

*Jesus Ruiz*  
Mayor

*Rene Rodriguez*  
At Large

*Sergio Cox*  
District 1



*Gloria M. Rodriguez*  
District 2

*Victor Perez*  
District 3 / Mayor-Pro Tem

*Vacant*  
District 4

*Willie Norfleet, Jr.*  
City Manager

**NOTICE OF SPECIAL COUNCIL MEETING  
OF THE CITY COUNCIL  
OF THE  
CITY OF SOCORRO**

.....  
THE FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATION FOR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY CLERK'S OFFICE AT (915) 858-2915 FOR FURTHER INFORMATION.  
.....

NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF SOCORRO, TEXAS WILL BE HELD ON THURSDAY THE 25<sup>th</sup> DAY OF SEPTEMBER, 2014 AT 6:00 P.M. AT THE CITY HALL CHAMBERS, 860 N. RIO VISTA RD., SOCORRO, TEXAS AT WHICH TIME THE FOLLOWING WILL BE DISCUSSED:

1. Call to order
2. Pledge of Allegiance and a Moment of Silence
3. Establishment of Quorum
4. **Public Comment** (The maximum time for public comment will be 30 minutes and three minutes will be allotted for each speaker. Government Code 551.042 allows for responses by city council to be a statement of specific factual information given in response to the inquiry; or a recitation of existing policy in response to the inquiry; or a decision to add the public comment to a future agenda.)

**REGULAR AGENDA**

**PUBLIC COMMENTS ARE NOT TAKEN DURING THE INTRODUCTION OF ORDINANCES. PUBLIC COMMENTS WILL BE ALLOWED AT THE DATE OF THE SCHEDULED PUBLIC HEARING – ORDINANCE 320.**

## **FINANCE DEPARTMENT**

5. ***Discussion and action*** on approving the accounting manual for the City of Socorro.  
***Karina Hagelsieb***
6. ***Discussion and action*** on approving the fixed asset manual for the City of Socorro.  
***Karina Hagelsieb***

## **CITY ATTORNEY**

7. ***Discussion and action*** on reconsideration of the previously approved procurement method for Socorro Bridge Project aka Wilton Conners Way Bridge, Project No. 14-006, from competitive sealed proposal to competitive unit price sealed bid and ratification of prior action taken in soliciting competitive unit price sealed bids for this project.  
***James A. Martinez***

## **EXECUTIVE SESSION**

The City Council of the City of Socorro may retire into EXECUTIVE SESSION pursuant to Section 3.08 of the City of Socorro Charter and the Texas Government Code, Sections 551, Subchapter D to discuss any of the following: (The items listed below are matters of the sort routinely discuss in Executive Session, but the City Council of the City of Socorro may move to Executive Session any of the items on this agenda, consistent with the terms of the Open Meetings Act.) The City Council will return to open session to take any final action and may also, at any time during the meeting, bring forward any of the following items for public discussion, as appropriate.

Section 551.071 CONSULTATIONS WITH ATTORNEY

Section 551.072 DELIBERATION REGARDING REAL PROPERTY

Section 551.073 DELIBERATION REGARDING PROSPECTIVE GIFT

Section 551.074 PERSONNEL MATTERS

Section 551.076 DELIBERATION REGARDING SECURITY

Section 551.087 DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

### ***Discussion on the following:***

8. ***Discussion and action*** on advice received from City Attorney in closed session, and action to approve real estate transaction; authorize filing or settlement of legal action; authorize employment of expert witnesses and consultants, and employment of special counsel with respect to pending legal matters.  
***Willie Norfleet, Jr.***
9. ***Discussion and action*** on qualifications of individuals for employment and for appointment to Boards & Commissions, job performance of employees, real estate acquisition and receive legal advice from City Attorney regarding legal issues affecting these matters.  
***Willie Norfleet, Jr.***
10. ***Discussion and action*** regarding pending litigation and receive status report regarding pending litigation.  
***Willie Norfleet, Jr.***

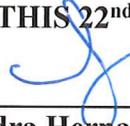
**11. Adjourn**

**DATED THIS 22<sup>nd</sup> DAY OF SEPTEMBER 2014**

By:   
**Sandra Hernandez, City Clerk**

I, the undersigned authority, hereby certify that the above notice of the meeting of the City Council of Socorro, Texas is a correct copy of the notice and that I posted this notice at least Seventy-two (72) hours preceding the scheduled meeting at the City Administration Building, 124 S. Horizon Blvd., in Socorro, Texas.

