporting full description of the property, date received, number of donated items, and the name of the person making the donation on the Fixed Assets Gifts/Donation Form.

The Finance Department determines the fair value of the property and will acknowledge the receipt of the item(s), in writing, to the donor. These donated assets will be capitalized and recorded as a fixed asset in the General Ledger & Fixed Asset modules. Fair market value may be determined by:

- Written independent third party appraisal obtained by the Finance Department;
- A qualified expert on staff if he or she is considered to hold special knowledge or expertise related to the property being donated;
- Documentation obtained from a qualified outside source such as “blue book” or a knowledgeable dealer; or
- Identifying what it would cost the Town to purchase the donated property outright from a vendor.

1.5. Capital Leases

- Leases of equipment or *personal property* are approved, executed and kept on file.
- All capital leases shall be accounted for as expenses in the period in which the obligation to make a lease payment is incurred.
- All capital leases shall be treated as fixed asset additions to the Town of Pantego. As such, upon the inception of a capital lease, the Finance Department shall record a fixed asset and a liability under the terms of the lease, based on the net present value

of the minimum lease payments (or the fair market value of the leased asset, if it is less than the present value of the lease payments).

- Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense.
- The fixed asset recorded under a capital lease shall be depreciated over the term of the lease, using the *straight-line method of depreciation.*

1.6. Employee Owned Property Brought on Town Premises

- Employee owned equipment, furniture or fixtures brought onto Town premises should be reported to their Department Head in writing. The list of employee owned items brought onto Town premises should be approved by the Department Head and kept on the employee's personnel file.
- The Town will not be responsible for any employee owned property used or maintained on Town premises nor will Town insurance coverage be placed on such property.

1.7 Vendor Owned Equipment

- Any equipment furnished by a vendor and utilized by a Town department will be the responsibility of the vendor and not included in the Town's asset records, insurance coverage, or inventories.

2. CAPITALIZATION

2.1. Overview

- Capitalized assets include land, buildings, building improvements and renovations, furniture, fixtures, machinery, equipment, vehicles, software (including internally developed software), and capital leases (See Capitalization Conditions and Thresholds).
- All assets are capitalized in the year of construction, being at least 90% complete and/or placed into service.

2.2. *Capitalization* Conditions

A fixed asset is capitalized only if it meets **all** of the following conditions:

- Owned or considered owned (e.g. capital leases) by the Town;
- Held for operations (not resale);
- Useful life that exceeds one year; and
- Meets the *capitalization threshold*.

2.3. Capitalization Thresholds

The capitalization threshold is $5,000 for individual assets or operating unit, including freight, installation costs, etc. and $5,000 in aggregate for *renovations*. All asset purchases that do not meet these criteria will be expensed in the year of purchase as either a small equipment purchase or *maintenance and repair* expense.

2.4. Accounting for Town Assets

Capital assets will be recorded in the Town's financial records on a cost basis. This basis will include all freight and delivery charges, installation, setup costs, trade-in amounts,

and any other costs of acquisition. Interest costs may or may not be capitalized as part of the construction of the fixed assets. Cash discounts taken will be recorded as a reduction of the cost. Gifts and donated items are valued at an estimated fair market value.

2.5. Capitalization Treatment of Repairs

2.5.1. Major Repairs - Repair expenditures that increase the capacity, life or operating efficiency of an asset shall also be capitalized. Examples of repair expenditures that shall be capitalized are as follows:

- Replacing a roof, and in so doing, substantially prolonging the building's life.
- Reconditioning air conditioning units in such a way that extends their useful life.
- Replacing a van's engine that was substantially worn out.

2.5.2. Minor Repairs - Minor repair expenditures are usually treated as current year operating expenses even though they may have the characteristics of capital expenditures. Expenditures incurred in connection with maintaining the existing Town facilities in good working order shall be expensed as a current year repair.

Examples of repair expenditures that shall be expensed during the current fiscal year are as follows:

- Replacing broken glass.
- Painting, carpeting, and decorating of an office.
- Temporary repairs that last less than one year.

2.6. Construction In Progress (CIP)

Upon completion of construction and/or placement into service, the asset shall be removed from the CIP account and entered into the Fixed Asset module under the appropriate classification. Any expenses incurred thereafter will be posted directly to the asset.

3. DISPOSALS, TRANSFERS AND IMPAIRMENTS

3.1. Overview

- When an asset has been scrapped, sold, stolen, traded-in, donated, or transferred, its value has been permanently *impaired*, or for any other reason the asset is no longer in service; any remaining value of the asset, net of accumulated depreciation, must be written off or written down to its net realizable value. If written off, this involves removing both the asset and associated accumulated depreciation from the Fixed Asset and General Ledger modules, and recognizing a *gain or loss*, if any, for the difference in the general ledger.
- All fixed assets that have been disposed, traded, donated or sold will also be disposed from the Town's fixed asset tracking system.
- A Fixed Asset/ Non-Fixed Asset Disposal Form is to be completed by the Department Head whenever a fixed or non-fixed asset is no longer required by the department for any reason and they wish to dispose of the asset. This form must be approved by the appropriate Department Head.
- Proceeds from the sale/disposal of fixed assets will be recorded in the operating fund.

3.2. Disposals

Once a capital asset is transferred to Surplus, the Department Head will make the decision on the most cost effective and beneficial disposition of the asset and complete the Fixed Asset/Non-Fixed Asset Disposal Form accordingly and with the City Manager's approval.

3.2.1. Scrapped Assets

- Any asset that becomes obsolete, worn beyond reasonable repair or no longer has a department use will be reported to the Finance department on the Fixed Asset/Non-Fixed Asset Disposal Form. This asset shall be fully described noting serial number, barcode number (if applicable), and perceived condition.
- The Finance department will inspect the asset to determine its condition.
- Finance will note on the Fixed Asset/Non-Fixed Asset Disposal Form if the item will be placed in Surplus Inventory or disposed.
- When an asset is disposed out of Surplus Inventory, the Finance department will complete the Fixed Asset/Non-Fixed Asset Disposal Form.
- Finance will also remove the item from Fixed Asset module and General Ledger.

3.2.2. Sale of Asset

- The buyer of Town furniture and equipment, vehicles, buildings, or land must be given an executed Bill of Sale signed by the Department Head or his/her designee. This Bill of Sale must state that the sale is "final" and the property is sold in "as is" condition.
- After completion of the sale, the Fixed Asset/Non-Fixed Asset Disposal Form will be submitted to Finance to update the accumulated depreciation to the date of the sale (if applicable).
- Once depreciation is updated, the cash or goods received are debited at fair market value, accumulated depreciation of the asset sold is debited for its *net book value*, and the depreciable asset is credited for its *historical cost*. Thus, the gain or loss on the transaction is simply the difference between the fair market value of the asset received and the book value of the asset given up.
- All proceeds from the sale of Town furniture and equipment, vehicles, buildings, or land will be recorded in the operating fund.

3.2.3. Stolen Assets

- The Police Department shall be immediately contacted when a Town employee becomes aware of missing and/or possibly stolen Town property.
- A report shall be filed with the Police Department, with a copy being sent to the Finance Department for insurance purposes, describing the item missing (including serial numbers, fixed asset numbers and barcode, when available) and give any pertinent facts surrounding its disappearance. An additional copy of the police report should be attached to the Fixed Asset/Non-Fixed Assets Disposal Form that is sent to Finance for asset tracking purposes.
- The Police Department will determine the proper course of action and will notify any outside authorities if deemed appropriate.

3.2.4. Asset Trade-in

- When the disposal represents a trade-in on a similar asset, the newly acquired asset shall be recorded at the net book value of the trade-in asset plus any additional cash paid or financed via a lease agreement.
- In no instance shall total cost exceed the fair market value of the new asset.

3.2.5. Town Donation of Assets

- The Town may choose to donate surplus items (with Town Council approval for donations with a net book value over $1,000) to appropriate and qualified organizations; such as, religious, charitable, educational, scientific, literary, etc. organizations. If the items were originally funded by a federal or state grant, there may be restrictions to donate property. This sort of disposal is handled by the Finance department, who will complete the Fixed Asset/Non-Fixed Asset Disposal Form. The asset will be removed from the fixed asset records and the net book value of the donated asset will transferred to the Contributions account.

3.3. Transfers

- The Finance department secures the Department Head approval in making request to relocate Town equipment from its original location and must complete the Fixed Asset Transfer Form indicating the new location (building, department, office) and effective date of transfer.
- The transfer should be approved by both the sending department and receiving department.
- A copy of the Fixed Asset Transfer Form is completed by the Finance department so that the transfer from the original department to the receiving department can be recorded in the Fixed Asset module.
- The effective date of the transfer is the actual date of the physical relocation of the asset and the date in which accountability for the asset will change. The receiving Department Head will assume full responsibility of its care and oversight on the effective date of the transfer.

3.4. Impairments

- An asset may be impaired (the unexpected and significant decline in an assets service utility, e.g. expected usable capacity at acquisition) due to events or change in circumstances, e.g. suffer physical damage, obsolescence or change in technology, change in regulatory or environmental factors.
- The Fixed Asset Impairment Form must be completed to report the impairment so that the asset can be revalued in the Fixed Asset module to reflect the decline.
- If an asset has been permanently impaired, the asset must be written down to its estimated remaining value or, in some cases, written off entirely. This *write-down* or *write-off* is accounted for in the same manner described in 3.2.1. Scrapped Assets section of this document.

3.5. Disposal of Non-Fixed Assets

- The person in charge of each facility/department will be responsible for the identification of non-fixed asset property that is no longer needed, obsolete, and/or beyond repair.
- Non-fixed assets are basically handled the same as fixed assets as far as processing them for disposal through auction.

