TITLE 5

MUNICIPAL FINANCE AND TAXATION\(^1\)

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CHAPTER 1

MISCELLANEOUS

SECTION
5-102. Execution of checks.
5-103. Litigation tax levied.

5-101. **Official depository for town funds.** The First American Bank of Oliver Springs, Tennessee, is hereby designated as the official depository for all town funds. (1989 Code, § 6-101)

5-102. **Execution of checks.** The mayor, town administrator, city treasurer, or water department clerk are authorized to sign all checks or warrants drawn against the town by the city treasurer; provided however, all checks and warrants so drawn against the town shall be signed by any two of the aforementioned officials. (Ord. #91-18-07B, ____)

5-103. **Litigation tax levied.** There is hereby levied a city litigation tax to match the state litigation tax of thirteen dollars and seventy-five cents ($13.75). The privilege taxes levied pursuant to this section shall be paid to the city recorder monthly to be used for any municipal purposes. In that Oliver Springs City Court has concurrent sessions court jurisdiction, an additional two

\(^1\)Charter references: § 11.
dollars and twenty-five cents ($2.25) shall be added to the litigation tax for a total of sixteen dollars ($16.00).¹ (as added by Ord. #02-03-21, March 2002)

¹State law reference:
Tennessee Code Annotated, § 67-4-602 et seq.
CHAPTER 2
REAL AND PERSONAL PROPERTY TAXES

SECTION
5-201. When due and payable.
5-202. When delinquent--penalty and interest.
5-203. Discounts.

5-201. When due and payable. Taxes levied by the town against real and personal property shall become due and payable annually on the first Monday of October of the year for which levied. (1989 Code, § 6-301)

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 state law for delinquent county real property taxes. (1989 Code, § 6-302)

1State law references
Tennessee Code Annotated, §§ 67-1-701, 67-1-702 and 67-1-801, read together, permit a municipality to collect its own property taxes if its charter authorizes it to do so, or to turn over the collection of its property taxes to the county trustee. Apparently, under those same provisions, if a municipality collects its own property taxes, tax due and delinquency dates are as prescribed by the charter; if the county trustee collects them, the tax due date is the first Monday in October, and the delinquency date is the following March 1.

2Charter and state law reference
Tennessee Code Annotated, § 67-5-2010(b) provides that if the county trustee collects the municipality's property taxes, a penalty of 1/2 of 1% and interest of 1% shall be added on the first day of March, following the tax due date and on the first day of each succeeding month.

3Charter and state law references
A municipality has the option of collecting delinquent property taxes any one of three ways:
(1) Under the provisions of its charter for the collection of delinquent property taxes.
(2) Under Tennessee Code Annotated, §§ 6-55-201-- (continued...)
5-203. **Discounts.** In order to encourage prompt payment of taxes during the month of October, a 2% discount is allowed for the payment of taxes during the month of October, and no discount is allowed for the months of November, December, January, and February. (Ord. #92-09-17A, Sept. 1992)

(...continued)

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.
5-303. Display.
5-304. Violation and penalty.

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, § 67-4-701, et seq.) are hereby expressly enacted, ordained, and levied on the businesses, business activities, vocations, and occupations carried on within the town at the rates and in the manner prescribed by the act. (1989 Code, § 6-401)

5-302. License required. No person shall exercise any such privilege within the town without a currently effective privilege license, which shall be issued by the recorder to each applicant therefor upon the applicant's payment of the appropriate privilege tax. It shall be unlawful for any vocation, occupation, and business to fail to obtain a current privilege license. (1989 Code, § 6-402, as amended by Ord. #08-11-06, Nov. 2008)

5-303. Display. Any vocation, occupation or business that is issued a privilege license is required to publicly display the current license and it is a violation to fail to do so. (as added by Ord. #08-11-06, Nov. 2001)

5-304. Violation and penalty. The failure of a vocation, occupation or business to comply with the requirements of this chapter is punishable by a penalty that does not exceed state authorized maximums for each offense. Each day a violation occurs shall constitute a separate offense. (as added by Ord. #08-11-06, Nov. 2008)
CHAPTER 4

WHOLESALE BEER TAX

SECTION
5-401. To be collected.