**DATED THIS 22<sup>nd</sup> DAY OF SEPTEMBER 2014.**

By:   
**Sandra Hernandez, City Clerk**

Agenda posted: 9.22.14 @ 10:30 Am

Removed: \_\_\_\_\_ Time: \_\_\_\_\_ By: \_\_\_\_\_



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*J.E. "Chito" Bowling*  
District 4  
*Willie Norfleet, Jr.*  
City Manager

**DATE: SEPTEMBER 18, 2014**

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: KARINA HAGELSIEB**

**SUBJECT: DISCUSSION AND ACTION ON APPROVING THE ACCOUNTING MANUAL FOR THE CITY OF SOCORRO.**

**SUMMARY**

This item is presented to resolve audit finding 2013-03 which reads as follows:

*The City of Socorro does not have a formal accounting policies and procedures manual. The City has procedures established by each department; however, the procedures have not been compiled into one accounting policies and procedures manual that has been approved by the governing board of the City of Socorro.*

**STATEMENT OF THE ISSUE**

The Charter of the City of Socorro Section 5.12 stipulates:

*The City shall adopt an accounting manual prepared by the City Manager, which shall provide procedures to be followed in detail for recording and reporting of financial transactions. Changes in such accounting manual may be made, as may from time to time be necessary, by the City Manager, providing such changes do not weaken controls as may be advised by the auditor. Accounting controls shall be adequate to protect the assets of the City, but shall not be restrictive beyond the value of the assets being controlled.*

The City of Socorro has operated with an informal accounting policies and procedures manual. This request will formalize/adopt the procedures which take place on a daily basis. In addition, this manual serves as a point of information to stakeholders on issues relating to the financial processes which take place and discloses information on balances on Certificates of Obligation, lists the chart of accounts, funds, audit procedures, etc.

**FINANCIAL IMPACT**

**No cost is involved.**

**ALTERNATIVE**

The alternative is not to approve this item if further revisions/additions are required, or to approve with the stipulation that recommended modifications are made.

**STAFF RECOMMENDATION**

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The Staff recommends approving this item.



**City of Socorro**

# **ACCOUNTING MANUAL**

***SEPTEMBER 18, 2014***

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This manual is being prepared to comply with the Charter of the City of Socorro Section 5.12 which stipulates; ***The City shall adopt an accounting manual prepared by the City Manager, which shall provide procedures to be followed in detail for recording and reporting of financial transactions. Changes in such accounting manual may be made, as may from time to time be necessary, by the City Manager, providing such changes do not weaken controls as may be advised by the auditor. Accounting controls shall be adequate to protect the assets of the City, but shall not be restrictive beyond the value of the assets being controlled.***

### **ACCOUNTS RECEIVABLE**

The City of Socorro records revenue from various sources as follows:

- Property Taxes
- Sales Taxes
- Franchise Taxes
- Planning & Zoning Fees
- Municipal Court Fees/ Citations
- Grant Funding
- Police Fees

Incoming mail is opened by the Administrative Receptionist. Any checks received are date stamped and recorded in a log. The checks are given to the Chief Financial Officer for acknowledgement of receipt and processing for deposit. The checks are given to the Accounting Technician and are deposited within 48 hours of receipt. The State Comptroller of Public Accounts will direct deposit sales taxes and grant funds to the respective checking accounts. The City of El Paso Tax Office wire transfers property tax revenue in the respective checking accounts. These deposits are reconciled monthly by the Chief Financial Officer.

The City generates revenues from three departments as follows:

- Police Department
- Municipal Court
- Planning & Zoning

These departments collect payment and issue the receipt at the time of service. No cash is accepted, only credit card, checks or money orders. The receipts are recorded monthly in the accounting software by each department. The Accounting Technician will review the cash receipts before presenting them for approval for posting to the Chief Financial Officer. All cash receipts are reconciled against the bank on a monthly basis.

If a department received a check which is returned for insufficient funds (NSF), the depository bank will notify the Accounting Department. Once notification has been given to the respective departments, a \$35.00 administrative fee will be issued to the insufficient check writer.

**ACCOUNTS PAYABLE**

All city departments enter requisitions in the system for approval according to the City’s Purchasing Policy. Once the requisition has been approved, a purchase order (PO) is generated and presented to the City Manager for approval/signature. Any purchase orders not signed by the City Manager are not binding. Department heads will be accountable for any purchases made without proper approval. Once goods and services have been rendered, the invoice is submitted to the Accounting Technician along with a receiving report and the purchase order number. All receiving reports must be signed by the department head requesting payment. All invoices and receipts must be signed by the person receiving the goods and/or services. Please refer to the purchasing policy for items not requiring PO’s and for thresholds associated with purchases.

Once checks are generated, these are presented to the authorized signors. The approved signors are the Mayor, Representative At-Large, and District 4 Representative. All vendors are required to be paid within 30 days of receipt of invoice. All checks require two signatures.

**BANK RECONCILIATIONS**

The City of Socorro has established six (6) accounts with its depository bank, Wells Fargo, as follows:

<b>Fund</b>	<b>GL</b>	<b>Description</b>
General Fund	01010	General Operations for the City. M&O property taxes, department revenues, sales taxes & franchise taxes.
General Fund/Payroll	01011	All payroll transactions.
Special Revenue Fund	01047	Grant funds and municipal court monies owed to the State and/or County, HOT taxes, and Peg fees.
Special Revenue/Local Law	01009	Local Law Enforcement activity.
Debt Service Fund	01001	Debt service taxes are deposited here and payment for CO's are made from this account.
Capital Projects Fund	01048	Revenues from CO's are deposited and expended from this account.