- Complete a Non-Fixed Asset Disposal Form, obtain adequate approvals, and send it to the Finance department for processing. The actual physical disposal or transfer of assets should not occur without a form. Assets cannot be disposed or removed without a properly executed form authorized and signed by the Department Head.
- All proceeds from the sale of non-fixed assets will be recorded in the operating fund.

4. DEPRECIATION

4.1. Overview

- The use of *depreciation* affects the Town's *financial statements*. The recording of depreciation will cause an expense to be recognized; thereby lowering the stated change in net assets on the Statement of Activities, while the net value of the asset will decline on the Town's *Balance Sheet*.
- Depreciation is a non-cash expense, therefore; it will not directly affect the Town's *cash flow*, as both are accounting representations of expenses attributable to a given period.

4.2. Method and Useful life

- The cost of all capitalized assets will be depreciated on a monthly basis over the estimated *useful life* using a generally accepted depreciation method.
- For financial reporting purposes, the following useful lives and depreciation methods shall be used for the following asset categories:

  <u>Asset Category Useful Life Depreciation Method:</u>
  Machinery, Equipment and Furniture 3-10 Straight Line
  Improvements other than Buildings 3-30 Years Straight Line
  Buildings 5-50 Years Straight Line
  Water and Sewer System Infrastructure 5-50 Years Straight Line
  Street and Storm Drainage Infrastructure 10-40 Years Straight Line

- Since land and land improvements do not have a determinable life, no depreciation will be taken.
- Art and collectables are not depreciated or recorded as fixed assets. They are expensed in the period of acquisition.

4.3. Other Depreciation Considerations

- When the cost of improvements is substantial, or when there is a change in the estimated useful life of an asset, depreciation charges for future periods shall be revised on the basis of the new book value. In cases that include a change in useful life, the revision shall be measured prospectively and accounted for in current and future periods.
- Costs accumulated in the Construction in Progress account shall not be depreciated since the asset has not yet been placed in service.
- Fully depreciated assets shall remain on the asset records with its related accumulated depreciation as long as the asset is still being used in Town operations.

5. INVENTORY

5.1. Physical Inventory

5.1.1. Overview

- Physical inventories shall be conducted to verify the accuracy of the Town's property records in the Fixed Assets module, as well as the existence and activity status of the assets.
- Results of performed inventories will provide an overall assessment of the effectiveness of property management and the level of compliance with established policies and procedures, as well as federal and state, and private granting agencies regulations.

5.1.2. Inventory Frequency and Schedule

- Property inventories will be conducted at least once a year.
- Developing and managing the schedule for physical inventories is the responsibility of each Department Head.

5.1.3. Inventory Methodology

- Physical inventories are primarily done on a 100%, wall-to-wall basis, and regardless of remaining net book value. Reconciliation is mandatory and the results should be included in the periodic reports for inventory.

- The Department Head and/or designee will conduct the physical inventories.

- Verification of the existence and accountability of the property is done through one of the following methods:
  - For equipment, electronic scanning of the barcode decal or barcode number and physical verification of specific attributes (see attributes below).
  - Review and data entry from a valid off-premises worksheet and/or sign-out logs (must have been updated within two (2) months of the inventory date).
  - Other acceptable transaction supporting documentation, as agreed to between Finance and the Department Head.

- Attributes verified and reconciled to the property record include (at a minimum):
  - Asset tag number
  - Description
  - Manufacturer
  - Model Number
  - Serial Number
  - Vehicle Identification number
  - Location
  - Use Status
  - Condition

- Preliminary results are reported to the Finance department within 3-5 business days after the completion of the initial sweep through the department or designated area. Through this report, the Finance department will be informed of any discrepancies and the explanation for such discrepancies.

5.1.4. Inventory of Assets Purchased with Grant Funds

- In the year an asset is placed in service, the Finance department will perform an initial inventory. The inventory will be identified and recorded in the Fixed Assets module.

- Each year, a current listing of grant purchased assets will be sent to the Finance department for use verification and asset information updates. The listing will be amended and approved by the Department Head and returned to the Finance department.

- At least once a year a complete equipment physical inventory of grant purchased fixed assets will be performed. The asset record will be updated in the Fixed Asset module each spring to ensure compliance with federal property management and grant requirements.

- Consult with the Finance Department prior to making any decision concerning placing an asset purchased with grant funds in Surplus Inventory.

5.1.5. Disposals & Missing Assets

- The Department Head/designee is responsible for reporting all disposals, transfers, sales or discards of purchased equipment, using the required Fixed Asset Form. The form should be completed with appropriate departmental approvals and any supporting sales documents, and forwarded to the Finance department.
- If an asset is not located during the physical inventory, the Department Head will make every attempt to locate the equipment. If the item is thought to be stolen, the Police Department will be notified immediately (See 3.2.3 Stolen Assets).
- The department will be given a period of 45 days to locate the items in question. If after 45 days the equipment cannot be located, a Fixed Asset Disposal Form will be completed as noted above. In addition, a report may be submitted to the Finance Director who will work with the appropriate administrator to resolve the issue.
- If the items in question are still missing after 90 days, the asset will be removed from the Fixed Asset module.
- The Department Head is responsible for notifying the sponsoring agency of any equipment loss or disposal of grant funded assets.

5.1.6. Reconciliation and Adjustments

- The results of each inventory must be reconciled, posted to the respective property record and reported to the inventoried department.
- Within 5 business days after the completion of the initial sweep through a department or designated area, preliminary inventory results are provided by the Department Head. This hand-off initiates a 30-day reconciliation period during which a resolution will need to be provided for all discrepancies on the listing.
- The Department Head is responsible for providing final resolution to each noted discrepancy. Every effort must be made to locate items not found during the initial sweep.
- Items found during the physical inventory period that were not on record are considered to be potential additions or adjustments and must be resolved during the 30 day reconciliation period as well.
- For items not found or accounted for during the reconciliation period, the Department Head must provide a written confirmation to the Finance department of the efforts

made to locate the assets and the potential circumstances leading to the items being misplaced, lost or stolen.

- Assets disposed of as a result of not being found during physical inventories, and subsequently found, will be reviewed on a case by case basis for potential reactivation (See 5.1.5. Disposals and Missing Assets).

5.1.7. Inventory Results and Reports

- Results of a physical inventory are posted to the inventory/fixed assets module and reports are generated within 30 days after the completion of the reconciliation period. After analyzing the results for each inventory, corrective actions for property management practices may apply and the Department Head, along with the Finance Director, will work with each area to correct these problems.
- Content and format of periodic reports may vary, depending on the needs of the receiving party.

5.1.8. Preparation for Inventory

- As with most tasks, preparation is a key factor to the success of the inventory process. If departments follow a few routine steps, the inventory process should move very smoothly with minimal errors. To prepare, department designee to conduct the annual inventory should follow the checklist below (these tasks should be performed as a matter of routine, not just prior to the inventory):
  - Identify all assets purchased or donated.
  - Identify non-Town owned assets (including employee-owned assets) so they will not be counted.
  - Ensure all assets requiring additional identification (e.g.: donation, grant funded asset, etc.) have been tagged/identified appropriately.
  - Update Finance department continually throughout the year as needed when disposals, transfers or impairments occur using the required Fixed Asset Form.
- Performing these tasks on a regular basis and ensuring they are completed prior to the inventory will directly impact how simple or difficult the inventory reconciliation will be.
- A few weeks prior to the inventory, departments should:
  - Notify the Department Head, colleagues, associates, fellow staff of planned inventory dates;
  - Identify all locations of the Department's assets (including offices, storage areas, off-premises sites, etc.);
  - Identify areas within the department that need special attention or precautions, such as:
    - o Work areas
    - o Clean Rooms
    - o Confined spaces
    - o Biohazard areas
  - The week immediately preceding the physical inventory, departments should:
    - Remind colleagues, associates, fellow staff members of planned inventory dates;
    - Ensure all non-inventory items (including non-Town and employee-owned items) are prominently labeled; and
    - Arrange for escorts with the necessary keys, door codes, etc. to accompany inventory count teams on pre-scheduled inventory day(s).

6. VEHICLE/EQUIPMENT REPLACEMENT PROCEDURES

6.1. Vehicle/Equipment Replacement Funds

These funds provide a systematic approach to the replacement of Town-owned vehicles and equipment by funding their estimated replacement costs over their expected service lives. This process smoothes the effect of large non-annual capital purchases and saves taxpayer money, as the Town does not have to finance these large purchases through the use of bonds or capital leases, thus eliminating the need to pay interest.

A replacement schedule has been established per department calling for the replacement based on anticipated life span for each vehicle or major piece of equipment. Vehicles and equipment are assessed as they reach that life span, and their service life may be extended, delaying replacement, if they are still mechanically sound. Replacement costs are estimated, using an inflationary and interest figure, as it related to the purchase price paid for the vehicle or equipment that is to be replaced.

6.2. Equipment Replacement/Trade-in

When equipment items are returned to the vendor for repair or replacement, departments must handle such returns in accordance with Procurement Policy and Procedures. When an equipment item is traded in, the department must notify the Finance department on a Disposal Form if either the cost of the old item or the cost of the new item, including trade-in allowance, meets the fixed asset threshold of $5,000.

7. ASSET RECORDS

7.1. Overview

The relationship between the Fixed Asset module and the Financial Accounting component is one of detail to control. Summary asset values are recorded in the General Ledger control accounts while supporting detail is maintained within Fixed Assets. Within the Fixed Asset module, asset records are created and transactions processed to reflect asset activity and data are collected for accounting. An accounting feed interface generates journal entry transactions which then update the General Ledger.

