

TITLE 5**MUNICIPAL FINANCE AND TAXATION**¹**CHAPTER**

1. MISCELLANEOUS.
2. REAL AND PERSONAL PROPERTY TAXES.
3. PRIVILEGE TAXES.
4. WHOLESALE BEER TAX.
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CHAPTER 1**MISCELLANEOUS****SECTION**

- 5-101. Official depository for city funds.
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- 5-105. Expenditures.
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5-101. Official depository for city funds. All banks in the city limits are hereby designated as the official depository for all city funds. (1994 Code, § 5-101)

5-102. Fiscal year of the city. The fiscal year of the city shall be from the 1st day of July to the 30th day of June of the year next following. (1994 Code, § 5-102)

5-103. Checks to be countersigned. All checks drawn upon the bank account of the city in said depository shall be signed by the recorder, and shall be countersigned by the mayor of the said municipality. In the absence of the mayor, or if for any reason he is not available to sign checks, they may be countersigned by the vice-mayor of the city, or any other designated commissioner. (1994 Code, § 5-103)

¹Charter reference

Finance and taxation: see §§ 6-2201, *et seq.*

5-104. City officials to post bond. The city manager, recorder, treasurer, and any other officers, agent, or employee, having duties embracing the receipt, disbursement, custody, or handling of money shall, before entering upon his duties, execute a fidelity bond with some corporate surety authorized to do business, as a surety, in the State of Tennessee. The amounts of said bonds shall be as follows:

City manager		\$1,000.00
Recorder		\$5,000.00
Treasurer		\$5,000.00
All others	--	Such bond as shall be fixed by the city manager but not less than \$1,000.00

Whenever one (1) person holds more than one (1) office a single bond covering the duties of both offices in the amount of the larger bond specified above shall be sufficient. Any official bonded hereunder, may be required to increase his bond to whatever amount the board of commissioners deems necessary for the protection of the municipality whenever, in the discretion of the board of commissioners, such action is necessary. (1994 Code, § 5-104)

5-105. Expenditures. The city manager may make any purchase or expenditure provided said expenditure does not exceed five hundred dollars (\$500.00), without the approval of the board of commissioners. (1994 Code, § 5-105)

5-106. Investment management policy. (1) Investment objective. It shall be the philosophy of the City of Whitwell, Tennessee to be fully invested in instruments which ensure the earning of an acceptable yield and which minimize risks for loss of principal. Investments in different instruments shall be limited to those covered by this policy. The purpose of the maturity components of our investment portfolio shall be devised so as to take advantage of market opportunities which maximize yield and reduce the adverse effect of price volatility and in instruments which represent minimal risk of default by the issuing institution.

(2) Investment policies. (a) Ratings. Investments shall only be made in debt instruments of commercial banks or investment institutions or other obligors having a Standard and Poors (A) and Moody's (P) short-term credit rating of at least an A1 P1. For instruments not rated, deposits must be insured by the maximum authorized under the Federal Deposit Insurance Corporation, in instances where such insurance is applicable or a participant in the State of Tennessee's Bank Collateral Pool. Securities may also be pledged by the institutions to the city in accordance with state guidelines for collateralization of deposits.

(b) Portfolio diversification.

(i) The total investment with any particular bank, investment firm or obligor shall not exceed fifty percent (50%) of the total investment portfolio. Exceptions to this limit are investments in direct obligations of the United States and the State of Tennessee Local Government Investment Pool (LGIP).

(ii) Maximum components of the portfolio are limited to:

U.S. government securities	100%
Certificates of deposit	50%
Other government agency securities	25%
Banker's acceptances	25%
Commercial paper	25%
Repurchase agreements	10%
Pooled funds	100%

(c) Length of maturities. Maturities shall be utilized which ensure having funds available to meet current working capital and other capital requirements. Under normal circumstances, maturities will range from one (1) day to periods not in excess of two (2) years, invested, funds will have an average maturity of less than one (1) year.

(d) Foreign investments. Investments in foreign securities are not qualified investments and shall not be included in the investment portfolio.

(e) Definitions of and restrictions on accepted instruments. The city shall be permitted to invest in any of the following, subject to the allocation percentages and other policies stated above:

(i) U.S. government securities. Certain government securities, including U.S. Treasury Bills, Notes, and Bonds, and securities of the Government National Mortgage Association and the Federal Housing Administration, are issued or guaranteed by the U.S. Government and supported by the full faith and credit of the United States. Other U.S. government securities are issued or guaranteed by federal agencies or government sponsored enterprises and are not direct obligations of the United States but involve sponsorship or guarantees by government agencies or enterprises. These obligations include securities that are supported by the right of the issuer to borrow from the treasury, such as obligations of the Federal Home Loan Banks and securities that are supported only by the credit of the instrumentality such as

Federal National Mortgage Association bonds. Because the U.S. Government is not obligated to provide support to its instrumentalities, the city will invest in obligations issued by these instrumentalities where the city is satisfied that the credit risk with respect to the issuers is minimal.

(ii) Repurchase agreements. The city may invest in eligible investments subject to repurchase agreements with any member bank of the federal reserve system or primary dealer in ITS.

(iii) Treasury securities. Under such instruments, the purchaser acquires ownership of the debt security and the seller agrees, at the time of the sale, to repurchase the obligation at the mutually agreed upon time and price, thereby determining the yield during the purchasers holding period. This will result in a fixed rate of return insulated from market fluctuations during such period. Repurchase agreements generally have a term of one (1) day but may require a term of up to thirty (30) days or longer.

(iv) Certificates of deposit. Domestic CDs are money market instruments which certify a time deposit with a domestic commercial bank or thrift institution. Certificates of deposit are permitted and shall be invested so as to mature according to expected needs of the city. Maturities may vary from seven (7) days to a maximum of two (2) years.

(v) Banker's acceptances. Domestic BAs are time drafts drawn on and accepted by domestic banks for payment of merchandise. Banker's acceptances are short-term non-interest bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value. They are backed by both the issuing bank and the borrower of the money.

(vi) Commercial paper. Commercial paper is short-term unsecured promissory notes issued by corporations to finance short-term credit needs. Commercial paper is sold on a discounted basis with a maximum maturity of two hundred seventy (270) days.

