

RESOLUTION NO. 08-008
Date 03/04/08

**A RESOLUTION BY THE CITY OF MEADOWLAKES, TEXAS, TO
ESTABLISH PROCEDURES FOR PURCHASE AND FUNDS
DISBURSEMENT FOR CITY DEPARTMENTS AND EMPLOYEES.**

***WHEREAS**, the City and Meadowlakes Municipal Utility District (MUD) on March 1, 2007 were merged into a single government entity; and*

***WHEREAS**, a single policy for purchase(s) and disbursement(s) of funds is required for effective and efficient operations of the City; and*

***WHEREAS**, the restoration of the municipal golf course and country club require rapid implementation of specific projects in order to upgrade the facility to meet critical safety and health requirements.*

***NOW, THEREFORE, BE IT RESOLVED**, that the City Council hereby authorizes and approves the following:*

- 1. Adoption of the purchase and funds disbursement policy as contained in Exhibit A of this Resolution, and authorization that all previous purchase and funds disbursement policies are hereby superceded by adoption of this Resolution.**
- 2. Council's declaration that the following projects are safety and health critical: a) Club House structure repair; b) Kitchen restoration; and c) Cart Barn replacement.**

PASSED AND APPROVED this the 4th day of March, 2008.

ATTEST:

/s/ Linda A. Wendling
Linda A. Wendling, City Secretary

SIGNED:

/s/ John Aaron
John Aaron, Mayor

“Exhibit A”
City of Meadowlakes
Purchasing and Funds Disbursement Policy

(Adopted November 18, 2004)

(Modified March 4, 2008)

Purpose:

The purpose of this policy is to establish standard policies and procedures to create an efficient and effective purchasing and funds disbursement program for the City of Meadowlakes (“City”) and remain consistent with appropriate internal controls.

A. Purchasing Policy:

1. It is the policy of the City to authorize purchases in the following manner:
 - a. Purchase of items \$100 or Less:
 1. Any employee of the City is authorized to make such purchase(s) for any item or service he/she deems necessary for the operation and maintenance of City facilities and services.
 2. This type of purchase does not require a purchase order or competitive bidding. An invoice or receipt clearly identifying the purchased item must be obtained and retained by the City.
 - b. Purchase of items exceeding \$100 but less than \$1,500:
 1. Prior authorization from either the Chief Operator, department Director or City Administrator must be obtained prior to the purchase of any item exceeding \$100 but less than \$1,500.
 2. If possible and when practical the employee shall solicit verbal and/or written quotes for the item being purchased.
 - c. Purchases of items or services over \$1,500 but less than \$2,500:
 1. The Chief Operator or Department Director is authorized to make any purchase for service(s) without prior approval of the City Administrator provided that the item or service has been previously budgeted.
 2. Written and/or verbal quotes shall be requested for any item or service purchased when practical.
 - d. Purchases of items or services over \$2,500 but less than \$5,000:
 1. The City Administrator is authorized to make any purchase of item(s) or service(s) provided that the requested purchase or service has been previously budgeted.
 2. Written and/or verbal quotes shall be requested for items or services purchased.
 - e. Purchases of items or services exceeding \$5,000 but less than \$15,000:
 1. The Mayor is authorized to approve any purchase or contract for service(s) up to but not exceeding \$15,000 provided that the requested purchase or service has previously been budgeted.
 2. The Department Director shall solicit written proposal or quotes for any item(s) or service(s) purchased in this range of disbursements and shall

present such proposal or quotes and his recommendation(s) for award to the City Administrator. The City Administrator shall forward his/her recommendation(s) to the Mayor for approval.