7.2. Upkeep and Maintenance

The Finance Department is responsible for the upkeep and maintenance of the Fixed Asset module.

7.3. Record Information

The Fixed Asset module contains all capitalized assets of the Town of Pantego along with depreciation records. In this module each recorded asset may contain the following information:

- Asset number
- Primary Tag (if *component* or *attachment*)
- Asset Description
- Asset Type
- Cost
- Net book value
- Method of acquisition

- Date acquired or placed in service
- Make/Model/Manufacturer
- Serial number/Vehicle Identification number
- Barcode number
- Last Inventory Date
- Condition
- Disposal method and date
- Responsible Department
- Invoice and purchase order number
- Physical location
- Custodian
- Funding Source
- Fund
- Asset Account
- Accumulated Depreciation Account
- Adjusted Cost
- Accumulated depreciation

8. CONTROLS & COMPLIANCE

All Town operations are subject to review and audit by the Finance department as well as external auditors. Periodic or surprise audits will be performed at random on existing financial policy and procedures. Any deficiencies in regard to the set policy and procedures will be reported directly to the Director of Finance and the Department Head in the form of a memo outlining the deficiencies. This does not relieve the Department Head of the responsibility of checking the continuous performance of their designated facilities and operations.

It is the responsibility of the Department Head to take action to correct deficiencies, and to monitor employee processes to ensure that the procedures outlined are conformed to and administered properly.

DEFINITIONS

Acquisition - Encompasses the various methods by which the Town of Pantego obtains, receives and becomes accountable for property.

Acquisition Cost - The purchase price or fair market value of an asset plus any ancillary costs necessary to place the asset in its intended location and condition for use.

Ancillary Costs - Costs necessary to place a capital asset into use, such as freight and installation costs. These costs are included in the cost of the asset.

Asset Tag - A decal affixed to *moveable assets* which carry a control number used to identify the asset.

Attachment - An asset that is directly related to and a part of another asset. Attachments share the same asset number (or tag) with the original asset.

Balance Sheet - A statement of financial position at a specific point in time.

Capital Asset – A permanent owned item.

Capital Lease - Leases that meet at least one of the following criteria: Lease transfers ownership of the property to lessee by end of lease term; lease contains a bargain purchase option; lease term is equal to 75% or more of the estimated economic life of the leased property; or the present value of the minimum lease payment at the inception of the lease is 90% or more of the fair market value of the leased property.

Capitalization - Expenditure that is treated as an asset instead of an expense.

Capitalization Threshold - Amount above which an item is capitalized and below which an item is expensed.

Cash Flow - The balance of the amounts of cash being received and paid by a business during a defined period of time, sometimes tied to a specific project.

Component - An asset that is related to but not part of another asset. Components are stand-alone assets and have their own individual asset number (or tag).

Construction in Progress (CIP) - Account used to hold costs of assets which are being built or modified, but which are not yet complete (per GAAP, CIP is not a depreciable asset).

Depreciation - Expense in a systematic and rational manner to those periods expected to benefit from the use of the asset. Depreciation is not a matter of valuation but a means of cost allocation.

Disposal - Process of getting rid of something.

Equipment - City equipment is defined as non-consumable, moveable items with a useful life of one year or more. Equipment items are used in normal departmental operations and are not for resale purposes.

Financial Statements - An overview of a business' financial condition in both short and long term. There are three basic financial statements:

♦ **Statement of Financial Position:** also referred to as Balance Sheet, reports on a company's assets, liabilities, and net assets as of a given point in time.
♦ **Statement of Activities:** also referred to as Income Statement or Profit and Loss Statement, reports on a company's income, expenses and profits/losses over a period of time.
♦ **Statement of Cash Flows**: reports on a company's cash flow activities, particularly its operating, investing, and financing activities.

Fixed Asset - Any property or equipment not for resale, that has an *initial value* of $5,000 or more individually or as an operating unit. Fixed assets are also referred to as capital assets, capital expenditures, facilities and equipment, and property, plant and equipment. The classification of fixed assets is as follows:

♦ **Land –** All expenditures related to the initial purchase of land (No dollar limit), including any due diligence cost such as commissions, legal fees, and escrow fees. Per GAAP, land is not a depreciable asset.
♦ **Buildings –** All expenditures related to the initial purchase or initial construction of a building, including costs to raze any existing structures on the land in preparation for construction (No dollar limit). The cost of buildings would include the *acquisition cost* plus any costs to prepare the building for occupancy. These costs would include contract amount, attorney and architect fees, commissions, escrow fees, governmental impact fees and permits, insurance and any other costs to prepare the building for occupancy. Interest costs may or may not be capitalized as part of the construction of the fixed assets. Also included in this class are the building portions of real property purchases with existing structures. Donated labor or services are not capitalized.
♦ **Building improvements –** are renovations, additions, or repairs to physical structures in excess of $50,000 in aggregate that enhance or improve and extend the life of the original asset. General repairs and maintenance are not capitalized, such as cleaning, painting, carpet, asbestos abatement, etc.
♦ **Equipment and Furnishings –** The initial purchase cost of equipment and furniture that equals or exceeds $5,000 individually or as an operating unit. The cost would include any delivery and installation costs as well. Sales tax, however, is not included.
♦ **Vehicles –** The initial purchase cost of a vehicle that equals or exceeds $5,000 individually, including sales tax, title, tags, and fees.
♦ **Software –** All expenditures related to the initial implementation of software (excluding equipment or hardware) that costs $5,000 or more and will be used for more than one year. These costs include consultant, initial user license fees, and training costs; however, software renewal licenses, upgrades to the original software, annual maintenance fees, and database subscription licenses are not capitalized.

Gains and Losses – is the difference between its fair market value and net book value (historical cost less accumulated depreciation).

Generally Accepted Accounting Principles (GAAP) - Accounting principles recognized in the United States of America and sanctioned by recognized authoritative bodies such as the Financial Accounting Standards Board (FASB).

Historical Cost - The amount paid, or liability incurred, by an entity to acquire an asset and make it ready to render the services for which it was acquired.

Impairment - A significant, unexpected decline in the service utility of a capital asset.

Improvement - An addition made to, or change made in, an asset, other than maintenance, that prolongs its life or increases its efficiency.

Initial Value - The actual full cost to place an asset in service, which can include freight costs, installation costs, attorney fees, architect fees, governmental impact fees, permits, insurance and any other costs to prepare the asset for use.

Maintenance and repair - costs that do not significantly improve the economy or efficiency of a capital asset's expected useful life.

Moveable Asset - Assets that are not part of the supporting structure of a building and that meet specific criteria for capital assets.

Non-Fixed Asset – is basically all property and equipment that does not meet the capitalization threshold and conditions.

Net Book Value - Cost of an asset less accumulated depreciation (also known as Book Value).

Operating Lease - All leases that do not meet the criteria of a Capital Lease as noted under FAS13 *Accounting for Leases*.

Personal Property – is tangible property other than land.

Renovation - Any repair expenditure that increases the capacity or operation efficiency of an asset.

Straight-line Depreciation - Depreciation method that divides the assets' capitalized value by the number of years of service life. Straight-line depreciation results in the same depreciation amount each month over the life of the asset.

Surplus Inventory - Assets in good shape but not needed any more by a department and held to be used elsewhere or sold.

Upgrade - Improve the quality of an asset.

Useful Life - The period of time during which an asset is physically performing its function.

Write-down - A reduction in the estimated value of an asset.

Write-up - An increase in the estimated value of an asset.

Write-off/disposal – is a reduction in the estimated value of an asset, bringing the net book value to zero.

Appendix

Fixed Asset Addition Form
Fixed Asset Transfer Form
Fixed Asset/Non-Fixed Asset Disposal Form
Fixed Asset Gifts/Donations
Fixed Asset Impairment Form

TOWN OF PANTEGO
FIXED ASSET ADDITION FORM

ASSET TYPE:

_____ LAND
_____ BUILDING
_____ EQUIPMENT
_____ IMPROVEMENTS
_____ STREETS
_____ WATER SYSTEM
_____ SEWER SYSTEM
_____ CIP
_____ CIP-WS
_____ CIP-SS

ASSET#_____ CIP (Y/N) _____ CIP AMOUNT _____

TAG#_____ GRANT (Y/N) _____ GRANT AMOUNT_____

DEPARTMENT _____ PO# _____ PO DATE _____

GL ACCOUNT_____ CHECK# _____ CHECK DATE _____

FUND _____ LOCATION _____

DESCRIPTION

_____

_____

VENDOR _____ COST _____

_____ MAKE _____

_____ MODEL _____

CONDITION (NEW/USED)_____ SERIAL # _____

COMMENTS

_____

_____

_____

DEPRECIATION METHOD _____ RATE _____ # OF YEARS_____

FIXED ASSET ACCT# _____

ACCUM DEPR ACCT# _____

DEPR EXP ACCT# _____

ENTERED DATE _____

INITIALS _____

TOWN OF PANTEGO
FIXED ASSET TRANSFER FORM

ASSET TYPE:

_____ LAND
_____ BUILDING
_____ EQUIPMENT
_____ IMPROVEMENTS
_____ STREETS
_____ WATER SYSTEM
_____ SEWER SYSTEM

_____ CIP
_____ CIP-WS
_____ CIP-SS
_____ OTHER (Non-FA)

ASSET#_____ DATE _____

DEPARTMENT _____ TAG# _____

MAKE _____

MODEL _____

SERIAL # _____

DESCRIPTION

_____

_____

TRANSFER TO DEPARTMENT _____

REASON FOR TRANSFER

_____

_____

ASSET COST _____

BOOK VALUE _____ SALVAGE VALUE_____

L-T-D DEPRECIATION _____

Effective on the date of transfer all maintenance and repair and fuel charges will be expensed to the receiving department

AUTHORIZED BY TRANSFERRING DEPARTMENT: _____

DIRECTOR SIGNATURE

AUTHORIZED BY RECEIVING DEPARTMENT: _____

DIRECTOR SIGNATURE

ENTERED DATE _____

INITIALS _____

TOWN OF PANTEGO
FIXED ASSET/Non-FIXED ASSET
DISPOSAL FORM

ASSET TYPE:

_____ LAND
_____ BUILDING
_____ EQUIPMENT
_____ IMPROVEMENTS
_____ STREETS
_____ WATER SYSTEM
_____ SEWER SYSTEM

_____ CIP
_____ CIP-WS
_____ CIP-SS
_____ OTHER (Non-FA)

ASSET#_____ DATE _____

DEPARTMENT _____ TAG _____

MAKE _____

MODEL _____

SERIAL # _____

DESCRIPTION

_____

_____

PURCHASE DATE _____

PURCHASE PRICE _____

DELETION DATE _____

METHOD OF DELETION

_____ SOLD/AUCTION
_____ SCRAPPED
_____ DISCARDED

_____ STOLEN
_____ LOST
_____ OTHER _____

Assets out of service or in storage cannot be deleted until one of the above events occurs.

