

**TOWN OF LAKEWOOD VILLAGE  
FINANCIAL RESPONSIBILITY  
ORDINANCE 14-06**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, ESTABLISHING THE DUTIES OF TOWN OFFICIALS, AUTHORIZING THE MAYOR TO ENTER INTO AGREEMENTS AND EXECUTE DOCUMENTS, AGREEMENTS, AND CONTRACTS NOT EXCEEDING \$10,000 ON BEHALF OF THE TOWN; GRANTING AUTHORITY OVER NON-MUNICIPAL OFFICER EMPLOYEES; PROVIDING REPEAL, SUPERCEDING, AND SEVERABILITY CLAUSES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Chapter 101.002 of the Local Government Code authorizes the governing body of the municipality to manage and control the finances of the municipality;

**WHEREAS**, Chapter 22.072 of the Local Government Code authorizes the governing body of the municipality to delegate powers and responsibilities to municipal officers;

**WHEREAS**, Chapter 51.012 of the Local Government Code authorizes municipalities to adopt ordinances that are necessary for the good order of the municipality and the Town Council has determined that it would be advantageous and beneficial to the citizens of Lakewood Village, Texas to authorize the Mayor as provided herein;

**WHEREAS**, the Town Council desires the Mayor to execute documents without necessitating a Resolution or other authorization, subject to the Town Council's sole discretion to designate the Mayor to execute such documents;

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:**

**SECTION 1: Findings**

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein

**SECTION 2: Savings / Repeal**

All ordinances that are in conflict with the provisions of this ordinance, and the same are hereby repealed and all other ordinances of the town not in conflict with the provisions of this ordinance shall remain in full force and effect.

Financial Responsibility Ordinance 08-10 and Salary for Office of Mayor 99-01 are hereby repealed in their entirety.

**SECTION 3: Adoption**

The Financial Responsibility Ordinance attached hereto as Exhibit A is hereby adopted as the financial responsibility ordinance for the Town.

**SECTION 4: Superseding Regulation or Statute**

Whenever any applicable statute, regulation, or permit of any state, federal, or other agency, having jurisdiction over the subject matter of this Ordinance, is in conflict herewith, the stricter requirement shall apply, unless mandated otherwise.

**SECTION 5: Severability**

A. Unconstitutional or Invalid Section

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect.

B. Independent Sections

The Town hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and/or phrases be declared unconstitutional or invalid.

**SECTION 6: Effective Date**

The amendments to this Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the Town Council of the Town of Lakewood Village, Texas this the 12th day of June, 2014.

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Mike Schnittker  
Mayor

ATTEST:

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Linda Asbell, TRMC  
Town Secretary

## **Exhibit A**



## **FINANCIAL CONTROLS**

**Adopted: June 12, 2014**

## **SECTION 1: MAYOR**

### **1.1. CONTRACTS**

#### **1.1.1. Authority**

The Mayor is hereby authorized, without further requirements or authorization, to execute any and all documents, agreements, and contracts that:

- 1) Have been approved by the Town Council; or
- 2) Are related to expenditures not exceeding \$10,000, which have been approved by the Town Council through the adoption of the annual budget, or
- 3) Are related to a capital expenditure exceeding \$10,000 that:
  - i. Has been approved by the Town Council on an individual, project specific vote, and
  - ii. Is a council-approved written contract specifying a firm-fixed price, project scope, task completion time-line, and penalty provisions for non-performance.

The preceding provisions do not authorize the Mayor to execute contracts that may have no monetary value unless approved by Council (e.g. developer agreements, inter-local agreements, legal settlements).

### **1.2. PERSONNEL**

In order to maintain the operations of the Town and preserve public health and safety, the Mayor shall have the authority to hire temporary workers and contract laborers. This power shall not extend to the hiring or removal of Lakewood Village Municipal Officers, specifically the Town Secretary, Municipal Court Judge, Town Attorney, Town Engineer, and Town Building Official or any other municipal officers the Town designates under Chapter 22.071 of the Local Government Code.

Temporary workers can be employed without council approval under the following conditions:

- 1) The period of employment is less than 60 days; and
- 2) The related personnel expense is less than \$10,000; and
- 3) There are sufficient funds in the budget (e.g., contingency, contract labor).

### **1.3. SUNSET PROVISION**

Unless extended by an affirmative vote of the Town Council, the authorizations under the preceding section shall expire after a change in the officeholder of Mayor.