(vii) Pooled funds. Certain approved pooled funds maintained by investment firms or the State of Tennessee, through which the city may maintain investments, may utilize other instruments than those listed as may be necessary to achieve the performance objectives of the portfolio. In each case a prospectus shall be provided to the director of finance. Under normal circumstances, the value of a pooled fund's total assets will be invested in securities approved by the fund that have a dollar-weighted average maturity of less than five (5) years. Maturities may be shortened or the fund may hold its assets in

cash to meet unusual market or economic conditions for temporary defensive purposes. The fund must have an objective of maintaining a net asset value of one dollar (\$1.00).

(f) Investment reporting requirements. The director of finance shall provide a quarterly investment portfolio report to the city manager and board of commissioners, specifying the components of the portfolio, average yield, and institutions in which the investments are made. Any deviation from above policy requires prior written approval from the city manager.

(g) Responsibility section. It shall be the responsibility of the director of finance to obtain bids for investments. All investments must have approval of the board of commissioners.

(h) Investments by various funds. Each fund has its own needs for investments. An investment may be distributed among the various funds of the city. Investments are to be acquired and maturities scheduled based upon the following.

(i) General fund investments shall have maturities not to exceed six (6) months. The general fund's purpose is for highly liquid investments since it is the main operating fund for the city.

(ii) Debt service fund investments are to have maturities coordinated with the repayment of debt principal and interest. Maturities should be scheduled so that sufficient funds are available to repay these amounts as necessary on a monthly, quarterly, semiannual or annual basis. If sufficient funds are available for more than one (1) year's debt service requirements, maturities may be scheduled for up to two (2) year's cash requirements.

(iii) General obligation bond fund investments are based upon anticipated projects to be completed in the city. Investments in this fund should typically not exceed one (1) year in length since grant funds are applied for on an annual basis. Investment terms should be determined based upon knowledge of projects as discussed with the city manager and the board of commissioners.

(iv) Capital projects fund investments are to be based upon the anticipated projects to be completed. Terms should generally be staggered over a two (2) year period as well as having a portion of the funds in checking or pooled funds. This will allow for funds to be available for purchase of industrial property or other unanticipated needs. By staggering investment terms over a two (2) year period, cash will be available on a regular basis. Any additional funds needed may be advanced from the general fund until investments mature. (Ord. #315, Feb. 2015)

5-107. Internal financial controls policy. (1) Introduction. The City of Whitwell has adopted and implemented this internal financial controls policy to safeguard public funds and to provide clear instructions to city officers and employees as to how such funds should be processed and recorded. All city officers and employees handling city funds shall be subject to the requirements of this policy. This policy may be amended from time to time by the board of commissioners.

(2) Receipts and deposits of funds. The city clerk shall be responsible for opening all incoming mail and stamping "For Deposit Only" on all checks immediately upon receipt. This employee should also prepare a list of checks or payments and calculate the total amount of all money/checks received, in addition, any checks received without payment stubs, shall be receipted in duplicate. The list of payments received shall be signed by this employee and remitted along with the money/checks, stubs, and receipts to the city recorder for processing.

All cash payments should be received by the city clerk who shall be responsible for preparing a written receipt and duplicate for all such funds. All cash and duplicate receipts should be turned over to the city recorder not later than the end of each business day. A daily collection report should be prepared by each employee receiving any cash payments summarizing all collections by source.

Any time custody of money changes from one (1) employee to another the money should be counted by both. A pre-numbered receipt or other document recording the count should be prepared and signed by both employees indicating concurrence with the amount transferred. This document should be retained by the individual turning the money over.

All deposits of cash, checks, or other payments should be posted to the city's cash receipts journal by city recorder. The city recorder shall be responsible for making deposits and all collections must be deposited no later than three (3) working days after initial receipt. Deposit receipts should also be retained and matched against the collection reports

(3) Check writing and disbursements. All persons with authority to write and sign checks on the behalf of the city shall be approved by resolution of the governing body of the city. The city recorder who is responsible for reconciling the bank statements shall not be authorized to sign checks.

Two (2) authorized signatures are required for all checks. Before signing checks, each signator should review the supporting documentation (such as vendor invoices, purchase authorizations, etc.) to verify that the expenditure is legitimate before the check is signed.

All debit/credit card statements should be reviewed by multiple persons, including by individuals independent of those who are authorized to use such cards, to ensure the legitimacy of the charges. All persons using city debit/credit cards shall be specifically authorized to do so by resolution of the governing body and shall comply with the city's credit card use policy.

(4) Petty cash. Petty cash disbursements are only allowable for legitimate purposes, are not for personal use and must be properly documented. An invoice/receipt, accompanied by a written petty cash voucher/request, showing the items purchased, and signed by the person receiving the cash, is required in each transaction at the time the petty cash is withdrawn. The amount on hand and the petty cash vouchers and related invoices/receipts written must total to the originally authorized amount. The city recorder shall be responsible for monitoring the petty cash account and shall "audit" the petty cash account for any discrepancies at least once a week. This employee shall not make any withdrawals from petty cash. The petty cash account may be used only for withdrawals of less than fifty dollars (\$50.00), and the total account balance shall not exceed fifty dollars (\$50.00).

(5) Conclusion. All city employees are responsible for safeguarding public funds and the public trust. Any violations of this policy observed by any city employees shall be reported to the city commission. Any employees found to have violated this policy may be disciplined up to and including termination. (Ord. #300, Oct. 2012)

5-108. Debt policy.¹ (1) The purpose of this debt policy is to establish a set of parameters by which debt obligations will be undertaken by the City of Whitwell, Tennessee. This policy reinforces the commitment of the city and its officials to manage the financial affairs of the city so as to minimize risks, avoid conflicts of interest, and ensure transparency while still meeting the capital needs of the city. A debt management policy signals to the public and the rating agencies that the city is using a disciplined and defined approach to financing capital needs and fulfills the requirements of the State of Tennessee regarding the adoption of a debt management policy.

The goal of this policy is to assist decision makers in planning, issuing, and managing debt obligations by providing clear directions as to the steps, substance, and outcomes desired, in addition, greater stability over the long-term will be generated by the use of consistent guidelines in issuing debt.