PRICE RECEIVED FOR ASSET IF SOLD OR SCRAPPED _____

REASON FOR DISPOSAL

_____

_____

_____

DIRECTOR SIGNATURE _____

ENTERED DATE _____

INITIALS _____

TOWN OF PANTEGO
FIXED ASSET GIFTS/DONATIONS FORM

ASSET TYPE:

_____ LAND
_____ BUILDING
_____ EQUIPMENT
_____ IMPROVEMENTS
_____ STREETS
_____ WATER SYSTEM
_____ SEWER SYSTEM
_____ CIP
_____ CIP-WS
_____ CIP-SS

DEPARTMENT _____

DATE _____

LOCATION _____

DESCRIPTION

_____

_____

DONATED BY_____ VALUE_____

_____ MAKE _____

_____ MODEL _____

CONDITION (NEW/USED) _____ SERIAL # _____

COMMENTS

_____

_____

DIRECTOR SIGNATURE _____

_____

DEPRECIATION METHOD _____ RATE _____ # OF YEARS_____

FIXED ASSET ACCT# _____

ACCUM DEPR ACCT# _____

DEPR EXP ACCT# _____

ENTERED DATE _____

INITIALS _____

TOWN OF PANTEGO
FIXED ASSET IMPAIRMENT FORM

ASSET TYPE:

_____ LAND
_____ BUILDING
_____ EQUIPMENT
_____ IMPROVEMENTS
_____ STREETS
_____ WATER SYSTEM
_____ SEWER SYSTEM

_____ CIP
_____ CIP-WS
_____ CIP-SS
_____ OTHER (Non-FA)

ASSET#_____ DATE _____

DEPARTMENT _____ TAG _____

MAKE _____

MODEL _____

SERIAL # _____

DESCRIPTION

_____

_____

PURCHASE DATE _____

PURCHASE PRICE _____

IMPAIRMENT DATE _____

NET ASSET VALUE _____

REASON FOR IMPAIRMENT

_____

_____

_____

DIRECTOR SIGNATURE _____

ENTERED DATE _____

INITIALS _____

GMS CERTIFIED PUBLIC ACCOUNTANTS
GEORGE | MORGAN | SNEED

To the Town Council and
Administration of
The Town of Pantego, Texas

In planning and performing our audit of the financial statements of the Town of Pantego, Texas for the year ended September 30, 2013, we considered the Town's internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of one matter that is an opportunity for strengthening internal controls and operating efficiency. This letter does not affect our report dated February 12, 2014, on the financial statements of the Town of Pantego, Texas. The following summarizes our comment and recommendation.

1. Capital Asset Disposals

Comment:

During the year the Town performed a physical inventory of its capital assets. Fully depreciated capital assets with original costs of $1,308,827 were determined to no longer be owned by the Town. It does not appear that the Town has any internal controls in place regarding the disposal of capital assets.

Recommendation:

We recommend the Town implement internal controls over the disposal of capital assets.

This report is intended solely for the information and use of the Town Council of the Town of Pantego, Texas and management of the Town and is not intended to be and should not be used by anyone other than these specified parties.

George, Morgan & Sneed, P.C.

GEORGE, MORGAN & SNEED, P.C.
Weatherford, Texas
February 12, 2014

George, Morgan & Sneed, P.C.
1849 Wall Street | Weatherford, TX 76086-6298 | *Phone* 817.594.2704 | *Fax* 817.599.7389

www.gms-cpa.com

AGENDA BACKGROUND

AGENDA ITEM: First Public Hearing to consider the Proposed Tax Rate of $0.42 per $100 valuation for calendar year ending December 31, 2014.

DATE: August 25, 2014

PRESENTERS: Matthew Fielder, City Manager
Ariel Carmona, Finance Director

BACKGROUND:

As required by the Property Tax Code, Section 26.06(d), the "Notice of Public Hearing on Tax Increase" was published on August 15, 2014 to advertise two (2) public hearings. The first on August 25, 2014 at 7:30 pm and the second on September 2, 2014 at 6:30 pm, which provides the public with the opportunity to make comments and state their views on a proposed tax rate of $0.42 per $100 valuation for the Town's 2014 tax year.

After Publishing the "Notice of Public Hearings on Tax Increase" the taxing unit must hold two public hearings. A quorum of the governing body must be present at both hearings. Taxpayers must have the opportunity to express their views on the projected tax increase and the projected increase in Ad-Valorem tax revenue at each hearing. The governing body may not adopt the tax rate at these hearings.

After each hearing, the governing body must announce the date, time and place of the meeting in which it will vote to adopt the final tax rate. The vote to adopt the tax rate will happen at a regularly scheduled Town Council meeting on September 8, 2014 at 7:30 pm.

Parliamentary Procedures:

This will be the first public hearing and the Mayor will introduce the item and open the public hearing to allow taxpayers to voice their opinions and concerns. The mayor will then close the public hearing and announce the date, time and place where the Town Council will vote to adopt the tax rate.

FISCAL IMPACT:

The budgeted revenue increase from Ad Valorem tax collections over the past year is estimated to be $13,475.

RECOMMENDATION:

Staff recommends the following announcement:

> The Pantego Town Council will vote on the adoption of a tax rate at a public meeting to be held on September 8, 2014 at 7:30 pm at the Pantego Town Council Chambers, located at 1614 South Bowen Road, Pantego, Texas 76013.

ATTACHMENTS:

Notice of Public Hearing on Tax Increase
2014 Property Tax Rates in Town of Pantego

Director's Review: AC
City Manager's Review: _MDF__

Notice of Public Hearing on Tax Increase

The Town of Pantego will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 1.248 percent (percentage by which the proposed tax rate exceeds the lower of rollback rate or effective tax calculated under Chapter 26, Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The first public hearing will be held on August 25, 2014, at 7:30 pm at Pantego Town Hall, 1614 S. Bowen Road, Pantego, Texas 76013.

The second public hearing will be held on September 2, 2014 at 6:30 pm at Pantego Town Hall, 1614 S. Bowen Road, Pantego, Texas 76013.

The members of the governing body voted on the proposal to consider the tax revenue increase as follows:

FOR: Jane Barrett, Russell Brewster, Don Funderlic, Fred Adair, Don Surratt
AGAINST:
PRESENT and not voting: Mayor, Melody Paradise
ABSENT:

The average taxable value of a residence homestead in the Town of Pantego, Texas last year was $112,038. Based on last year's tax rate of $0.4200 per $100 of taxable value, the amount of taxes imposed last year on the average homestead was $470.56.

The average taxable value of a residence homestead in the Town of Pantego, Texas this year is $114,167. If the governing body adopts the effective tax rate for this year of $0.414822 per $100 of taxable value, the amount of taxes imposed last year on the average home would be $473.59.

If the governing body adopts the proposed tax rate of $0.4200 per $100 taxable value the amount of taxes imposed this year on the average home would be $479.50.

Members of the public are encouraged to attend the hearings and express their views.

2014 Property Tax Rates in Town of Pantego

This notice concerns the 2014 property tax rates for Town of Pantego. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per $100 of property value.

Last year's tax rate:	
Last year's operating taxes	$875,529
Last year's debt taxes	$142,923
Last year's total taxes	$1,018,452
Last year's tax base	$242,488,571
Last year's total tax rate	$0.420000/$100
This year's effective tax rate:	
Last year's adjusted taxes (after subtracting taxes on lost property)	$1,016,859
÷ This year's adjusted tax base (after subtracting value of new property)	$245,130,955
=This year's effective tax rate	$0.414822/$100
(Maximum rate unless unit publishes notices and holds hearings.)	
This year's rollback tax rate:	
Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	$1,133,883
÷ This year's adjusted tax base	$245,130,955
=This year's effective operating rate	$0.462562/$100
x 1.08=this year's maximum operating rate	$0.499566/$100
+ This year's debt rate	$0.035473/$100
= This year's total rollback rate	$0.535039/$100
-Sales tax adjustment rate	$0.105308/$100
=Rollback tax rate	$0.429731/$100

Statement of Increase/Decrease

If Town of Pantego adopts a 2014 tax rate equal to the effective tax rate of $0.414822 per $100 of value, taxes would increase compared to 2013 taxes by $4,470.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
	0

Schedule B - 2014 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
GO Refunding Bonds	55,000	2,019	0	57,019
Certificate of Obligation Bonds	25,000	5,456	0	30,456

Total required for 2014 debt service	$87,475
- Amount (if any) paid from Schedule A	$0
- Amount (if any) paid from other resources	$0
- Excess collections last year	$0
= Total to be paid from taxes in 2014	$87,475
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2014	$0
= Total debt levy	$87,475

Schedule C - Expected Revenue from Additional Sales Tax

In calculating its effective and rollback tax rates, the unit estimated that it will receive $259,682 in additional sales and use tax revenues.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 100 E Weatherford St Fort Worth, TX 76102.