The bank statements are available via Wells Fargo Website at [www.wellsfargo.com](http://www.wellsfargo.com). The statements are kept on file electronically in the shared drive in the accounting folder.

All accounts are reconciled on a monthly basis by the 15<sup>th</sup> day of the subsequent month. General ledger activity such as bank charges, payroll charges, correcting and adjusting entries are made by the Chief Financial officer in order to record transactions timely and accurately.

## **BUDGET**

Section 5.02 of the City of Socorro Charter mandates that no later than forty five (45) days prior to the close of the fiscal year, the City Manager shall submit to City Council a budget for the coming year.

The budget is presented to the City Council for approval. The budget is entered in the Accounting System by line item and department as follows:

<b>Department Number</b>	<b>Department Name</b>
00002	City Manager
00003	Public Works
00005	Police
00006	Municipal Court
00007	Planning & Zoning
00008	Health
00010	Grants
00012	Human Resources
00013	Mayor & Council
00014	City Clerk
00015	Finance
00016	Recreational Centers
00017	Parks

The chart of accounts records the transaction by activity and/or description as follows:

<b>Account Code</b>	<b>Account Title</b>	<b>Account Type</b>
01001	Wells Fargo- Debt Service	CSH
01002	Child Safety-Fund I	CSH
01003	Child Safety-Fund II	CSH
01005	FNB-Fire Station Account	OA
01006	1st National/Debt	CSH
01007	Court Building Security Fund	CSH
01009	Wells Fargo- Local Law Enf.	CSH
01010	Wells Fargo-M&O	CSH
01011	Wells Fargo-Payroll	CSH
01012	Owner Occupied Home Program	CSH
01013	Cash in Bank-Savings	CSH
01015	Cash-1993 CDBG 703859	CSH
01016	Petty Cash Fund	CSH
01017	Cash-CDBG 1992 Wtr Exp Grant	CSH
01018	Cash-1994 Home Project	CSH
01019	Cash-FNBF Construction Fund	CSH
01020	Investments-Texpool	CSH

01021	Investments-Lone Star	CSH
01022	Unrealized Appreciation	OA
01023	Def. Comp. Investments	OA
01024	1st National/M & O Acct	CSH
01025	1st National/Payroll	CSH
01028	Homebuyers Assistance	CSH
01030	Cash-Mission Trail	CSH
01031	Cash-Step Program	CSH
01032	MNB-Rio Vista C.C.-Health Fair	CSH
01033	FNB-Rio Vista C. C.-Fiesta De	CSH
01034	SPD Seized and Forfeited	CSH
01035	Local Law Enforcement Blk Grnt	CSH
01036	Tourism Account	CSH
01037	CDBG Contract #719781	CSH
01038	Court Technology Fund	CSH
01039	Logic-Investments	CSH
01040	CO-2001 Series	CSH
01041	C of O	CSH
01043	1st National-CD	CSH
01044	TCDP Funds	CSH
01045	Park Funds	CSH
01046	CO-2004 Series	CSH
01047	Wells Fargo- Special Revenue	CSH
01048	Wells Fargo- Capital Projects	CSH
01049	Wells Fargo Brokerage-Investme	CSH
01100	Accounts Receivable	OA
01101	Allowance for Bad Debt	OA
01200	Property Taxes Receivable	OA
01201	Sales Taxes Receivable	OA
01202	Franchise Taxes Receivable	OA
01203	Muni.Court Warrants Receivable	OA
01205	Allowance	OA
01206	Gas Inventory	OA
01207	Disel	OA
01208	Base Inventory	OA
01210	Prepaid Insurance	OA
01215	Prepaid Contracts	OA
01220	Allowance for Uncoll. Warrants	OA
01248	Accounts Receivable	AR
01249	Old Accounts Receivable	ARO
01250	Due From Grantor	OA
01251	Inter-Fund Receivable	IFR
01254	Returned Checks	OA