(2) Definition of debt. All obligations of the city to repay, with or without interest, in installments and/or at a later date, some amount of money utilized for the purchase, construction, or operation of city resources. This includes, but is not limited to, notes, bond issues, capital leases, and loans of any

¹State law reference

For contracts, leases, and lease purchase agreements, see *Tennessee Code Annotated*, title 7, part 9

For Local Government Public Obligations Law, see *Tennessee Code Annotated*, title 9, part 21

type (whether from an outside source such as a bank or from another internal fund).

(3) Approval of debt. Bond anticipation notes, capital outlay notes, grant anticipation notes, and tax and revenue anticipation notes will be submitted to the State of Tennessee Comptroller's office and the city commission prior to issuance or entering into the obligation. A plan for refunding debt issues will also be submitted to the comptroller's office prior to issuance. Capital or equipment leases may be entered into by the city commission; however, details on the lease agreement will be forwarded to the comptroller's office on the specified form within forty-five (45) days.

(4) Transparency. (a) The city shall comply with legal requirements for notice and for public meetings related to debt issuance.

(b) All notices shall be posted in the customary and required posting locations, including as required local newspapers, bulletin boards, and websites.

(c) All costs (including principal, interest, issuance, continuing, and one (1) time) shall be clearly presented and disclosed to the citizens, city commission, and other stakeholders in a timely manner.

(d) The terms and life of each debt issue shall be clearly presented and disclosed to the citizens/members, city commission, and other stakeholders in a timely manner.

(e) A debt service schedule outlining the rate of retirement for the principal amount shall be clearly presented and disclosed to the citizens/members, city commission, and other stakeholders in a timely manner.

(5) Role of debt. (a) Long-term debt shall not be used to finance current operations. Long-term debt may be used for capital purchases or construction identified through the capital improvement, regional development, transportation, or master process or plan. Short-term debt may be used for certain projects and equipment financing as well as for operation borrowing; however, the city will minimize the use of short-term case flow borrowings by maintaining adequate working capital and close budget management

(b) In accordance with generally accepted accounting principles and state law:

(i) The maturity of the underlying debt will not be more than the useful life of the assets purchased or built with the debt, not to exceed thirty (30) years; however, an exception may be made with respect to federally sponsored loans, provided such an exception is consistent with law and accepted practices; and

(ii) Debt issued for operating expenses must be repaid within the same fiscal year of issuance or incurrence.

(6) Types and limits of debt. (a) The city will seek to limit total outstanding debt obligations to twenty-five percent (25%) (percent of

assessments, per capita amount, etc.), excluding overlapping debt, enterprise debt, and revenue debt.

(b) The limitation on total outstanding debt must be reviewed prior to the issuance of any new debt.

(c) The city's total outstanding debt obligation will be monitored and reported to the city council (by the city recorder). The city recorder shall monitor the maturities and terms and conditions of all obligations to ensure compliance. The city recorder shall also report to the city commission any matter that adversely affects the credit or financial integrity of the city.

(d) The city is authorized to issue general obligation on bonds, revenue bonds, TIFs, loans, notes, and other debt allowed by law.

(e) The city will seek to structure debt with level or declining debt service payments over the life of each individual bond issue or loan.

(f) As a rule, the city will not bankload, use "wrap-around" techniques, balloon payments, or other exotic formats to pursue the financing of projects. When refunding opportunities, nature disaster, other non-general fund revenues, or other external factors occur, the city may utilize non-level debt methods. However, the use of such methods must be thoroughly discussed in a public meeting and the mayor and governing body must determine such uses is justified and in the best interest of the city.

(g) The city may use capital leases to finance short-term projects.

(h) Bonds backed with a general obligations pledge often have lower interest rates than revenue bonds. The city may use its general obligation pledge with revenue bond issues when the populations served by the revenue bond projects overlap or significantly are the same as the property tax base of the city. The city commission and management are committed to maintaining rates and fee structures of revenue supported debt at levels that will not require a subsidy from the city's general fund.

(7) Use of variable rate debt. (a) The city recognizes the value of variable rate debt obligations and that cities have greatly benefitted from the use of variable rate debt in the financing of needed infrastructure and capital improvements.

(b) However, the city also recognizes there are inherent risks associated with the use of variable rate debt and will implement steps to mitigate these risks, including:

(i) The city will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.

(ii) Prior to entering into any variable rate debt obligation that is backed by insurance and secured by a liquidity

provided, the city commission shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the insurance fail.

(iii) Prior to entering into any variable rate debt obligation that is backed by a letter of credit provider, the city commission shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the letter of credit fail.

(iv) Prior to entering into any variable rate debt obligation, the city commission will be informed of any terms, conditions, fees, or other costs associated with the repayment of variable rate debt obligations.

(v) The city shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any variable rate debt obligation.

(8) Use of derivatives. (a) The city chooses not to use derivative or other exotic financial structures in the management of the city's debt portfolio.

(b) Prior to any reversal of this provision:

(i) A written management report outlining the potential benefits and consequences of utilizing these structures must be submitted to the city commission; and

(ii) The city commission must adopt a specific amendment to this policy concerning the use of derivatives or interest rate agreements that complies with the state funding board guidelines.

(9) Costs of debt. (a) All costs associated with the initial issuance or incurrence of debt, management and repayment of debt (including interest, principal, and fees or charges), shall be disclosed prior to action by the city commission in accordance with the notice requirements stated above.

(b) In cases variable interest or non-specified costs, detailed explanation of the assumptions shall be provided along with the complete estimate of total costs anticipated to be incurred as part of the debt issue.

(c) Costs related to the repayment of debt, including liabilities for future years, shall be provided in context of the annual budgets from which such payments will be funded (i.e., general obligations bonds in context of the general fund, revenue bonds in context of the dedicated revenue stream, and related expenditures, loans, and notes).

(10) Refinancing outstanding debt. (a) The city will refund debt when it is in the best financial interest of the city to do so, and the chief financial officer shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The decision to refinance must be

explicitly approved by the governing body, and all plans for current or advance refunding of debt must be in compliance with state laws and regulations.

(b) The chief financial officer will consider the following issues when analyzing possible refunding opportunities:

(i) Onerous restrictions. Debt may be refinanced to eliminate onerous or restrictive covenants contained in existing debt documents, or to take advantage of changing financial conditions or interest rates.