Name of person preparing this notice: Ron Wright
Title: Tarrant County Tax Assessor-Collector
Date Prepared: 08/01/2014

AGENDA BACKGROUND

AGENDA ITEM: First Public Hearing to Consider the Proposed Budget for the Fiscal Year beginning October 1, 2014 and ending September 30, 2015.

DATE: August 25, 2014

PRESENTERS: Matthew Fielder, City Manager
Ariel Carmona, Finance Director

BACKGROUND:

The proposed budget has been posted on the Town's website and filed with the City Secretary for public view. Also, notice of public hearings on the proposed budget has been posted on the Town's public notice board.

This is the first public hearing to allow taxpayers to express their views on any aspect of the proposed budget. The proposed budget will be voted upon and approved on September 8, 2014 at 7:30 p.m. during the regularly scheduled meeting of the Town Council. The Budget Recap will be September 2, 2014.

Parliamentary Procedures:

Other than holding the public hearing, no action is necessary. Mayor Paradise must open and close the public hearing and state for the record that the budget will be voted and approved on September 8, 2014 at 7:30 p.m. at a regularly scheduled meeting of the Town Council located at 1614 South Bowen Road, Pantego, Texas 76013.

FISCAL IMPACT:

The budget has the greatest impact on the financial affairs of the Town. It is basically the Town's financial guide for the upcoming fiscal year.

RECOMMENDATION:

Staff recommends the following announcement:

> The Pantego Town Council will vote on the adoption of the fiscal year budget of 2014/2015 on September 8, 2014 at 7:30 pm at the regularly scheduled meeting of the Town Council located at 1614 South Bowen Road, Pantego, Texas 76013.

ATTACHMENT:

Notice of Public Hearing for the Fiscal Year 2014/2015 budget.

Director's Review: AC
City Manager's Review: __MDF__

Town of Pantego
NOTICE

Pursuant to House Bill 3195

Public hearings on the proposed budget for Fiscal Year 2014/2015 is scheduled to be held on Monday, August 25, 2014 at 7:30 p.m., and Tuesday, September 2, 2014 at 6:30 p.m. at Pantego Town Hall, located at 1614 South Bowen Road, Pantego, Texas 76013

This budget will raise more total property taxes than last year's budget by $13,475, a 1.3% increase, and of that amount $6,141.07 is tax revenue to be raised from new property added to the tax roll this year.

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of a Public Hearing was posted on the outside window in a display cabinet at the Town Hall of the Town of Pantego, Texas, a place convenience and readily accessible to the general public at all times, and said Notice was posted at least 72 hours before said meeting convened.

_____ _____

Ariel Carmona, Finance Director **Date**

AGENDA BACKGROUND

AGENDA ITEM: Public Hearing, discuss, direct, and consider action on an Ordinance Amending the Town of Pantego Municipal Code of Ordinances Chapter 2 Animal Control; Article 2.02 – Impoundment, Section 2.02.002 Subsections (a) and (b) – Disposition of Impounded Animals by Revising the Length of Time for Holding of Animals; Article 2.04 – Rabies Reports and Quarantine, Section 2.04.003(a) Quarantine of Dogs, Cats, and Ferrets, Disposition of Other Animals, by Revising the Observation Period; Containing a Savings Clause; Repealing all Ordinances in Conflict Herewith; and Declaring an Effective Date.

Date: August 25, 2014

PRESENTER:

Scott Williams, Public Works Director

BACKGROUND:

The Town of Pantego entered into an Interlocal Agreement with the City of Fort Worth for limited rabies control services providing impoundment and quarantine facilities for animals for the benefit of Pantego on May 7, 2014. Some of the terms of the agreement did not match the current ordinance in place by the Town. This is a cleanup provision. The new ordinance replaces the five (5) day hold to a 72-hour hold and replaces the ten (10) day quarantine to a 72-hour quarantine for rabies. Also, if the owner cannot quarantine the animal on their premises they will be quarantined with a veterinarian of their choice and at the owner's expense.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends the adoption of this ordinance.

ATTACHMENTS:

Ordinance 14-745

Article 2 Animal Ordinance

Director's Review: _____
City Manager's Review: MDF

ORDINANCE NO. 14-745

AN ORDINANCE AMENDING THE TOWN OF PANTEGO CODE OF ORDINANCES CHAPTER 2 ANIMAL CONTROL; ARTICLE 2.02 - IMPOUNDMENT, SECTION 2.02.002 SUBSECTIONS (a) AND (b) – DISPOSITION OF IMPOUNDED ANIMALS, BY REVISING THE LENGTH OF TIME FOR HOLDING OF ANIMALS; AND ARTICLE 2.04 – RABIES REPORTS AND QUARANTINE, SECTION 2.04.003(a) QUARANTINE OF DOGS, CATS, AND FERRETS, DISPOSITION OF OTHER ANIMALS, BY REVISING THE OBSERVATION PERIOD; CONTAINING A SAVINGS CLAUSE; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the Town of Pantego, Texas is a Type A General Law municipality located in Tarrant County, Texas, created in accordance with provisions of Chapter 6 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas;

WHEREAS, the Town Council is empowered under the Texas Local Government Code to adopt ordinances and rules for the orderly and beneficial operation of City government and the welfare of the citizens of Pantego;

WHEREAS, the Town Council of the Town of Pantego is committed to reasonably regulating the keeping of domestic animals within the Town so as to reasonably avoid nuisances, reasonably avoid cruelty to animals and reasonably avoid the keeping of nuisance animals or unhealthy or unsafe animals; and

WHEREAS, the Town Council of the Town of Pantego has determined that the Town's Code provisions concerning the keeping of animals should be updated and revised to address conditions which exist or which reflect adverse situations in the vicinity of the Town, or which are likely to occur in the Town unless regulations are in place to address existing adverse situations with animals; and

WHEREAS, the Town Council desires to address such situations by amending its Animal Control Chapter of the Code of Ordinances and the Town Council finds that the amendments set forth in this ordinance are reasonable means to address all of the concerns expressed herein.

WHEREAS, presentation of this ordinance at a meeting preceding the meeting at which the ordinance is enacted places an undue burden in administrative time and expense to the Town, and as reflected by the vote of two-thirds of the Councilmembers present, the requirements of Section 1.03.035(b) are hereby waived.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PANTEGO, TEXAS:

SECTION 1

Town of Pantego Code of Ordinances Chapter 2 Animal Control, Article 2.02, Impoundment, is hereby amended by revising Section 2.02.002 "Disposition of impounded animals", subsections (a), (b) which shall now provide as follows:

(a) Dogs and cats with no identification. All dogs and cats impounded by the animal control division or brought to the animal care and control center by a person other than the harborer or owner of that animal shall be held for a minimum of seventy two (72) hours, during which time period the owner may present proof of ownership at the center, and after paying all applicable fees that owner may reclaim the dog/cat. In the event that the dog/cat is not claimed after seventy two (72) hours in the center, that dog/cat shall become the property of the animal care and control center.

(b) Dogs and cats with identification. All dogs and cats impounded by the animal control division or brought to the animal care and control center by a person other than the harborer or owner of that animal that are wearing traceable identification or where an owner is known shall be held in the center for a

minimum of three (3) complete days from the time the animal enters the facility, during which time the animal control officer shall notify the owner, when known, of the impoundment. Unless the owner has notified the animal control officer in writing of his/her intention to claim the dog/cat after that date, listing a date by which time that owner will reclaim the dog/cat and satisfy all applicable fees, and this arrangement has been approved by the animal control officer, the animal shall become the property of the animal care and control center at the end of seventy two (72) hours.

SECTION 2

Town of Pantego Code of Ordinances Chapter 2 Animal Control, Article 2.04, Rabies Reports and Quarantine, is hereby amended by revising Section 2.04.003 "Quarantine of dogs, cats and ferrets; disposition of other animals", subsection (a) which shall now provide as follows:

(a) Any owned domestic dog, cat or ferret which has bitten or scratched a person shall be observed for a period of seventy two (72) hours from the date of the bite or euthanized and processed for rabies testing. The procedure and place of observation shall be designated by the investigating officer or responsible agency, in compliance with state law. If the dog or cat is not confined on the owner's premises, confinement shall be at a veterinary hospital of the owner's choice. Such confinement shall be at the owner's expense. Stray dogs and cats, or those animals whose owners cannot be located, shall be destroyed and the brain of such animal immediately submitted to a qualified laboratory for rabies examination. The owner of any dog or cat that has been reported to have inflicted a bite on any person shall, on demand, produce said dog or cat for impoundment, as prescribed in this chapter. Home quarantine, as defined in section 2.01.002, may be allowed only in those incidents where permitted by state law and agreed to by the animal control officer. Refusal to produce said dog or cat constitutes a violation of this section, and each day of such refusal shall constitute a separate and individual violation.