01255	Returned Checks	OL
01300	Security Deposits	OA
01305	Prepaid Rent	OA
01311	Machinery & Equipment	FAO
01312	Vehicles	FAO
01321	Buildings and Improvements	FAO
01331	Office Furniture and Fixtures	FAO
01341	Land	FAO
01345	Software	FAO
01352	Work in Progress	FAO
01353	Infrastructure	FAO
01366	Leasehold Improvements	FAO
01371	Park Improvements	FAO
01400	Amounts to be Provided	OA
01500	Accumulated Depreciation	FAO
01511	Accum. Dep - Machinery & Equip	FAO
01512	Accum. Dep - Vehicles	FAO
01521	Accum. Dep - Buildings	FAO
01531	Accum. Dep - Office Furniture	FAO
01545	Accum. Dep - Software	FAO
01552	Accum. Dep - Work in Progress	FAO
01553	Accum. Dep - Infrastructure	FAO
01566	Accum. Dep - Leasehold Improve.	FAO
01600	Bond Issuance Discount	OA
01800	Bond Issuance Costs	OA
02000	Accounts Payable Clearing Acct	APO
02001	Accounts Payable	OA
02004	Accounts Payable	AP
02005	Supplemental Ins. Withheld	OL
02008	Aetna pre/post tax liability	OL
02050	T.E.C. Payable	OA
02051	T.E.C. Payable	OL
02101	Employee deduction #1	OL
02102	Employee deduction #2	OL
02103	Employee deduction #3	OL
02104	Employee deduction #4	OL
02105	Employee deduction #5	OL
02106	Spousal Maintenance	OL
02110	Accrued Salaries	OA
02115	State Fees Payable	OL
02122	Compensated Absences	OA
02124	Teen Court County Payable	OL
02126	Child Safety Seat/Belt Fines	OL

02200	Inter-Fund Payable	IFR
02201	Deferred Tax Revenues	OA
02207	Ford Motor Credit	OA
02216	Certificate of Obligation-1999	OA
02218	FNBF-Marshal Car	OL
02219	FCG-Backhoe	OL
02220	TXDOT	OL
02221	Deferred Grant Revenues	OL
02222	Certificate of Obligation-2001	OL
02223	Certificate of Obligation-2004	OL
02224	Certificate of Obligation-2008	OL
02225	FNBF-Pothole Patcher	OL
02226	FNBF-Police Cars	OL
02227	State Infrastructure Bank	OL
02228	Certificate of Obligation-2010	OL
02229	Refunding Bond-2010	OL
02230	Certificate of Obligation-2011	OL
02231	Certificate of Obligation-2012	OL
02232	Certificate of Obligation 2014	OL
02500	Due to grantor	OL
02599	Dental Premiums Withheld	OL
02600	Accrued Expenses Payable	OL
02601	Health Insurance Payable	OL
02602	Deferred Compensation Withheld	OL
02603	Insurance Premiums Withheld	OL
02604	Cleat Dues	OL
02605	Dental Insurance Payable	OL
02606	Vision Ins. Payable (Benefit)	OL
02607	Fidelity Accrued Expense Payab	OL
02608	Local 59-AFL-CIO	OL
02609	Accrued Salaries	OL
02610	FICA Taxes Withheld/Payable	OL
02611	Federal Income Taxes Withheld	OL
02612	Retainer	OL
02613	Due to Others	OL
02614	Vision Payable (EmplDeduction)	OL
02615	HSA Health Savings	OL
02620	Deferred Compensation Payable	OL
02622	Compensated Absences	OL
02702	FNB-Line of Credit Payable	OL
02703	Monroe Note Payable	OL
02704	Fire Truck Capital Lease	OL
02705	Ford Motor Credit	OL

02706	Ford Motor Note Payable	OL
02708	Grader Capital Lease	OL
02709	Richardson Capital Lease	OL
02710	Certificate of Obligation-1988	OL
02711	Certificate of Obligation-1993	OL
02712	Ford Motor Credit-Police Car	OL
02714	Due to State	OL
02715	Notes Payable	OL
02716	Certificate of Obligation-1999	OL
02717	Govt. Leasing	OL
02800	Accrued Interest Payable	OL
02900	Bond Premium	OA
03000	Fund Balance-Unrestricted	NAE
03100	Fund Balance-Restricted	NAE
03200	Fund Balance-Restricted	OA
03250	Investment in Fixed Assets	OA
03255	Construction in Progress	OA
03310	Fund Balance-Designated St.Pr	NAE
03312	Fund Balance-Designated Park	OA
03314	Fund Balance-Designated-Admin	OA
04201	Property Taxes	REV
04202	Sales Taxes	REV
04203	Franchise Taxes	REV
04204	Hotel Tax	REV
04205	PEG Capital Fee Revenue	REV
04206	Delinquent Prop Tax Rev	REV
04300	State Fees	REV
04301	Court Building Security Fund	REV
04302	COURT TECHNOLOGY FUND	REV
04404	Interest Earned	REV
04405	Gain/Loss on Investments	REV
04406	Proceeds from LOC	REV
04407	Certificate of Obligation 2001	REV
04408	Certificate of Obligation 2008	REV
04409	Certificate of Obligation-2010	REV
04410	Certificate of Obligation-2011	REV
04411	Certificate of Obligation 2012	REV
04500	Other Planning Fees(Fireworks)	REV
04501	Building Permits	REV
04502	Business Registration Permits	REV
04503	Rezoning Fees	REV
04504	AdmMisc-Copies,City Clrk Prmt	REV
04505	Mobile Home Permits	REV