(ii) Restructuring for economic purposes. The city will refund debt when it is in the best financial interest of the city to do so. Such refunding may include restructuring to meet unanticipated revenue expectation, achieve cost savings, mitigate irregular debt service payments, or to release reserve funds. Current refunding opportunities may be considered by the chief financial officer if the refunding generates positive present value savings, and the chief financial officer must establish a minimum present value savings threshold for any refinancing.

(iii) Terms of refunding issues. The city will refund bonds within the term of the originally issued debt. However, the chief financial officer may consider maturity extension, when necessary to achieve a desired outcome, provided such extension is legally permissible. The chief financial officer may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financial facility and the concept of inter-generational equity should guide this decision.

(iv) Escrow structuring. The city shall utilize the least costly securities available in structuring refunding escrows. Under no circumstances shall an underwriter, agent, or financial advisor sell escrow securities to the city from its own account.

(v) Arbitrage. The city shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any refunding.

(11) Professional services. The city shall require all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the city and the lender or conduit issuer, if any. This includes "soft" costs or compensations in lieu of direct payments.

(a) Counsel. The city shall enter into an engagement letter agreement with each lawyer or law firm representing the city in debt transaction. (No engagement letter is required for any lawyer who is an employee of the city or lawyer or law firm which is under a general

appointment or contract to serve as counsel not representing the city, such as underwriter's counsel.)

(b) Financial advisor. (If the city chooses to hire financial advisors, the city must select between the following options.) The city shall enter into a written agreement with each person or firm serving as financial advisor in debt management and transaction.

(i) In a competitive sale, the financial advisor shall not be permitted to bid on an issue for which they are or have been providing advisory services.

(ii) In a publicly offered, negotiated sale, the financial advisor (either): shall not be permitted to resign as financial advisor in order to underwrite an issue for which they are or have been providing advisory services; or

(iii) Underwriter (if there is no financial advisor). In advance of pricing of the debt in a publicly offered, negotiated sale, the underwriter must provide pricing information both as to interest rates and to takedown per maturity to the city commission (or its designated official).

(12) Conflicts. (a) Professionals involved in a debt transaction hired or compensated by the city shall be required to disclose to the city existing client and business relationships between and among the professional to a transaction (including, but not limited to, financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, liquidity or credit enhancement provider, underwriter, counter-party, and remarking agent), as well as conduit issuers, sponsoring organizations, and program administrators. This disclosure shall include that information reasonable sufficient to allow the city to appreciate the significance of the relationships.

(b) Professionals who become involved in the debt transaction as result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

(13) Review of policy. This policy shall be reviewed at least annually by the city commission with the approval of the annual budget. Any amendments shall be considered and approved in the same process as the initial adoption of this policy, with opportunity for public input.

(14) Compliance. The city recorder is responsible for ensuring compliance with this policy. (Ord. #288, Dec. 2011)

5-109. Corrective action plan; unauthorized transfer of utility revenues. (1) Repayment. Within thirty (30) days, an amortization schedule for the repayment of one hundred ninety-seven thousand two hundred seventy-seven dollars and thirty-five cents (\$197,277.35) over a period of five (5) years

at an interest rate of one and three-quarters percent (1.75%) shall be forwarded to the state comptroller's office, and the first payment shall be made to the waterworks fund. Semiannual payments shall be made thereafter until the funds are repaid.

(2) Balanced budget. The commission commits to maintaining a balanced cash basis budget throughout the entire repayment period for all funds. Maintaining a balanced budget means spending no more than the cash available to pay expenses/expenditures throughout the repayment period while maintaining sufficient working capital for each fund.

(3) Required commission action. The commission shall, within one hundred and twenty (120) days, adopt written enforceable accounting, budgeting, cash management, department and purchasing policies and procedures by ordinance to include:

(a) A risk assessment shall be performed to use in developing policies and procedures, with a copy being provided to the office of the state comptroller;

(b) The policies shall incorporate controls for compliance with state law. MTAS recommended controls shall be adopted and a copy shall be forwarded to the office of the state comptroller;

(c) The policies shall address budgetary transfers and all interfund loans. The budgetary, cash, and debt management policies shall specifically address the use of interfund tax and revenue anticipation notes when sufficient working capital has not been maintained to support operations. These policies will ensure compliance with the procedures for the issuance of notes and repayment for such interfund loans;

(d) The policies shall address the level of spendable fund balance and working capital for each fund. These policies will require a sufficient level of spendable fund balance and working capital to adequately support operations in all funds as reasonably determined with the assistance of MTAS. These levels shall be achieved within three (3) fiscal years from the date of the adoption of a spendable fund balance and working capital policy with a default working capital amount of one-fourth (1/4th) of the last audited fiscal year's expenditures/expenses. This policy shall be reviewed during the preparation of each fiscal year's budget process;

(e) The city commission shall receive monthly written reports from the city manager to allow monthly monitoring of the city's financial condition. The reports in this subsection (3) are the minimum reporting; but, policy must allow for any report necessary to be provided for adequate monitoring and require the city manager to report any matter negatively impacting the city's financial condition; and

(f) The city finance director shall within thirty (30) days establish separate checking accounts for each utility and the general fund.

(4) Reports to the city commission. The city manager shall report the city's financial condition for every fund to the city commission on a monthly basis and such written report shall include at a minimum:

(a) A budget to actual on a monthly basis, including year to date information, and projections for the current year; and

(b) A cash flow statement showing monthly status, year to date information, and a projection for the current and future months.

(5) Reports to the office of the comptroller. The city commission shall provide monthly reports to the office of the comptroller that shall include:

(a) A fiscal year progress report in repaying the improper transfer;

(b) A written monthly report from the city manager outlining progress in implementing written enforceable policies; evidenced in commission meeting minutes;

(c) The city will provide evidence of the commission's receiving monthly financial condition reports by providing a copy of each report and the minutes of the public meeting that they were presented; and

(d) The annual operating and capital budget ordinance and tax levy shall be approved prior to July 1 of each fiscal year and a copy shall be forwarded to the office of the comptroller prior to July 15 of each fiscal year.

(6) The city manager. The city manager shall be responsible for the development and implementation of the policies, procedures, and corrective actions outlined in subsection (1) above.