SECTION 3
PROVISIONS CUMULATIVE

This Ordinance shall be and is hereby declared to be cumulative of all other Ordinances of the Town of Pantego, and this Ordinance shall not operate to repeal or affect the Code of Ordinances of the Town of Pantego or any Ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event such conflicting provisions, if any, in such Code or Ordinance are hereby repealed.

SECTION 4
PROVISIONS SEVERABLE

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

SECTION 5
SAVINGS CLAUSE

That all rights or remedies of the Town of Pantego, Texas, are expressly saved as to any and all violations that have accrued at the time of the effective date of this ordinance, involving the provisions of any earlier or previous ordinances concerning the subjects of this ordinance, that have already accrued at the time of the effective date of this ordinance; and as to such accrued

violations, and all pending litigation, both civil or criminal, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

SECTION 6
EFFECTIVE DATE

This ordinance shall be in full force and effect from and after its passage and publication as provided by law, and it is so ordained.

PASSED AND APPROVED AFTER WAIVER OF THE REQUIREMENTS OF TOWN CODE SECTION 1.03.035(b) THIS THE _____DAY OF AUGUST 2014 BY A VOTE OF _____AYES,____ NAYS, AND _____ABSTENTIONS, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF PANTEGO, TEXAS.

APPROVED:

_____
Melody Paradise, Mayor

ATTEST:

_____
Julie Arrington, City Secretary

APPROVED AS TO FORM:

_____
James T. Jeffrey, Jr., City Attorney

ARTICLE 2.02 IMPOUNDMENT[(*)]

Sec. 2.02.001 Authorized

Animals owned or harbored in violation of this chapter or law of the state shall be taken into custody by an animal control officer or other designated official and impounded under the provisions of this chapter. (Ordinance 97-12, sec. I (6.12.010), adopted 12/8/97)

Sec. 2.02.002 Disposition of impounded animals.

(a) Dogs and cats with no identification. All dogs and cats impounded by the animal control division or brought to the animal care and control center by a person other than the harborer or owner of that animal shall be held for a minimum of one hundred and twenty (120) hours, during which time period the owner may present proof of ownership at the center, and after paying all applicable fees that owner may reclaim the dog/cat. In the event that the dog/cat is not claimed after one hundred and twenty (120) hours in the center, that dog/cat shall become the property of the animal care and control center.

(b) Dogs and cats with identification. All dogs and cats impounded by the animal control division or brought to the animal care and control center by a person other than the harborer or owner of that animal that are wearing traceable identification or where an owner is known shall be held in the center for a minimum of five (5) complete days from the time the animal enters the facility, during which time the animal control officer shall notify the owner, when known, of the impoundment. Unless the owner has notified the animal control officer in writing of his/her intention to claim the dog/cat after that date, listing a date by which time that owner will reclaim the dog/cat and satisfy all applicable fees, and this arrangement has been approved by the animal control officer, the animal shall become the property of the animal care and control center at the end of one hundred and twenty (120) hours.

(c) Animals surrendered by owner/harborer. All animals surrendered by the owner/harborer to the animal control division shall become the property of the animal care and control center immediately upon completion of the owner/harborer surrender form. Applicable fees may apply to the owner/ harborer upon surrender of each animal.

(Ordinance 12-678, sec. 4, adopted 4/9/12)

(d) Animals other than dogs, cats, estrays, or permitted restricted animals. All animals other than dogs, cats, estrays or animals holding current restricted animal permits in the town impounded by the animal control division or brought to the center by a person other than the owner/harborer shall become the property of the animal care and control center unless such ownership is prohibited by state or federal law. (Ordinance 97-12, sec. I (6.12.020), adopted 12/8/97)

(e) Manner of disposition. Final disposition of all unclaimed animals shall rest with the animal control division. The animal care and control center shall retain sole authority to determine the final disposition of each animal in its custody once that animal becomes the property of the animal care and control center, and shall not place any animal for adoption that is classified in this chapter as prohibited. Animals shall be released to a facility with whom the town has a contractual agreement for animal services. All animals listed as endangered or protected shall be transferred to the proper authority at the earliest possible date. (Ordinance 12-678, sec. 4, adopted 4/9/12)

Sec. 2.02.003 Animals held on complaint

If a complaint has been filed in municipal court for the town against the owner of an impounded animal for a violation of this chapter, the animal shall not be released except by the order of the animal control division, which may also direct the owner to pay any penalties for violation of this chapter in addition to all

impoundment fees. The surrender of an animal by the owner thereof to the animal control division does not relieve or render the owner immune from the decision of the court, nor from the fees and fines which may result from a violation of this chapter. (Ordinance 97-12, sec. I (6.12.030), adopted 12/8/97)

Sec. 2.02.004 Unlawful removal of animal from impoundment

It shall be unlawful for any person to remove from any place of impoundment any dog or cat which has been confined as authorized, without the consent of the animal control officer. (Ordinance 97-12, sec. I (6.12.040), adopted 12/8/97)

Sec. 2.02.005 Animals at-large

It shall be unlawful for any person owning or harboring an animal to permit such animal to run at-large. Any officer or citizen of the town is hereby authorized to take up and deliver to the animal care and control center any animal mentioned in this chapter that may be found at-large in the corporate limits of the town, subject to the applicable provisions of the law. Failure to notify and/or turn over to the animal control officer any such animal within forty-eight (48) hours may subject that person taking up the animal to civil and/or criminal action. The animal control officer, his agent, and peace officers are authorized to impound any animal mentioned in this chapter which is in violation of this chapter. In the event the animal is on private property or property of the animal's owner or harborer, the animal control officer, his/her agent, or a peace officer may enter the property, other than a private dwelling, for the purpose of impoundment or issuance of a citation, or both, subject to the applicable provisions of the law. (Ordinance 97-12, sec. I (6.12.050), adopted 12/8/97)

Sec. 2.02.006 Confinement of female dogs and cats during estrus

Any female dog or cat in the state of estrus (heat) shall be confined during such period of time in a house, building, or secure enclosure, and said area of enclosure shall be so constructed that no other dog or cat may gain access to the confined animal without the consent of the owner/harborer. Owners who do not comply shall be ordered to remove the animal in heat to a veterinary hospital, or the animal care and control center. All expenses incurred as a result of this confinement shall be paid by the owner. Failure to comply with the removal order of the animal control division shall be a violation of this chapter and the dog or cat will then be impounded as prescribed in this chapter. (Ordinance 12-678, sec. 5, adopted 4/9/12)

ARTICLE 2.04 RABIES REPORTS AND QUARANTINE[(*)]

Sec. 2.04.001 Reporting of bites and scratches

Every physician or other medical practitioner who treats a person or persons for any animal bite/scratch or any person having knowledge of an animal bite/scratch shall, not later than twenty-four (24) hours from the time of the incident, report such knowledge or treatment to the animal control division, giving the name, age, sex and precise location of the bitten/scratched person or persons and such other information as the animal control division may reasonably require. (Ordinance 97-12, sec. I (6.28.010), adopted 12/8/97; Ordinance adopting Code)

Sec. 2.04.002 Reporting of suspected rabies

Any veterinarian who clinically diagnoses rabies or any person who suspects rabies in a dog, cat or other domestic or wild animal shall immediately report the incident to the animal control officer, stating precisely where such animal may be found. If a known suspected rabid animal bites or scratches a domestic

animal, such incident shall also be reported as required above. (Ordinance 97-12, sec. I (6.28.020), adopted 12/8/97)

Sec. 2.04.003 Quarantine of dogs, cats and ferrets; disposition of other animals

(a) Any owned domestic dog, cat or ferret which has bitten or scratched a person shall be observed for a period of ten (10) days from the date of the bite. The procedure and place of observation shall be designated by the investigating officer or responsible agency, in compliance with state law. If the dog or cat is not confined on the owner's premises, confinement shall be at a veterinary hospital of the owner's choice. Such confinement shall be at the owner's expense. Stray dogs and cats, or those animals whose owners cannot be located, shall be destroyed and the brain of such animal immediately submitted to a qualified laboratory for rabies examination. The owner of any dog or cat that has been reported to have inflicted a bite on any person shall, on demand, produce said dog or cat for impoundment, as prescribed in this chapter. Home quarantine, as defined in section 2.01.002, may be allowed only in those incidents where permitted by state law and agreed to by the animal control officer. Refusal to produce said dog or cat constitutes a violation of this section, and each day of such refusal shall constitute a separate and individual violation. (Ordinance 97-12, sec. I (2.28.030), adopted 12/8/97; Ordinance adopting Code)

(b) Any wild, exotic or dangerous animal as defined in section 2.01.002, and considered "high risk" according to state law, which has bitten or scratched a person shall be caught and humanely killed and the brain submitted for rabies examination. Those wild animals which are classified as "low risk" animals shall be handled as dictated by state law. (Ordinance 97-12, sec. I (2.28.030), adopted 12/8/97)

State law references–Quarantine of animals, V.T.C.A., Health and Safety Code, sec. 826.042; release or disposition of quarantined animal, V.T.C.A., Health and Safety Code, sec. 826.043.

AGENDA BACKGROUND

AGENDA ITEM: Precious Metals Ordinance

Date: August 25, 2014

PRESENTER: Thomas Griffith, Chief of Public Safety

BACKGROUND:

The value of precious metals has steadily increased over time and so has the monetary losses from precious metal-related crimes. Cash-for-gold establishments often perform informal, undocumented transactions resulting in dealers immediately melting the acquired metals and making it difficult for law enforcement to track, investigate and monitor any involved stolen metals that are often in the form of jewelry.

The Town of Pantego has several businesses that deal in precious metals. The attached ordinance will enable the Pantego Police Department to better track precious metals transactions within our community and reduce or prevent criminal transactions.

FISCAL IMPACT:

Limited amount of revenue from registration fees.