04506	City Clerk Fees/Permits	REV
04507	Muni. Court Judgements/Fines	REV
04508	Traffic Fines-Restricted	REV
04509	Excavation Fees	REV
04510	Municipal Court Warrants	REV
04511	Juvenile Case Management Fee	REV
04512	Municipal Court Technology	REV
04602	County Inspections	REV
04603	Street/Authority Contract Fees	REV
04604	Police Fees	REV
04701	Rental Income	REV
04702	Grants	REV
04703	Sale of Fixed Assets	REV
04704	Other Revenue	REV
04705	Fund Raising	REV
04706	Donated Property	REV
4707	Auction Revenue	REV
04707	Auction Revenue	REV
04708	Parkland Fees	REV
4708	Parkland Fees	REV
04709	PD Auction/Seizures Revenue	REV
04710	Donations-Activities	REV
04711	Grant Reimbursement	REV
04712	Safe Routes to School	REV
04713	Reimbursed cost	REV
04714	Park Fees	REV
04802	Local Matching Funds	REV
04900	Transfer-In	IFT
04903	Miscellaneous Income	REV
04910	Def. Comp. Contributions	REV
04911	Cash overage or shortage	REV
04999	Prior Years Revenue	REV
05101	Salaries	EXP
05102	Council Members Compensation	EXP
05103	Overtime	EXP
05104	Job Reclassification	EXP
05105	Settlement-Salary Exp	EXP
05110	Federal Income Tax Withheld	EXP
05111	FICA/Medicare Taxes	EXP
05112	T.W.C. Payroll Taxes	EXP
05113	Health Insurance Premiums	EXP
05114	Workers Compensation Insurance	EXP
05115	Deferred Compensation Benefits	EXP

05116	Life Insurance	EXP
05117	Dental Insurance Expense	EXP
05118	Vision Insurance Expense	EXP
05201	Office Expense and Supplies	EXP
05202	Medical Supplies	EXP
05203	K-9 Maintenance	EXP
05211	Postage	EXP
05212	Tools and Supplies	EXP
05213	Uniforms	EXP
05301	Rentals/Leases	EXP
05310	Building Modifications/A.D.A.	EXP
05311	Building & Property Maintenance	EXP
05312	Street Maintenance	EXP
05313	Utilities	EXP
05314	Telephone	EXP
05315	Personal Property Taxes	EXP
05317	Park Maintenance	EXP
05318	Leasehold Improvements	EXP
05319	Street Patching P-100	EXP
05320	Street Overlay O-200	EXP
05321	Street Reconstruction R-300	EXP
05322	St Overlay/Reconstr OR-400	EXP
05323	Street Traffic Signs T-500	EXP
05324	Street Miscellaneous M-600	EXP
05325	Recycling Center	EXP
05411	Legal Fees	EXP
05510	Property Insurance	EXP
05511	Advertising/Drug Testing	EXP
05512	Audit Fees	EXP
05513	Central Appraisal Fees	EXP
05514	Conferences	EXP
05515	County Elections	EXP
05516	Dues/Subscriptions	EXP
05517	Bank Charges	EXP
05518	Liability Insurance	EXP
05519	Program Development	EXP
05520	Service Contracts	EXP
05521	Support Activities	EXP
05522	Tax Collector Fees	EXP
05523	Equipment Rental/Lease	EXP
05524	Public Relations	EXP
05525	Health Contract	EXP
05526	Human Resources	EXP

05527	Seminars/Training/Workshops	EXP
05528	Interest Charges	EXP
05529	Principal Payments	EXP
05530	Finance Charge	EXP
05531	State Fees	EXP
05532	Miscellaneous Expense	EXP
05533	Travel/Mileage-Council	EXP
05534	Seminars-Council	EXP
05535	Vehicle Lease	EXP
05536	Civil Process Expense	EXP
05537	Bad Debt Expense	EXP
05538	Late Charge	EXP
05539	Discretionary Fund/Mayor	EXP
05540	Discretionary District 2	EXP
05541	Discretionary District 1	EXP
05542	Discretionary District 3	EXP
05543	Discretionary District 4	EXP
05544	Discretionary District At Lrg	EXP
05545	Donation-Xmas Lighting	EXP
05546	Marketing Exp	EXP
05547	Fees & Penalties	EXP
05610	Office Furniture	EXP
05611	Radio Communications and Maint	EXP
05612	Vehicle Repair & Maintenance	EXP
05613	Equipment Repair & Maintenance	EXP
05614	Vehicle Fuel	EXP
05711	Travel/Mileage/Per Diem	EXP
05717	Engineering Retainer	EXP
05718	Architect Services	EXP
05810	Property and Equipment	EXP
05812	Depreciation Expense	EXP
05900	Emergency Aid and Assistance	EXP
05901	Amortization Expense	EXP
05911	Contingency	EXP
06200	PEG Capital Expense	EXP
06300	Park and Ride Lease/Improve.	EXP
06410	Local Match-Construction	EXP
06420	Local Match-Engineering	EXP
06421	Engineering	EXP
06430	Water Connections-Match	EXP
06435	General Administration Costs	EXP
06440	Grant Expense	EXP
06450	Administrative Match	EXP