3. All contracts shall require signature by the Mayor.
- f. City Council shall approve purchases exceeding \$15,000:
 1. Purchase(s) and or service(s) exceeding \$15,000 but less than \$25,000 shall require written specifications and the Department Director shall be required to competitively solicit written proposals from qualified suppliers or vendors.
 2. Purchase(s) and or service(s) exceeding \$25,000 shall require written specifications and shall be publicly solicited per statute requirements.
 3. Exceptions may be made by Council based on an item being previously budgeted upon and an establishment of maximum cap for such specific expenditure being established. In addition, all requirements as stated in f-1 above shall apply.
2. Fund Availability:

The buyer shall verify available funds prior to requisition. If funds are not available at the time, no purchase shall be made until funds are made available.
3. Emergency Purchases:

In the event an emergency occurs, the employee shall purchase any products and/or service(s) needed, and shall notify the Department Director, City Administrator and Mayor as appropriate and consistent with the non-emergency required authorization level.
4. Single Source Supplier Purchase(s):
 - a. Single source supplier purchase(s) are made in accordance with the procedures defined above and do not require multiple quotes.
 - b. Documentation, in the form of a letter from the vendor and a memo from the requesting employee as to the need for that exact product/service, must be attached to a request for a single source supplier purchase.
5. Professional Services:

The City Administrator is authorized to retain the professional service(s) of an individual or organization without prior City Council approval provided such fee(s) for the provided service(s) are not anticipated to exceed \$5,000 and expense(s) for such service(s) has been previously budgeted. City Council shall approve retaining of any professional service(s), which is anticipated to exceed \$5,000.
6. Safety and Health Critical Purchase(s):
 - a. For safety and health critical purchase(s) that exceed \$15,000, the City Council grants the City Administrator and Mayor the authority to initiate purchase of such item(s) with the constraint that Council has declared the

purchase as being critical for the protection of City employees and the public's safety and health.

B. Funds Disbursement Policy:

1. Authorized signature or signatures are required consistent with authority defined in Ordinance 2008 - 10.
2. Operating Fund Disbursements:
 - a. A voucher approved by the requesting employee and City Administrator must accompany a disbursement.
 - b. The City Administrator is authorized to serve as a single signature on any disbursement of \$5,000 or less unless the disbursement is a normal re-occurring monthly expense as listed below:
 - Employee Medical and Retirement Expenses
 - Employee Payroll Taxes
 - Electrical Usage
 - Solid Waste Collection
 - c. Any disbursement in excess of \$5,000 that does not meet the requirement as being a normal re-occurring expense as outlined above shall require two (2) authorized signatures. The City Administrator may serve as one of the two (2) required signatures.
 - d. The City Administrator or City Treasurer is authorized to make inter-bank transfers between City's Operating Accounts and other funds as necessary, with the requirement that all constraints associated with an account are complied with.
 - e. The City Treasurer or City Administrator is authorized to invest City's Operating funds consistent with the City's established investment policy.
4. Debt/Tax and Interest and Sinking Funds:
 - a. The City Administrator is authorized to serve as a single signature on any disbursement of \$5,000 or less.
 - b. A disbursement in excess of \$5,000 shall require two (2) authorized signatures. The City Administrator may serve as one (1) of the two (2) required signatures.
 - c. The City Administrator or City Treasurer are authorized to make inter-bank transfers between Debt/Tax and Interest and Sinking Funds and other funds as necessary, with the requirement that all constraints associated with the accounts are complied with.
 - d. The City Administrator or City Treasurer is authorized to invest Operating funds consistent with the City's established investment policy.
5. Construction Funds:
 - a. The City Administrator is authorized to serve as a single signature on any disbursement under \$5,000 or less.
 - b. A disbursement in excess of \$5,000 shall require two (2) authorized signatures. The City Administrator may serve as one (1) of the two (2) required signatures.

- c. The City Administrator is authorized to make inter-bank transfers between Construction and other funds as necessary.
 - d. The City Administrator or City Treasurer serving as Investment Officer of the District is authorized to invest Operating funds consistent with the City's established Investment Policy.
6. Safety and Health Critical projects:
- a. For safety and health critical projects that exceed \$15,000, the City Council grants the City Administrator and Mayor the authority to initiate such project(s) with the constraint that Council has declared the project(s) as being critical for the protection of City employees and the public's safety and health.

Bonding and Insurance Policy:

The City Administrator, at the expense of the City, will be required to be bonded for an amount not less than \$100,000. The City shall provide this coverage through its general liability or other insurance or bonding company, as determined by City Council authorization and established policies.