RECOMMENDATION:

Staff recommends approval of the ordinance as written.

ATTACHMENTS:

Draft ordinance which has been recommended for approval, as written, by our attorney.
Memorandum from Chief Thomas Griffith

Director's Review: TDG
City Manager's Review: MDF

PANTEGO POLICE DEPARTMENT

MEMO #: 000

To: Matthew Fielder, City Manager

From: Thomas Griffith, Chief

Subject: Precious Metals Ordinance

Release Date: July 21, 2014

The value of precious metals has steadily increased over time and so has the monetary losses from precious metal-related crimes. Cash-for-gold establishments have been opening throughout Texas for some time and have been largely unregulated. In many instances those establishments perform informal, undocumented transactions resulting in dealers immediately melting the acquired metals and making it difficult for law enforcement to track, investigate and monitor any involved stolen metals that are often in the form of jewelry.

Because of the increase in precious metals crimes the 82nd Texas Legislature made significant changes to laws that regulate precious metals dealers and established criminal and administrative penalties for non-compliance. Sections 1956 of the Texas Occupations Code and Chapter 85 of the Texas Administrative Code establish oversight authority and administrative rules for precious metals dealers.

Changes made by the legislature included:

- Requiring State licensing of precious metals dealers
- Requiring digital photos of all metals purchased and their description must be recorded on a triplicate numbered form
- Requiring digital photograph and thumbprint of seller
- Requiring dealer to retain all purchased metals for 11 days
- Requiring daily reporting of purchases to local law enforcement
- Requiring dealers to enter all purchases into a web-based data base

The Town of Pantego has several businesses that deal in precious metals. State Law requires precious metals dealers to abide by the above listed requirements; however, in the absence of a local ordinance, law enforcement is limited to filing cases at the County level to deal with individual violations. Such a process is time consuming and could result in the loss of stolen property. A local ordinance would provide for closer scrutiny of dealer sales, faster investigation and solving of precious metal crimes, allow for local permitting and the issuance of citations. The proposed ordinance, which is based upon the Houston ordinance, has been tested and will provide a valuable tool to law enforcement for the solving of precious metal crimes.

I ask that the attached ordinance be placed on the August 11th Council agenda for discussion by Council and review by our attorney. Please let me know if you have any questions.

Cc: J. Jeffrey; B. Reeves; C. Whitwell; D. Davis

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF PANTEGO AMENDING THE TOWN OF PANTEGO CODE OF ORDINANCES CHAPTER 4 BUSINESS REGULATIONS BY ADOPTING A NEW ARTICLE 4.08 – PURCHASE AND SALE OF PRECIOUS METAL, RELATING TO CRAFTED PRECIOUS METALS; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO FOREGOING SUBJECT; AND ALSO AMENDING APPENDIX A FEE SCHEDULE BY ADDING A NEW SUBSECTION (h) TO ARTICLE A9.000 MISCELLANEOUS FEES TO PROVIDE FOR LICENSE FEES; PROVIDING FOR A PENALTY; PROVIDING FOR SEVERABILITY; AND CALLING FOR A PUBLIC HEARING.

WHEREAS, the Pantego Police Department routinely investigates criminal offenses in which precious metals are targeted because of their high value; and

WHEREAS, Texas Occupations Code provisions relating to crafted precious metals were significantly revised in the 82nd Legislative Session, and local regulation is also allowed; and

WHEREAS, the proposed ordinance will update the Code of Ordinances to be consistent with the Texas Occupations Code provisions; and

WHEREAS, the recordkeeping requirements of the proposed ordinance will provide the Pantego Police Department with additional tools to use when investigating thefts of crafted precious metals; and

WHEREAS, presentation of this ordinance at a meeting preceding the meeting at which the ordinance is enacted places an undue burden in administrative time and expense to the Town, and as reflected by the vote of two-thirds of the Councilmembers present, the requirements of Section 1.03.035(b) are hereby waived.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PANTEGO, TEXAS:

SECTION 1

Town of Pantego Code of Ordinances Chapter 4 - Business Regulations is hereby amended by adding a new Article 4.08 - Purchase and Sale of Regulated Property as set forth below in this Section 1 of this Ordinance, which shall now provide as follows:

ARTICLE 4.08 – PURCHASE AND SALE OF PRECIOUS METAL

Sec. 4.08.001 Purpose

The purpose of this article is to discourage an increasingly prolific and socially deplorable business activity of dealing in stolen property by requiring, among other regulations, the purchaser of certain regulated property to maintain a record identifying the authorized vendor or to record and maintain a reliable form of identification of the seller, if he is other than a manufacturer or authorized vendor. Further, this article should provide law enforcement authorities with more adequate tools for investigation concerning stolen property. Items of property to be included in the regulations are limited to those items most frequently stolen and for which there is a ready market.

Sec. 4.08.002 Definitions

The following words, terms and phrases, when used in this article, shall have the meanings assigned to them in this section, except where the context clearly indicates a different meaning:

Antique dealer means any person who engages in the business of buying, selling, trading or otherwise dealing in used items which, because of age or design or quality or intrinsic beauty, or rarity or demand or otherwise have a value enhanced over the original value of goods.

Chief of Public Safety means the Chief of Public Safety for the Town of Pantego and persons he may designate to perform his duties under this article.

Crafted precious metal means jewelry, silverware, an art object, or another object made wholly or partly from precious metal, other than a coin, a bar, a commemorative medallion, or scrap or a broken item selling at five percent more than the scrap value of the item.

Dealer means a person licensed to engage in the business of purchasing and selling crafted precious metal (including purchases or sales made through the mail), except for coins, bars, commemorative medallions, or items that the dealer purchases for five percent or more than the scrap value.

Fixed location means a location that is owned or leased solely as a store front location to operate and has no other purpose other than the sale or purchase of second hand goods.

Licensee means any person licensed as a dealer pursuant to this article.

Permanent registered location means a location where a crafted precious metals dealer engages in the business of buying crafted precious metal for one year or longer.

Precious metal means gold, silver, platinum, palladium, iridium, rhodium, osmium, ruthenium, or an alloy of those metals.

Scrap value means the value at which an item would be purchased by a person who will melt the item or otherwise transform it so that it will not be used for its original purpose.

Tableware means any flatware, dishes, serving pieces or other items designed or intended to be used in connection with the serving or eating of food when items are made of any precious metal or wholly or partially plated with a precious metal.

Temporary dealer means any person who conducts business as a dealer in the city for a period of time not to exceed one year but does not have a permanent place of business in the Town.

Web-based database means an electronic reporting system approved by the Chief of Public Safety that is capable of transmitting information and responding to input on the internet.

Sec. 4.08.003 License Required; Display

All persons transacting business as a precious metal dealer or own any such business or engage in the business of buying, trading or otherwise receiving items containing precious metals shall have a current Precious Metal License to operate as issued by the Town of Pantego. A license issued under this section shall be posted in a conspicuous place upon the licensed premises. In addition all required registrations by the State of Texas shall also be displayed in a conspicuous place upon the licensed premises.

Sec. 4.08.004 License Application

Applicants for a license shall file with the Town Secretary an application on a form obtained from the Town Secretary and provide the following;

(a) A valid Texas driver's license or state issued identification, with the full name of the applicant, the street address where the business is to be located, and the residence address of each owner, manager and operator of the business;
(b) A list of all employees who will be working under this license , giving their full names, addresses, city, county, and state in which each resides permanently, and the date of birth of each of them;
(c) Copy of criminal history of applicant and all employees working under this license and the person responsible for the on-site day to day operation of the applicants registered location;
(d) Copy of the certification of registration issued by the Office of Consumer Credit Commissioner of the State of Texas (Ch.1956 Texas Occupations Code, registration requirements and processes are provided under 7 Texas Administrative Code Ch.85 subsection B);
(e) Proof of certification of scales from the Texas Department of Agriculture, Weights and Measures Division;
(f) If any owner or operator is a partnership, the type of partnership and addresses of all general partners, and for limited partnerships, the names and addresses of all members;
(g) If any owner or operator is a corporation, names and addresses of all officers;
(h) Assumed Name certificate issued by Tarrant County;

(i) The location where the business will be conducted , along with a copy of the Certificate of Occupancy issued by the Town of Pantego; and
(j) Required fee.

Sec. 4.08.005 Temporary License

A temporary dealer who wishes to purchase crafted precious metals in the Town must apply for and secure a license for each location. An application for a temporary dealer's license shall be submitted as required in Sec. 4.08.004, not later than 30 days prior to the effective date of the license, and shall contain, for each location:

(1) The approximate dates and hours of operation for each temporary location: and

(2) The name of the person responsible for each on-site operations and compliance with applicable laws at each temporary location.

Sec. 4.08.006 Fees

The fees for license registration shall be $100.00 and payable to the Town of Pantego. No application will be processed until the fees are tendered to the City Secretary. A temporary dealer shall pay a daily license fee of $25.00 for a period not to exceed ten days.

Sec. 4.08.007 Issuance, Denial

(a) An application is complete when the application contains the required information and is accompanied by the payment of the license fee.
(b) Within ten days of receiving the completed application the Chief of Public Safety or his/her designee shall review the application and determine whether all requirements have been met or additional information is required. If additional information is required by the Chief of Public Safety and the applicant does not respond within ten days, the application will be considered withdrawn.
(c) Upon receipt of a complete application for a temporary or permanent license, the Chief of Public Safety or his designee shall issue a license to the applicant unless:
    (1) The information provided in the application is materially false or incorrect;
    (2) The applicant has violated the provisions of this Article;
    (3) Applicant, business partners or employees have been convicted of an offense under Chapters 30 through 32 of the Texas Penal code as amended.
(d) If the Chief of Public Safety or his designee denies the application, he/she shall give written notice by personal delivery or certified mail, return receipt requested, to the applicant at the address stated in the application.