(7) Binding provisions. This corrective action plan shall be considered a contract between the City of Whitwell and the office of the comptroller, and all newly elected commissioners shall be bound to its provisions. (Ord. #301, Oct. 2012)

CHAPTER 2

REAL AND PERSONAL PROPERTY TAXES**SECTION**

5-201. When due and payable.

5-202. When delinquent--penalty and interest.

5-201. When due and payable.¹ Taxes levied by the city against real and personal property shall become due and payable annually on the first day of November of the year for which levied. (1994 Code, § 5-201)

5-202. When delinquent--penalty and interest. All real property taxes shall become delinquent on and after the first day of March next after they become due and payable, and shall thereupon be subject to such penalty and interest as is authorized and prescribed by the charter for delinquent county real property taxes.² (1994 Code, § 5-202)

¹Charter references

See § 6-2211 setting the last due date as November 1 of the year for which the taxes are assessed, but see §§ 6-2211 and 6-2213 which provide that a different tax due date may be set by ordinance (with a unanimous veto of the board of commissioners.)

²State law reference

A municipality has the option of collecting delinquent property taxes any one (1) of three (3) ways:

- (1) Under the provisions of its charter for the collection of delinquent property taxes.
- (2) Under *Tennessee Code Annotated*, §§ 6-55-201 to 6-55-206.
- (3) By the county trustee under *Tennessee Code Annotated*, § 67-5-2005.

CHAPTER 3**PRIVILEGE TAXES****SECTION**

5-301. Tax levied.

5-302. License required.

5-301. Tax levied. Except as otherwise specifically provided in this code, there is hereby levied on all vocations, occupations, and businesses declared by the general laws of the state to be privileges taxable by municipalities, an annual privilege tax in the maximum amount allowed by state laws. The taxes provided for in the state's Business Tax Act (*Tennessee Code Annotated*, title 67, chapter 4, part 7) are hereby expressly enacted, ordained, and levied on the businesses, business activities, vocations, and occupations carried on within the city at the rates and in the manner prescribed by the act. (1994 Code, § 5-301, modified)

5-302. License required. No person shall exercise any such privilege within the city without a currently effective privilege license, which shall be issued by the city manager to each applicant therefor upon the applicant's payment of the appropriate privilege tax. (1994 Code, § 5-302)

CHAPTER 4

WHOLESALE BEER TAX**SECTION**

5-401. To be collected.

5-401. To be collected. The city manager is hereby directed to take appropriate action to assure payment to the city of the wholesale beer tax levied by the Wholesale Beer Tax Act, as set out in *Tennessee Code Annotated*, title 57, chapter 6.¹ (1994 Code, § 5-401)

¹State law reference

Tennessee Code Annotated, title 57, chapter 6 provides for a tax of seventeen percent (17%) on the sale of beer at wholesale. Every wholesaler is required to remit to each municipality the amount of the net tax on beer wholesale sales to retailers and other persons within the corporate limits of the municipality.

CHAPTER 5

PURCHASING

SECTION

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- 5-509. Purchases and contracts costing less than \$1,000.00.
- 5-510. Bid deposit.
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5-501. Definitions. For the purpose of implementing this chapter, the following definitions shall apply.

- (1) "Accept." To receive with approval or satisfaction.
- (2) "Acknowledgment." Written confirmation from the vendor to the purchaser of an order implying obligation or incurring responsibility.
- (3) "Agreement." A coming together in opinion or determination; understanding and agreement between two (2) or more parties.
- (4) "All or none." In procurement, the city reserves the right to award each item individually or to award all items on an all or none basis.

- (5) "Annual." Recurring, done, or performed every year.
- (6) "Appropriations." Public funds set aside for a specific purpose or purposes.
- (7) "Approved." To be satisfied with; admit the propriety or excellence of; to be pleased with; to confirm or ratify.
- (8) "Approved equal." Alike; uniform; on the same plane or level with respect to efficiency, worth, value, amount, or rights.
- (9) "Attest." To certify to the verity of a public document formally by signature; to affirm to be true or genuine.
- (10) "Award." The presentation of a contract to a vendor; to grant; to enter into with all required legal formalities.
- (11) "Awarded bidder." Any individual, company, firm, corporation, partnership, or other organization to whom an award is made by the city.
- (12) "Back order." The portion of a customer's order undelivered due to temporary unavailability of a particular product or material.
- (13) "Bid." A vendor's response to an invitation for bids or request for proposal; the information concerning the price or cost of materials or services offered by a vendor.
- (14) "Bidder." Any individual, company, firm, corporation, partnership, or other organization or entity bidding on solicitations issued by the city and offering to enter into contracts with the city.
- (15) "Bid bond." An insurance agreement in which a third party agrees to be liable to pay a certain amount of money should a specific vendor's bid be accepted and the vendor fails to sign the contract as bid.
- (16) "Bid file." A folder containing all of the documentation concerning a particular bid. This documentation includes the names of all vendors to whom the invitation to bid was mailed, the responses of the vendors, the bid tabulation forms and any other information as may be necessary.
- (17) "Bid opening." The opening and reading of the bids, conducted at the time and place specified in the invitation for bids and in the presence of anyone who wishes to attend.
- (18) "Bid solicitation." Invitations for bids.
- (19) "Blanket bid order." A type of bid used by buyers to purchase repetitive products. The city establishes its need for a product for a specified period of time. The vendor is then informed of the city's expected usage during the duration of the proposed contract. The city may then order small quantities of these items from the vendor, at the bid price, over the term of the contract.
- (20) "Business." Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or legal entity through which business is conducted.
- (21) "Cancel." To revoke a contract or bid.
- (22) "Capital items." The purchase of assets which have a life expectancy of more than one (1) year and value are as follows:

Land	\$500.00
Buildings	\$10,000.00
Improvements other than buildings	\$5,000.00
Equipment	\$500.00
Infrastructure	\$1,000.00
Construction in process	Tied to asset class

(23) "Cash discount." A discount from the purchase price allowed to the purchaser if payment is made within a specified period of time.

(24) "Caveat emptor." Let the buyer beware; used in proposals or contracts to caution a buyer to avoid misrepresentation.

(25) "Certify." To testify in writing; to make known or establish as a fact.

(26) "City." The City of Whitwell, Tennessee.

(27) "Competitive bidding." Bidding on the same undertaking or material items by more than one (1) vendor.