06451	Grant In-kind Match	EXP
06900	Transfer-Out	IFT
07000	Inter-Fund Transfers	IFR
07100	Street Improvements	EXP
07150	01CO's Rio Vista Renov Exp.	EXP
07200	Home Rehabilitation	EXP
07210	Relocation Costs	EXP
07230	SECO Grant Expense	EXP
07250	Homebuyer Assistance Expense	EXP
07251	Home Assistance Down Payment	EXP
07252	Consultant Fee	EXP
07253	Amy Young-Consulting Services	EXP
07300	General Administration	EXP
07301	SRTS-Hueco	EXP
07302	SRTS-Hilley	EXP
07303	SRTS-Escontrias	EXP
07304	SRTS-Campestre	EXP
07305	SRTS-Sanchez	EXP
07306	SRTS-Socorro	EXP
07307	SRTS-Rojas	EXP
07308	SRTS-Serna	EXP
07309	Safe Routes to School	EXP
07400	Water Facilities Construction	EXP
07401	TX Main Street Project	EXP
07402	TX Dt of Housing and Comm Aff	EXP
07500	Street Construction	EXP
07510	Park Improvements	EXP
07520	08/09CO's-Land Acquis./Misc.	EXP
07530	2010 Certificates of Oblig.	EXP
07540	CERTIFICATE OF OBLIGATION-2011	EXP
07550	CERTIFICATE OF OBLIGATION 2012	EXP
07560	Certificate of Obligation 2014	EXP
07600	Tourism General Expenses	EXP
07700	Court Technology Expense	EXP
07701	Court Building Security Expens	EXP
07802	Local Match Transfers Out	EXP
07810	Interfund Transfers Adjustment	EXP
08000	Settlements	EXP
08001	Accts.payable from prior years	EXP
08100	Bond Issue Costs	EXP
08101	Bond Insurance Expense	EXP
08200	Bad Debt Expense	EXP

## GRANTS

The City of Socorro contracts with a third party for all of its grant activity. This service includes grant writing, administration, and management. The third party or “Grant Administrator” is responsible for seeking grants and submitting applications to granting agencies based on the needs of the City of Socorro. Once the grants have been awarded, drawdowns are performed by the Grant Administrator. Grant reimbursements are either directly deposited in the Special Revenue Wells Fargo account or reimbursements are mailed to City Hall. The Grant Administrator ensures all expenses meet the contractual requirements, files grant extensions and budget amendments to ensure grant funds are expended to their entirety.

The Finance Department monitors grant expenditure requests by ensuring the general ledger coding is accurate and that expenditures adhere to the grant agreement to include timing and dollar limits per line item. As an example, the following list depicts several grant codes which are used to classify grants:

<u>Account Code</u>	<u>Account Title</u>
30065	TDHCA
40761	TDRA-Donna Marie CDBG
50086	USDOJ-JAG
50374	USDOJ-JAG
50410	JAG-50410 Edward Byrne Memorial
BPVP	Bullet Proof Vest Partnership
BS14	Border Security Star 14
COPS	Cops Fast Grant
COPSM	Cops More-98CMWX1352
FEMA	FEMA-06 Flooding Grant
FLOOD	Flood Emergency
GRANT	GRANT
HB2	Homebuyers Assistance 2
HOM5	Homebuyers 5- #542052
HOME	TX Dept Hsg & Comm Affairs
JAG	JAG CJD 2748501
LB	LLEBG-2001-LB-BX-4320
LBS12	LOCAL BORDER STAR 2012
LBSP	Local Border Security Prog.-PD
LEOSE	Law Enforcement Officer
LOLAW	Local Law Enforcement CH 59
SRS	Small Road Sign
SRT1	Safe Routes to School-Campestre
SRT2	Safe Routes to School-Escontrias
SRT3	Safe Routes to School-Hilley
SRT4	Safe Routes to School-Hueco
SRT5	Safe Routes to School-Robert R
SRT6	Safe Routes to School-Ernesto
SRT7	Safe Routes to School-Sanchez
SRT8	Safe Routes to School-Socorro

## **INVESTMENTS**

The City of Socorro has adopted an Investment Policy, Ordinance No. 250, to adhere to Chapter 2256.005 of the Texas Public Funds Investment Act. The investment policy names the following titles/individuals as the Investment Officers for the City of Socorro:

- (a) Two (2) Elected Officials (Council Member(s) and/or Mayor)
- (b) City Manager (City Employee)
- (c) Chief Financial Officer (City Employee)

The Investment Officers for letter (a) above are the Mayor and Representative At-Large. The Investment Policy shall be presented to Council annually for review by the Administration. The Investment officers shall attend an investment training session no less often than once every two years commencing in October 1, 2005 and shall receive not less than 10 hours of instruction relating to investment responsibilities. The certificates of completion must be filed at the City Clerk's office by each Investment Officer.