Sec. 4.08.008 Revocation of License

A license may be revoked under this article for any of the following reasons by the Chief of Public Safety or his/her designee;

(a) Fraud, misrepresentation or false statement contained in the license application.
(b) Fraud, misrepresentation or false statement made in the course of carrying on his/her business.
(c) Any violation of this article.
(d) Applicant is convicted of a felony offense under Chapters 30 through 32 and Chapter 37 of the Texas Penal Code, as amended.

Sec. 4.08.009 Appeals

A denial or revocation of any license shall be appealed to the City Manager.

(a) An appeal shall be filed with the City Manager within five (5) business days from the date of denial or revocation.

(b) Such an appeal shall be taken by filing with the City Manager a written statement setting forth fully the grounds for the appeal.

(c) The City Manager shall issue a decision on the denial or revocation in writing within five (5) business days of receipt of the appeal.

Comment [TDG1]: Should the appeal be to the ZBA?

Sec. 4.08.010 Transfer

No license under the provision of this article shall be transferred or assigned to any person or business entity.

Sec. 4.08.011 License Expiration

The license shall be valid for a period of 12 months. The license will only be valid for the address for which it is issued and will become void if the location of the business is changed.

Sec. 4.08.012 Required recordkeeping: transaction report form, scrap value estimation, receipt.

(a) A dealer shall keep at his place of business a record of all purchases of crafted precious metals in a web-based database, and in a form and method approved by the Chief of Public Safety. The record shall be updated daily, with a full description in English of each transaction in which personal property is purchased or otherwise received at the dealer's licensed place of business.

(b) The dealer must prepare a transaction report form for each transaction. The report shall be preprinted and pre-numbered, and shall contain the following:

(1) The date of purchase.

(2) The name and address of the dealer's permanent business location.

(3) The name and address where the dealer purchased the crafted precious metal, if the location is different than the dealer's permanent business location and the transaction takes place in person.

(4) The dealer's registration number.

(5) The full name of the seller, as listed on the seller's driver's license or personal identification certificate as defined by the Texas Occupations Code 1956.001(8).

(6) A physical description of the seller to include date of birth, height, eye color, and gender.

(7) The physical address where the seller is residing at the time of the transaction.

(8) The seller's driver's license number or personal identification number from the following unexpired forms of identification:

(a) A driver's license number from Texas or another state within the United States;

(b) An identification card issued by the Texas Department of Public Safety;

(c) A United States military identification card; or

(d) A United States passport or visa, or other identification issued by the United States government.

(9) A clear digital photograph of the seller.

(10) A clear thumbprint of the seller.

(11) The seller's certification that the seller's name and address, as well as the description of the crafted precious metal, are true and complete.

(12) The seller's representation that the seller has the right to possess and sell the property.

(13) A description of the crafted precious metal purchased by the dealer, accompanied by a clear digital image of each item purchased, including the:

(a) Total number of items purchased by the dealer;

(b) Type of each item (e.g., fork, tray chain, ring, etc.);

(c) Type, color, and purity of each kind of metal purchased (10 karat white gold, 0.925 sterling silver, etc.);

(d) Weight in troy ounces, grams, or pennyweights for each kind of metal;

(e) Amount paid by the dealer for each kind of metal;

(f) Color (e.g. clear, blue, green, etc.)number, and approximate size (e.g., small, medium, large, etc.) of any stones and which item(s) included those stones;

(g) Size or length of each item (e.g., size 7, 18 inches, etc.);

(h) Any discernible serial numbers;

(i) Any engravings, inscriptions, distinctive markings, or designs;

(j) Gender for which jewelry item was manufactured , if identifiable; and

(k) Any unique markings that is not visible and identifiable from the photographic images.

(14) The total amount paid to the seller by the dealer.

(15) The notice regarding oversight of precious metals dealers by the State's Office of Consumer Credit Commissioner and the office's contact information for consumer complaints as required by Title 7 of the Texas Administrative Code, Part 5, Chapter 85, Subchapter B, Division 2, Rule 85.2001(a).

Additional information is permissible on the transaction report form as long as it is not misleading with respect to rights arising under the law.

(c) The dealer shall maintain a scrap value estimation record for each purchase of crafted precious metal, including a reasonable good faith estimate of each item's scrap value or the percentage of scrap value that the dealer will pay the seller. The scrap value estimation is not required on the seller's receipt copy of the transaction form, but must be included on the dealer's copy, which must be maintained for a period of not less than three years, pursuant to the Texas Occupations Code 1956.063.

(d) The dealer shall submit the required records to the web-based database by the close of each day on which the dealer is open for business. Failure to comply with any provision of this section shall be grounds for the revocation of or refusal to issue or renew a dealer's license.

(e) The dealer, his agents, or employees shall supply a consecutively- numbered receipt to the seller or transferor of the property. The receipt shall be dated on the actual date of the transaction and shall list the items sold or otherwise transferred. A printed version of the record input to the web-based database shall satisfy this requirement. An accurate copy or record of receipts shall be retained for a period of not less than three years.

(f) A dealer and every person engaged in the business of buying, trading or otherwise receiving crafted precious metals in any form shall, upon request, submit and exhibit the various business records required to be maintained under this Article for inspection and copying to any peace

officer. Failure to maintain or to so permit the examination or copying of the records when requested shall be a misdemeanor.

Sec. 4.08.013 Stock to be open for examination

The stock or inventory of any dealer that is openly displayed and available to the public shall at any time during ordinary business hours be accessible for examination by any peace officer. Failure to permit an examination when requested shall be a misdemeanor.

Sec. 4.08.014 Articles to be retained, placed on hold

No dealer shall sell dismantle, deface, melt, or in any manner alter or dispose of any item purchased or otherwise received at the dealer's licensed place of business for eleven days after receipt. During the eleven-day period, all items of property shall be stored or displayed at the dealer's permanent business location or in a secure location readily accessible to the dealer, in the exact form received, and in a manner so as to be identifiable from the description entered on the transaction form. The property shall not be kept so as to prevent or impede its examination hereunder and shall be available for inspection by a peace officer within 24 hours of a peace officer's request to inspect the property.

(a) A peace officer who has a reasonable suspicion that an item of crafted precious metal in a dealer's possession is stolen may place the item on hold for a period not to exceed 60 days by issuing to the dealer a written notice that specifically identifies the item alleged to be stolen and subject to the hold, and informs the dealer of the requirements of this article.
(b) On receiving notice from a peace officer that an item is placed on hold , the dealer may not melt, deface, alter, or dispose of the identified crafted precious metal until the hold is released in writing by a peace officer of this state or by court order.
(c) Failure to comply with any provision of this section shall be grounds for the revocation of or refusal to issue or renew any license required of a dealer under this Article.

Sec. 4.08.015 Purchasing or receiving goods from minors

No dealer shall purchase or otherwise receive in the course of his/her business any item, ownership of which is claimed by any minor, or which may be in the possession of or under control of a minor, unless the minor's parent or guardian shall state in writing, that the transaction is taking place with the parent's or guardian's full knowledge and consent. It shall be the duty of the dealer to preserve and keep on file, and available for inspection, the written statements of consent, for a period of three years.

Sec. 4.08.016 Penalty

(a) A violation of this ordinance shall constitute a misdemeanor and, upon conviction thereof, shall be a fine not to exceed one thousand dollars. Each transaction and each day shall be considered a separate offense.
(b) Nothing herein contained shall prevent the Town from taking such other lawful action as is necessary to prevent or remedy any violation of this Article, including seizure of goods.

SECTION 3

Town of Pantego Code of Ordinances Appendix A Fee Schedule Article A9.000 Miscellaneous Fees is hereby amended by adding a new subsection (h) to establish fees for licensing which shall now provide as follows:

(h) Precious Metal License fees pursuant to Chapter 4, Article 4.08, Section 4.08.006 are as follows:

(1) The fees for license registration shall be $100.00

(2) The fees for a temporary dealer shall be $25.00 per day for a period not to exceed ten days.

SECTION 4
PROVISIONS CUMULATIVE

This Ordinance shall be and is hereby declared to be cumulative of all other Ordinances of the Town of Pantego, and this Ordinance shall not operate to repeal or affect the Code of Ordinances of the Town of Pantego or any Ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event such conflicting provisions, if any, in such Code or Ordinance are hereby repealed.

SECTION 5
PROVISIONS SEVERABLE

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

SECTION 6
SAVINGS CLAUSE

That all rights or remedies of the Town of Pantego, Texas, are expressly saved as to any and all violations that have accrued at the time of the effective date of this ordinance, involving the provisions of any earlier or previous ordinances concerning the subjects of this ordinance, that have already accrued at the time of the effective date of this ordinance; and as to such accrued violations, and all pending litigation, both civil or criminal, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

SECTION 7
EFFECTIVE DATE

This ordinance shall be in full force and effect from and after its passage and publication as provided by law, and it is so ordained.

PASSED AND APPROVED AFTER WAIVER OF THE REQUIREMENTS OF TOWN CODE SECTION 1.03.035(b) THIS THE _____DAY OF AUGUST 2014 BY A VOTE OF _____AYES,____ NAYS, AND _____ABSTENTIONS, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF PANTEGO, TEXAS.

APPROVED:

_____
Melody Paradise, Mayor

ATTEST:

_____
Julie Arrington, City Secretary

APPROVED AS TO FORM:

_____
James T. Jeffrey, Jr., City Attorney