## **SECTION 2: CHIEF INVESTMENT OFFICER (CIO)**

The Chief Investment Officer is responsible for the following:

- 1) Investing municipal funds according to the Town's approved investment policy;
- 2) Ensuring the Town's compliance with the Public Funds Investment Act;
- 3) Maintaining sufficient liquidity to fund the Town's operations; and
- 4) Ensuring the Town meets its debt servicing obligations.

The CIO also has the fiduciary duty to operate the Lakewood Village 403 (b) retirement account for the benefit of Town employees. The CIO is the plan administrator with the legal authority to operate the plan in compliance with ERISA and all applicable IRS regulations.

### **SECTION 3: BANKING**

#### **3.1. BANK ACCOUNTS AND AUTHORIZED SIGNATORIES**

The Council shall approve the opening and closing of all Town, EDC, and MDD bank accounts. The Town Council shall approve all signatories for the Town, EDC, and MDD checking accounts.

#### **3.2. LIMITATIONS OF CHECK-WRITING**

All checks and EFT's are subject to the following conditions:

- 1) All checks and EFT's require two signatures;
- 2) A person cannot sign a check payable to themselves or a family member;
- 3) Checks in the amount of \$10,000 or greater shall not be signed unless
  - a. The payment relates to a contractual obligation approved by the Town Council; or
  - b. The payment is for legal services provided by the Town attorney; or
  - c. Has been specifically authorized by the Town Council.

#### **3.3. FUND TRANSFERS**

The Town's banking and financial accounting system physically segregates funds into operating and reserve accounts. Operating accounts are maintained at the minimum level sufficient for current expenditures, while the bulk of the Town's funds are in reserve accounts. To limit access and minimize potential at-risk funds, reserve accounts have no check-writing privileges, are not eligible for direct deposit/debit, or electronic bill pay. The Funds are only accessible through electronic transfers to existing accounts.

To ensure adequate liquidity and efficient investment allocations, all fund transfers in excess of \$5,000 must be approved by the Chief Investment Officer.

#### **3.4. CASH MANAGEMENT**

It is the policy of the Town that cash-on-hand shall be minimized. The petty-cash drawer shall be maintained at \$200 or less and be reconciled as needed. It is the goal of the Town to deposit all cash receipts within 48 hours. Cash payments of expenditures exceeding \$200 are prohibited.

### **SECTION 4: REIMBURSEMENTS AND COMPENSATION**

#### **4.1. REIMBURSEMENTS**

Reimbursements for personal expenditures that are directly related to Town business shall be promptly paid subject to:

- 1) Submittal of receipts or official documentation of the expense;
- 2) Reimbursement maximum of \$1,000, unless pre-authorized by the Mayor;

- 3) Travel less than 100 miles round-trip is not eligible for mileage reimbursement;
- 4) Expenses for spouses or traveling companions are ineligible.

Subject to the aforementioned, reimbursements for personal automobile travel shall be at the current Internal Revenue Service standard mileage rate. Actual lodging expenses shall be reimbursed with receipts. Meals and Incidentals shall be reimbursed according to the official U.S. General Services Administration M&I rate. No receipts for meals and incidentals are required.

#### **4.2. COMPENSATION**

Councilmembers shall not receive any compensation for their service. Councilmembers shall not receive any financial allowances or emolument of any kind.

### **SECTION 5: DEFINITIONS**

#### **5.1. GENERAL**

Terms which are used in this Ordinance and are not specifically defined shall be given their ordinary meaning, unless the context requires or suggests otherwise. In the case of ambiguity or uncertainty concerning the meaning of a particular term, whether or not defined, the town staff shall have the authority to assign an interpretation which is consistent with the intent and purpose of this Ordinance, or an interpretation which is consistent with previous usage or interpretation.

#### **5.2. WORDS OR TERMS DEFINED**

Mayor: shall include those persons designated Acting Mayor if the mayor position is vacant.

## **End of Exhibit A**

### **Adoption and Summary of Amendments**

<b>Ordinance Number</b>	<b>Date</b>	<b>Summary</b>
14-06	June 12, 2014	<ul style="list-style-type: none"><li>• Defined contractual authority</li><li>• Imposed controls on financial activities</li></ul>
08-10	Nov 13, 2008	REPEALED
99-01	Feb 4, 1999	REPEALED