The City has the following investment portfolio:

<b>Depository Entity</b>	<b>Address</b>	<b>Telephone</b>	<b>Approximate Investment Amount</b>
LOGIC	335 N. St. Paul Dallas, TX 75201	(800) 895-6442	\$88,000
1st National Bank	7400 Viscount El Paso, TX 79925	(915) 779-7100	\$140,000

**LONG-TERM DEBT**

The City of Socorro issues Certificates of Obligation (CO) to improve and maintain the City’s infrastructure. These funds are used for constructing, reconstructing and improving sidewalks, streets and roads, including, bridges and intersections, street overlay, landscaping, traffic safety and operational improvement, culverts and related storm drainage and utility relocation, and the acquisition of land and interest in land as necessary. The City’s Ordinance of Issuance also provides for these funds to be utilized to purchase vehicles and equipment for public works and police department, construction and equipment of park and recreational facilities and improvements. In addition, legal, fiscal and engineering fees in connection with the aforementioned projects may be expended with CO proceeds. The City of Socorro has the following CO’s outstanding:

CO	Principal	Interest	Balance
2008	4,390,000	1,530,817	5,920,817
2010	4,205,000	1,217,175	5,422,175
2011	2,415,000	986,000	3,401,000
2012	4,575,000	2,178,463	6,753,463
2014	9,265,000	5,528,632	14,793,632
<b>Total</b>	<b>24,850,000</b>	<b>11,441,086</b>	<b>36,291,086</b>

The CO payment is made by the Paying Agent, US Bank, with property tax proceeds on a semiannual basis as follows:

Year	Principal	Interest	Total
2015	840,000	977,036	1,817,036
2016	900,000	913,417	1,813,417
2017	925,000	888,686	1,813,686
2018	955,000	862,136	1,817,136
2019-2023	5,270,000	3,796,025	9,066,025
2024-2028	6,395,000	2,678,361	9,073,361
2029-2032	9,565,000	1,325,427	10,890,427
<b>Total</b>	<b>24,850,000</b>	<b>11,441,086</b>	<b>36,291,086</b>

## **PAYROLL**

The Accounting Department processes payroll every two (2) weeks on Thursday. Hourly employees swipe a card to record time clocked in and time clocked out. Salaried employees complete a time sheet for record keeping. The Accounting Technician prints time sheets for hourly employees from the record keeping time clock. The information is entered from the time keeping system into the Accounting Software by the Accounting Technician. All leave requests must be submitted to the Accounting Technician within 24 hours of occurrence and by 11:00 am on Monday of the Payroll week. Leave request forms not meeting this deadline will be processed the following pay period. Missing swipes report will be emailed to department heads or supervisors for explanation. The explanation must be submitted in written form to the Accounting Department immediately. Jury Duty attendance verification forms must be submitted to the Accounting Technician for processing. A court summons requesting leave must be submitted to the Accounting Department along with proof of attendance in order to process the jury duty leave. Training agendas or other forms of supporting documentation of attendance are required in order to process paid leave for travel for training purposes.

Payroll distribution is made via direct deposit to the employee account or via check. Wells Fargo Bank automatically transfers funds to cover the wages for payroll from the General Fund to the Payroll Fund Account. The Accounting Technician places each check and remittance voucher in an envelope for distribution to department heads.

## **PETTY CASH**

The City departments maintain a small petty cash fund not to exceed 200 dollars. The petty cash custodian for each department is responsible for maintaining and reconciling the petty cash fund. Petty cash reimbursements are made to the departments by the Accounting Technician once the reconciliation of the receipts are presented for replenishment of the petty cash fund. All receipts must be signed with a short description of the nature for the purchase.

The following departments hold petty cash funds:

<b>Department</b>	<b>Amount</b>
Administration	\$ 200
Police	\$ 200
Municipal Court	\$ 100

## **END-OF-YEAR AUDIT**

The City of Socorro's fiscal year commences on October 1 through September 30<sup>th</sup>. A certified public accounting firm performs a yearly audit of the City's financial statements and provides an opinion based on the audit. In order to adhere to OMB circular A-133 mandates, a Single Audit is performed if Federal Award expenditures exceed \$500,000 in the fiscal year.