(28) "Conspicuously." To be prominent or obvious; located, positioned, or designed to be noticed.

(29) "Construction." The building, alteration, demolition, or repair of public buildings, structures, highways, and other improvements or additions to real property.

(30) "Contract." An agreement, grant, or order for the procurement, use, or disposal of supplies, services, construction, insurance, real property, or any other item.

(31) "Date." Recorded information, regardless of form or characteristic.

(32) "Delivery schedule." The required or agreed upon rate of delivery of goods or services.

(33) "Discount for prompt payment." A predetermined discount offered by a vendor for prompt payment.

(34) "Encumber." To reserve funds against a budgeted line item; to charge against an account.

(35) "Evaluation of bid." The process of examining a bid to determine a bidder's responsibility, responsiveness to requirements, qualifications, or other characteristics of the bid that determine the eventual selection of a winning bid.

(36) "Fiscal year." An accounting period of twelve (12) months, July 1 through June 30.

(37) "F.O.B. destination." An abbreviation for a fee on board that refers to the point of delivery of goods. The seller absorbs the transportation charges and retains title to and responsibility for the goods until the City of Whitwell, Tennessee has received and signed for the goods.

- (38) "Goods." All materials, equipment, supplies, and printing.
- (39) "Invitation for bid." All documents utilized for soliciting bids.
- (40) "Invoice." A written account of merchandise and process, delivered to the purchaser; a bill should be on official vendor letterhead or invoice form, show the number of items purchased, the cost per item, the total cost, the date of purchase, and the date of delivery.
- (41) "Lead time." The period of time from the date of ordering to the date of delivery which the buyer must reasonably allow the vendor to prepare goods for shipment.
- (42) "Life cycle costing." A procurement technique that considers the total cost of purchasing, maintaining, operating, and disposal of a piece of equipment when determining the low bid.
- (43) "Local bidder." A bidder who has and maintains a business office located within the corporate city limits of Whitwell, Tennessee.
- (44) "Material receiving report." A form used by the department head or supervisor to inform others of the receipt of good purchased.
- (45) "Performance bond." A bond given to the purchaser by a vendor or contractor guaranteeing the performance of certain services or delivery of goods within a specified period of time. The purpose is to protect the purchaser against a cash loss which might result if the vendor did not deliver as promised.
- (46) "Pre-bid conference." A meeting held with potential vendors a few days after an invitation for bids has been issued to promote uniform interpretation of work statements and specifications by all prospective contractors.
- (47) "Procurement or purchasing." Buying, renting, leasing, or otherwise obtaining supplies, services, construction, insurance, or any other item. It also includes functions that pertain to the acquisition of such supplies, services, construction, insurance, and other items, including descriptions of requirements, selection and solicitation of sources, preparation and award of contracts, contract administration, and all phases of warehousing and disposal.
- (48) "Public." Open to all.
- (49) "Public purchasing unit." The State of Tennessee, any county, city, town, governmental entity and other subdivision of the State of Tennessee, or any public agency, or any other public authority.
- (50) "Purchasing order." A legal document used to authorize a purchase from a vendor. A purchase order, when given to a vendor, should contain statements about the quantity, description, and price of goods or services ordered, agreed terms of payment, discounts, date of performance, transportation terms, and all other agreements pertinent to the purchase and its execution by the vendor.
- (51) "Reject." Refuse to accept, recognize, or make use of; repudiate, to refuse to consider or grant.
- (52) "Responsive bidder." One who has submitted a bid which conforms in all materials respects to the invitation for bids.

(53) "Sealed." Secured in any manner so as to be closed against the inspection of contents.

(54) "Sole source procurement." An award for a commodity which can only be purchased from one (1) supplier, usually because of its technological, specialized, or unique character.

(55) "Specifications." Any description of the physical or functional characteristics of a supply, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

(56) "Standardization." The making, causing, or adapting of items to conform to recognized qualifications.

(57) "Using department." The city department seeking to purchase goods and services or which will be the ultimate user of the purchased goods and services.

(58) "Vendor." The person who transfers property, goods, or services by sale. (Ord. #324, May 2016)

5-502. Purchasing agent. The city manager shall be the purchasing agents for the municipality. Except as otherwise provided in this policy, all supplies, materials, equipment, and services of any nature shall be approved and acquired by the purchasing agent or his representative. (Ord. #324, May 2016)

5-503. General procedures. The following procedures shall be followed by all city employees when purchasing goods or services on behalf of the city.

Items expected to cost more than one thousand dollars (\$1,000.00) for all funds:

(1) The department head of the using department shall deliver to the purchasing agent a written purchase request for the item(s) to be purchased. Such request shall include a brief description of the item(s) to be purchased, specifications for the item being purchased, the estimated cost of the items, the general ledger account code to be used, and shall indicate whether the item(s) have been approved in the annual budget; and

(2) The purchasing agent shall review the purchase request for completeness and accuracy. The request shall then be forwarded to the board of commissioners for final review and approval. The board shall have the authority to adjust or eliminate various specifications for goods and services, or may disapprove the purchase request, to comply with city policy, the annual budget, or for any other reason it deems in the public interest. (Ord. #324, May 2016)

5-504. Rejection of bids. The city manager shall have the authority to reject any and all bids, parts of bids, or all bids for any one (1) or more supplies or contractual services included in the proposed contract, when the public interest will be served thereby. The purchasing agent shall not accept the bid

of a vendor or contractor who is in default on the payment of taxes, licenses, fees, or other monies of whatever nature that may be due the city by said vendor or contractor. (Ord. #324, May 2016)

5-505. Conflict of interest. (1) No one holding a municipal office, elected or appointed, can contract with the municipality for any work that is to be paid for out of the treasury. That same person cannot also hold nor have any direct interest in such a contract. Direct interest is defined as any business in which the official is the sole proprietor, a partner, or the person who has the controlling interest. "Controlling interest" means the person with the ownership or control of the largest number of outstanding shares owned by any individual or corporation. No municipal officer can be indirectly interested in any contract with the municipality unless the officer publicly acknowledges his interest. "Indirectly interested" is defined as any contract in which the officer is interested, but not directly. It includes contracts where the officer is directly interested, but is the sole supplier of goods or services in the municipality.