5-401. To be collected. The city recorder is hereby directed to take appropriate action to assure payment to the town of the wholesale beer tax levied by the "Wholesale Beer Tax Act," as set out in Tennessee Code Annotated, title 57, chapter 6.¹ (1989 Code, § 6-501)

¹State law reference
Tennessee Code Annotated, title 57, chapter 6 provides for a tax of 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

LOCAL SALES TAX

SECTION
5-501. Tax levied.
5-502. Effect of approval.
5-503. Department of revenue to collect.
5-504. Suits for illegally assessed or collected taxes.
5-505. Copies and publication.

5-501. Tax levied. As authorized by Tennessee Code Annotated, title 67, ch. 6, part 7, as amended, there is levied a tax in the same manner and on the same privileges subject to the Retailers' Sales Tax Act under Tennessee Code Annotated, title 67, ch. 6, parts 1--6, which are exercised in Oliver Springs. The tax is levied on all such privileges at a rate of two-ninths of the rates levied in the Retailers' Sales Tax Act, Tennessee Code Annotated, title 67, ch. 6, parts 1--6, so long as the general state rate continues at 4.5 percent, and at one-third of the state rates if and when the general state rate is reduced to 3 percent. Provided that with respect to industrial and farm machinery as defined in Tennessee Code Annotated, § 67-6-102 and with respect to water sold to or used by manufacturers, the tax thereon is imposed at the rate of 1/3 of 1%. Provided further the tax shall not exceed $5.00 on the sale or use of any single article of personal property, and there is excepted from the tax levied by the provisions of this chapter the sale, purchase, use, consumption, or distribution of electric power or energy, or natural or artificial gas, or coal and fuel oil, so long as such exception is required by state law. Penalties and interest for delinquencies shall be the same as provided in Tennessee Code Annotated, title 67, ch. 6, part 5. (1989 Code, § 6-201)

5-502. Effect of approval. 2 If a majority of those voting in the election required by Tennessee Code Annotated, §§ 67-6-701--67-6-712, vote for the provisions of this chapter, collection of the tax levied by this chapter shall begin on the first day of the month occurring 30 or more days after the county election commission makes its official canvass of the election returns. (1989 Code, § 6-202)

1 Portions of the tax levied by this chapter have been superseded by county sales taxes levied by the counties in which Oliver Springs is situated.

2 At the referendum held May 3, 1979, on the sales tax levied by the provisions of this chapter, 385 votes were cast for the tax and 253 against it.
5-503. **Department of revenue to collect.** It having been determined by the Department of Revenue of the State of Tennessee that it is feasible for this tax to be collected by that department, said determination being evidenced by Local Option Sales and Use Tax Rules and Regulations heretofore promulgated by the Department of Revenue, the department shall collect such tax concurrently with the collection of the state tax in the same manner as the state tax is collected in accordance with rules and regulations promulgated by said department. The mayor is hereby authorized to contract with the Department of Revenue for the collection of the tax by the department, and to provide in said contract that the department may deduct from the tax collected a reasonable amount of percentage to cover the expense of the administration and collection of said tax. (1989 Code, § 6-203)

5-504. **Suits for illegally assessed or collected taxes.** In the event the tax is collected by the Department of Revenue, suits for the recovery of any tax illegally assessed or collected shall be brought against the mayor. (1989 Code, § 6-204)

5-505. **Copies and publication.** A certified copy of the provisions of this chapter shall be transmitted to the Department of Revenue by the city recorder forthwith and shall be published one time in a newspaper of general circulation in Oliver Springs prior to the election called for in § 5-502 hereof. (1989 Code, § 6-205)
CHAPTER 6

FINANCE OFFICER

SECTION
5-601. Duties and responsibilities.

5-601. Duties and responsibilities. The duties of the finance officer as recorded in the town charter are as follows: The finance officer shall take care of and keep account of all funds of whatever nature, and shall keep such books as the town council may direct and shall do and perform all the duties that the town council shall by ordinance direct.

The finance officer will also be responsible for the opening and closing of accounts with financial institutions doing business with the Town of Oliver Springs.

