

**Resolution 10-010  
Dated 8/10/2010**

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

***WHEREAS**, a single policy for purchase(s) and disbursement(s) of funds was required for effective and efficient operations of the City, thereby the passage of Resolution 08-008 on March 4, 2008 took place; and*

***WHEREAS**, the needs of the public works facility, including operation of costly repairs, maintenance and/or replacement of equipment, are required for the public health and safety of our citizens; and*

***WHEREAS**, the City Council deems it necessary to increase the amount of approved expenditures for the City's General Manager in regards to Public Works Equipment and the public health and safety of our citizens.*

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

- 1. Adoption of the amended 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Exhibit A of this Resolution, and authorization that all previous purchase and funds disbursement policies are hereby superseded by adoption of this Resolution.**
- 2. By adopting this modified policy you are hereby removing all strikethrough language and replacing same with the text written in bold italics immediately following.**

**PASSED AND APPROVED** this the 10th day of August, 2010.

ATTEST:

*/s/ Linda A. Wendling*  
\_\_\_\_\_  
**Linda A. Wendling, City Secretary**

SIGNED:

*/s/ Don Williams*  
\_\_\_\_\_  
**Don Williams, Mayor**

**“Exhibit A”**  
**City of Meadowlakes**  
**Purchasing and Funds Disbursement Policy**  
(Adopted November 18, 2004)  
(Modified March 4, 2008)  
(Modified August 10, 2010)

**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~~ **City Manager** 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~~ **City**

- Manager* 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 *in General Fund or \$7,500 in Utility Fund (herein referred to as \$5,000/General or \$7,500/Utility)*:
1. The ~~City Administrator~~ *City Manager* 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 *\$5,000 in General Fund and \$7,500 in the PWD Fund*:
- 1. Purchases exceeding \$5,000 but less than \$15,000 require written proposals or quotes for any item(s) or services(s) purchased.*
  2. 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.

3. Purchase(s) and or service(s) exceeding \$25,000 shall require written specifications and shall be publicly solicited per ~~statue~~ **statutory** requirements.
    4. 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~~ **City Manager** 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~~ **City Manager** 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~~ **City Manager** must accompany a disbursement.
  - b. The ~~City Administrator~~ **City Manager** is authorized to serve as a single signature on any disbursement of ~~\$5,000~~ **\$5,000/General or \$7,500/Utility** 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~~ **\$5,000/General or \$7,500/Utility** 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~~ **City Manager** may serve as one of the two (2) required signatures.
  - d. The ~~City Administrator~~ **City Manager** 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~~ **City Manager** 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~~ **City Manager** 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~~ **City Manager** may serve as one (1) of the two (2) required signatures.
  - c. The ~~City Administrator~~ **City Manager** 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~~ **City Manager** or City Treasurer is authorized to invest Operating funds consistent with the City's established investment policy.
5. Construction Funds:
- a. The ~~City Administrator~~ **City Manager** 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~~ **City Manager** may serve as one (1) of the two (2) required signatures.
  - c. The ~~City Administrator~~ **City Manager** is authorized to make inter-bank transfers between Construction and other funds as necessary.
  - d. The ~~City Administrator~~ **City Manager** 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~~ **City Manager**, 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.