(2) It is unlawful for any person whose duty is to vote for or to supervise any contract with a municipality to be directly interested in such a contract. No municipal officer or other person whose duty is to superintend any contract with a municipality shall be indirectly interested in any such contract unless the officer or person publicly acknowledges his interest. (Ord. #324, May 2016)

5-506. Purchasing from employee. It shall be the policy of the city not to purchase any goods or services from any employee or close relative of the city employee. (Ord. #324, May 2016)

5-507. Competitive bidding on purchases over \$1,000.00. (1) All purchases of supplies, equipment, services, and contracts estimated to be in excess of one thousand dollars (\$1,000.00) shall be by competitive bidding and may be awarded to the lowest responsive bidder.

(2) A written record shall be required and available for public inspection showing that competitive bids were obtained by one (1) of the following methods:

- (a) Direct mail advertisement or newspaper advertisement;
- (b) Telephone bids; or
- (c) Public notice.

(3) The city recorder shall verify account balances, prior to purchasing agent issuing approval to purchase, for all purchases over one thousand dollars (\$1,000.00). (Ord. #324, May 2016)

5-508. Sealed bid requirements over \$5,000.00 or more.

(1) On all purchases and contracts estimated to be in excess of five thousand dollars (\$5,000.00), except as otherwise provided in this chapter,

formal sealed bids shall be submitted at a specified time and place to the purchasing agent. The purchasing agent shall submit all such bids for award by the board of commissioners at the next regularly scheduled board meeting or special-called meeting together with the recommendation as to the lowest and best responsive bidder,

(2) Notice inviting bids shall be published at least once in a newspaper of general circulation in Marion County and any other venue deemed to be beneficial, and at least five (5) days preceding the last day to receive bids. The newspaper notice shall contain a general description of the article(s) to be secured, and the date, time, and place for opening bids.

(3) In addition to publication in a newspaper, the purchasing agent may take other actions deemed appropriate to notify all prospective bidders of the invitation to bid, including, but not limited to, advertisement in community bulletin boards, metropolitan newspapers, professional journals, and electronic media. (Ord. #324, May 2016)

5-509. Purchases and contracts costing less than \$1,000.00. The purchasing agent is expected to obtain the best prices and services available for purchases and contracts estimated to be less than one thousand dollars (\$1,000.00), but are exempted from the formal bid requirements specified in §§ 5-507 and 5-508. (Ord. #324, May 2016)

5-510. Bid deposit. When necessary, bid deposits deemed may be prescribed and noted in the public notices inviting bids. The deposit shall be in such amount as the purchasing agent shall determine and unsuccessful bidders shall be entitled to a return of such deposits within ten (10) calendar days of the bid opening. A successful bidder shall forfeit any required deposit upon failure on his part to enter a contract within ten (10) days after the award. (Ord. #324, May 2016)

5-511. Performance bond. The purchasing agent may require a performance bond before entering into a contract, in such amount as he shall find reasonably necessary to protect the best interests of the city and furnishers of labor and materials in the penalty of not less than the amount provided by *Tennessee Code Annotated*. (Ord. #324, May 2016)

5-512. Record of bids. (1) The purchasing agent shall keep a record of all open market orders and bids submitted in competition thereon, including a list of the bidders, the amount bid by each, and the method of solicitation and bidding, and such records shall be open to public inspection and maintained in the city recorder's office. All bid documents should be retained a minimum of seven (7) years after the contract expires.

- (2) As a minimum, the bid file shall contain the following information:
- (a) Request to start bid procedures;

- (b) A copy of the bid advertisement;
- (c) A copy of the bid specifications;
- (d) A list of bidders and their responses;
- (e) A copy of the purchase order; and
- (f) A copy of the invoice. (Ord. #324, May 2016)

5-513. Consideration in determining bid awards. The following criteria shall be considered in determining all bid awards:

- (1) The ability of the bidder to perform the contract or provide the material or service required;
- (2) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- (3) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- (4) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- (5) The quality of performance of previous contracts or services, including the quality of such contracts or services in other municipalities, or performed for private sector contractors;
- (6) The sufficiency of financial resources and the ability of the bidder to perform the contract or provide the service;
- (7) The ability of the bidder to provide future maintenance and service for the use of the supplies or contractual service contracted;
- (8) Compliance with all specifications in the solicitation for bids;
- (9) The ability to deliver and maintain any requisite bid bonds or performance bonds; and
- (10) Total cost of the bid, including life expectancy of the commodity, maintenance costs, and performance. (Ord. #324, May 2016)

5-514. Statement when award not given to low bidder. When the award for purchases and contracts in excess of one thousand dollars (\$1,000.00) is not given to the lowest bidder, a full and complete statement of the reasons for placing the order elsewhere shall be prepared by the purchasing agent or department head and filed with all the other papers relating to the transaction. (Ord. #324, May 2016)

5-515. Award in case of tie bids. When two (2) or more vendors have submitted the low bid, the following criteria shall be used to award the bid:

- (1) If two (2) or more bidders have submitted the low bid, quality of service being equal, the purchase contract shall be awarded by a coin toss or drawing lots; and
- (2) When the award is to be decided by coin toss or drawing lots, representatives of the bidders shall be invited to observe. In no event shall such

coin toss or drawing lots be performed with less than three (3) witnesses. (Ord. #324, May 2016)

5-516. Back orders. All orders must be completed, whether through complete fulfillment of the purchase order or through closing the purchase order with items not received. The non-delivered items shall be cancelled from the purchase order and the check will be issued to the equal amount of the amended purchase order. (Ord. #324, May 2016)

5-517. Emergency purchases. Emergency purchases should be rare. According to state law an actual emergency exists when there is a threat to the health, property, or lives of the inhabitants of the city, and it must be declared by a two-thirds (2/3) vote of all members of the governing body present when there is a quorum. When an emergency exists, the provisions of this chapter may be waived; provided, however, the purchasing agent shall report the purchases and/or contracts to the board of commissioners at the next regular Board meeting stating the item(s) purchased, the amount(s) paid, from whom the purchase(s) was made, and the nature of the emergency. (Ord. #324, May 2016)

5-518. Waiver of the competitive bidding process. Upon the recommendation and the subsequent approval of the board of commissioners, that it is clearly to the advantage of the city not to contract by competitive bidding, the requirements of competitive bidding may be waived provided that the following criteria are met and documented in a written report to the board of commissioners.