The independent auditors routinely require the staff to provide the following reports in order to conduct the yearly audit:

- Trial balance
- Approved annual budget
- Budget revisions for the fiscal year
- Copies of new lease agreements
- Copies of notes and certificates of obligations
- City Council meeting minutes for the fiscal year
- Journal entries for the fiscal year
- Organizational chart
- Bank reconciliations for all bank accounts
- First and last check number used in the fiscal year for each bank account
- List of authorized signors for all bank accounts
- Schedule for all interbank transfers
- Schedule of collateral securities held by the pledging financial institution
- Preparation of cash confirmation (forms to be supplied by auditor)
- Copies of Investment Statements
- Report of all accounts receivables for the fiscal year
- Statement supporting state fees
- Calculation of accrued salaries, including payroll register used
- Schedule of compensated absences
- Schedule of principal and interest payments to maturity by debt
- Preparation of debt confirmations (supplied by auditors)
- Schedule of all revenue received for fiscal year
- Preparation of property tax confirmations
- Copies of 941's for the fiscal year & reconciliation to the trial balance
- Schedule of expenses & revenues for Federal & State awards

*Jesus Ruiz*  
Mayor

*Rene Rodriguez*  
At Large

*Sergio Cox*  
District 1 / Mayor Pro Tem



*Gloria M. Rodríguez*  
District 2

*Victor Perez*  
District 3

*J.E. "Chito" Bowling*  
District 4

*Willie Norfleet, Jr.*  
City Manager

**DATE: SEPTEMBER 18, 2014**

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: KARINA HAGELSIEB**

**SUBJECT: DISCUSSION AND ACTION ON APPROVING THE FIXED ASSET MANUAL FOR THE CITY OF SOCORRO.**

**SUMMARY**

The fixed asset manual will establish the procedures necessary to safeguard the City's assets. This manual will serve as a guide to all department heads of their responsibilities and will establish accountability for everyone involved in the procurement process for fixed assets and inventory items.

**STATEMENT OF THE ISSUE**

**FINANCIAL IMPACT**

**No cost is involved.**

**ALTERNATIVE**

The alternative is not to approve this item if further revisions/additions are required, or to approve with the stipulation that recommended modifications are made.

**STAFF RECOMMENDATION**

The Staff recommends approving this item.



**City of Socorro**

**FIXED ASSETS MANUAL**

***SEPTEMBER 18, 2014***

## **City of Socorro Fixed Assets Standard Operating Procedures**

The purpose of this section is to establish organizational responsibilities of City departments and directors for fixed asset management, control accounting, and record keeping.

### **City Chief Financial Officer**

- Maintains the financial accounting records and reports on these resources on behalf of the citizens.
- Manages the assets assigned to the Finance Department.
- Establishes general ledger accounts for major asset classes, including appropriate depreciation according to established guidelines.
- Establishes fixed asset accounting and financial reporting policies that conform to GAAP.
- Oversee the annual fixed asset observation and count and follow up on the reconciliation of discrepancies.

### **Department Heads**

- Serve as overseers of the fixed assets, including land, land improvements, buildings, machinery, and equipment, that are assigned to their departments.
- Ensure full departmental compliance with the established fixed asset accounting policies and procedures, as stated by the Mayor, Chief Financial Officer, and Board of Directors, in order to maintain adequate records of the City's fixed assets.
- Perform an annual physical fixed asset observation and count and provide a report with discrepancies to the Chief Financial Officer.

### **Acquisitions**

Departments will identify and record all fixed assets in the appropriate asset management system. Cost by funding source will be recorded with each asset record. Fixed assets, including purchases, capital leases, construction, improvements, donations, or annexation, will be recorded regardless of acquisition type. Identification and tagging of assets will take place in accordance with the following guidelines:

- It is the department's responsibility to assign and record identification numbers (tags) to all fixed assets items.
- All fixed assets will be assigned an asset number upon receipt and before the item is placed into service.
- The department will assign tags to an asset in a visible and convenient location.
- Tags will remain on the asset throughout the life of the asset. Damaged tags will be replaced as needed.

### **Designation of Property as a Controlled Item**

- Certain property items with a value less than \$5,000 but equal to or greater than \$500 may be subject to control as if they were fixed assets. These items will be tagged and inventoried as controlled items, recorded in the City's fixed assets accounting records, and recorded at their original acquisition cost in the fixed asset management system. Controlled items will not be capitalized.

### **Transfers**

The transfer of assets will take place in accordance with the following guidelines:

- Each department will account for fixed asset transfers. This applies to transfers between departments (interdepartmental transfers) or within departments (intradepartmental transfers).
- Department directors will approve interdepartmental transfers.
- Once a transfer has been completed, the receiving department will confirm asset transfer information. For intradepartmental transfers, the department is responsible for recording information related to the transfer and for updating the fixed asset management system record.

### **Retirements and Disposals**

Departments will identify and record all fixed assets that are removed from service, retired, and disposed of. All assets that are sold, exchanged, traded, stolen, damaged beyond repair, worn beyond utilization, will be reported as retirements in the current fiscal reporting period.

### **Asset Inventory**

Departments will conduct a full inventory of all property and will provide the results of that inventory to the Chief Financial Officer. If there is a discrepancy of fixed assets, it will be the department's responsibility to locate assets and reconcile all discrepancies. The Chief Financial Officer will produce a City wide inventory report and provide this report to the Mayor and the Board of Directors upon request.

### **Annual Financial Reporting**

The Chief Financial Officer will maintain a schedule of general fixed assets in accordance with the established fiscal year-end close schedule and will comply with the reporting and disclosure requirements of current GAAP for governmental entities.