(1) Single source of supply. The availability of only one (1) vendor of a product or service as determined after a complete and thorough search by the using department and the purchasing agent.

(2) State Department of General Services. A thorough effort was made to purchase the product or service through or in conjunction with the State Department of General Services or via a state contract, such effort being unsuccessful.

(3) Purchase from other governmental entities. A thorough effort was made to purchase the product or service through or in conjunction with other municipalities or from any federal or state agency. These purchases may be made without competitive bidding and public advertisement.

(4) Purchases from non-profit organizations. A thorough effort was made to purchase the goods or services from any non-profit organization whose sole purpose is to provide goods and services specifically to municipalities.

(5) Purchases from instrumentalities created by two (2) or more co-operating governments. An effort was made to purchase the goods or services from a co-op or group of governments which was formed to purchase goods and services for their members. (Ord. #324, May 2016)

5-519. Goods and services exempt from competitive bidding. The following goods and services need not be awarded on the basis of competitive bidding; provided, however, that the purchasing agent and/or the department head shall make a reasonable effort to assure that such purchases are made efficiently and in the best interest of the city.

(1) Certain insurance. The city may purchase tort liability insurance, without competitive bidding, from the Tennessee Municipal League or any other plan offered by a governmental entity representing cities and counties. All other insurance plans, however, are to be awarded on the basis of competitive bidding.

(2) Certain investments. The city may make investments of municipal funds in, or purchases from, the pooled investment fund established pursuant to *Tennessee Code Annotated*, § 9-4-702.

(3) Motor fuel, fuel products, or perishable commodities, such commodities may be purchased without competitive bidding.

(4) Professional service contracts. Any services of a professional person or firm, including attorneys, accountants, physicians, architects, engineers, and other consultants required by the city, whose fee is less than one thousand dollars (\$1,000.00), may be hired without competitive bidding. A request for qualification will be submitted to these firms, or persons. In those instances, where such professional service fees are expected to exceed one thousand dollars (\$1,000.00), a written contract shall be developed and approved by the board of commissioners based on the qualification statements received from these firms prior to the provision of any goods or services. Contracts for professional services shall not be awarded on the basis of competitive bidding; rather, professional service contracts shall be awarded on the basis of recognized competence and integrity. (Ord. #324, May 2016, modified)

5-520. Procedures upon taking delivery of purchased items. Before accepting delivery of purchased equipment, supplies, materials, and other tangible goods, the department head of the using department shall:

(1) Inspect the goods to verify that they are in acceptable condition;

(2) Verify that all operating manuals and warranty cards are included in the delivery of the goods, if applicable;

(3) Verify that the number of items purchased has been delivered; making special note when part or all of a particular purchase has been back ordered;

(4) Record serial numbers for all capital items, notifying the city recorder of same; and

(5) Complete and return to the purchasing agent a material receiving report form. (Ord. #324, May 2016)

5-521. Property control. (1) A physical inventory of the city's fixed assets shall be taken annually.

(2) The goals of the annual inventory shall be as follows:

- (a) To identify unneeded and duplicate assets;
- (b) To provide a basis for insurance claims, if necessary;
- (c) To deter the incidence of theft and negligence;
- (d) To aid in the establishment of replacement schedules for equipment; and
- (e) To note transfers of surplus property.

(3) To be classified as a fixed asset, an item must be tangible, have an expected life longer than the current fiscal year, and have a value as noted under the caption "capital items" above. Any property or equipment that meets these criteria shall be assigned an asset number (affixed with a property sticker), have a completed property card, and be inventoried annually. Such records shall be controlled and maintained by the city recorder. (Ord. #324, May 2016)

5-522. Disposal of surplus property. The purchasing agent shall be in charge of the disposal of surplus property and make a full report to the board of commissioners after the items are disposed of. When a department head determines there is surplus equipment or materials within the department, he shall notify the purchasing agent in writing of any such equipment. The purchasing agent may transfer surplus equipment or materials from one (1) department to another. (Ord. #324, May 2016)

5-523. Employee participation in disposal of surplus property. No city employee shall be permitted to bid on surplus property; nor shall any surplus property be sold or given to a city employee by the board of commissioners, the purchasing agent, or any city department head. For the purposes of this chapter, members of the board of commissioners shall be considered city employees. (Ord. #324, May 2016)

5-524. Surplus property; items consumed in the course of work thought to be worthless. City property which may be consumed in the course of normal city business and items thought to be worthless shall be disposed of in a like manner as any other refuse. For accounting purposes, such items shall be charged off as a routine cost of doing business. (Ord. #324, May 2016)

5-525. Surplus property: items estimated to have monetary value. When disposing of surplus property estimated to have monetary value, the purchasing agent shall comply with the following procedures:

(1) Obtain from the board of commissioners a resolution declaring said items to be surplus property and fixing the date, time, and location for the purchasing agent to receive bids, including a notice of listing on government-specific online auction sites such as www.govdeals.com and www.publicsurplus.com;

(2) A copy of the resolution shall be posted in at least three (3) locations in the community;

(3) Such equipment or materials shall be sold to the highest bidder. In the event the highest bidder is unable to pay within twenty-four (24) hours, or a time frame agreed upon by both the buyer and the seller, the item shall be awarded to the second highest bidder;

(4) All pertinent information concerning the sale shall be noted in the fixed asset records of the city; and

(5) The advertisement, bids, and property cards shall be retained for a minimum period of five (5) years. (Ord. #324, May 2016)

5-526. Surplus property: city identification removed prior to sale.

No surplus city property shall be sold unless and until all decals, emblems, lettering, or coloring which identifies the item as belonging to the City of Whitwell have been removed or repainted. (Ord. #324, May 2016)

5-527. Liability for excess purchases. This chapter shall authorize only the purchase of materials and supplies and the procurement of contracts for which funds have been appropriated and are within the limits of the funds estimated for each department in the annual budget or which have been authorized and lawfully funded by the board of commissioners. The city shall have no liability for any purchase made in violation of this chapter. (Ord. #324, May 2016)

5-528. Additional forms and procedures. The purchasing agent is hereby authorized and directed to develop such forms and procedures as are necessary to comply with this chapter. (Ord. #324, May 2016)