A written report will be rendered to the town council after each transaction. (Ord. #96-07-03, March 1996)
CHAPTER 7

HOTEL/MOTEL TAX

SECTION
5-701. Definitions.
5-702. Permit required.
5-703. Not transferable.
5-704. Duration.
5-705. Register required; availability for inspection.
5-706. Rooms to be numbered.
5-707. Privilege tax levied; use.
5-708. Payment of the tax.
5-709. Compensation to the hotel.
5-710. Interest and penalty for late payment.
5-711. Records requirement.

5-701. Definitions. As used in this chapter,
(1) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel valued in money, goods, labor or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever;
(2) "Hotel" means any structure or space, or any portion thereof, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist camp, tourist cabin, motel or any place in which rooms, lodgings or accommodations are furnished to transients for a consideration;
(3) "Occupancy" means the use or possession, or the right to use or possession, of any room, lodgings or accommodations in any hotel;
(4) "Operator" means the person operating the hotel whether as owner, lessee or otherwise.
(5) "Persons" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit; and
(6) "Transient" means any person who exercises occupancy or is entitled to occupancy of any rooms, lodgings or accommodations in a hotel for a period of less than thirty (30) continuous days. (as added by Ord. #08-04-17, April 2008)

5-702. Permit required. No person will conduct, keep, manage, operate or cause to be conducted, kept, managed or operated, either as owner, lessor, agent or attorney, any hotel in the city without having obtained a permit from
5-703. **Not transferable.** No permit issued under this chapter shall be transferred or assigned. (as added by Ord. #08-04-17, April 2008)

5-704. **Duration.** Hotel permits shall be issued annually and shall expire on the last day of December of each year. (as added by Ord. #08-04-17, April 2008)

5-705. **Register required; availability for inspection.** Every person to whom a permit is issued under this chapter shall at all times keep a standard hotel register, in which shall be inscribed the names of all guests renting or occupying rooms in his hotel. Such register shall be signed in every case by the persons renting a room or by someone under his direction, and after registration is made and the name of the guest is inscribed as herein provided, the manager shall write the number of the room which guest is to occupy, together with the time such room is rented, before such person is permitted to occupy such room. The register shall be open to inspection at all times to the city administrator or his designee. (as added by Ord. #08-04-17, April 2008)

5-706. **Rooms to be numbered.** Each sleeping room and apartment in every hotel in the city shall be numbered in a plain and conspicuous manner. The number of each room shall be placed on the outside of the door of such room, and no two (2) doors shall bear the same number. (as added by Ord. #08-04-17, April 2008)

5-707. **Privilege tax levied; use.** (1) Pursuant to the provisions of Tennessee Code Annotated, §§ 67-4-1401 through 67-4-1325, there is hereby levied a privilege of occupancy in any hotel of each transient. From and after the operative date of this chapter the rate of the levy shall be five percent (5%) of the consideration charged by the operator. This privilege tax shall be collected pursuant to and subject to the provisions of these statutory provisions. The city administrator shall be designated as the authorized collector to administer and enforce this chapter and these statutory provisions.

(2) The proceeds received from this tax shall be available for the city's general fund. Proceeds of this tax may not be used to provide a subsidy in any form to any hotel or motel. (as added by Ord. #08-04-17, April 2008)

5-708. **Payment of the tax.** Payment of the tax by the motel to the city shall be no later than the twentieth (20th) day of each month for the preceding month. (as added by Ord. #08-04-17, April 2008)
5-709. **Compensation to the hotel.** The hotel may deduct two percent (2%) from the amount paid to the city. (as added by Ord. #08-04-17, April 2008)

5-710. **Interest and penalty for late payment.** The hotel operator is responsible for paying interest on delinquent taxes, twelve percent (12%) per annum, plus a penalty of one percent (1%) per month. (as added by Ord. #08-04-17, April 2008)

5-711. **Records requirement.** The hotel operator must keep records for three (3) years, with the right of inspection by the city. (as added by Ord. #08-04-17, April 2008)
CHAPTER 8

DEBT POLICY

SECTION

5-801. Purpose.
5-802. Definition of debt.
5-803. Approval of debt.
5-804. Transparency.
5-805. Role of debt.
5-806. Types and limits of debt.
5-807. Use of variable rate debt.
5-808. Use of derivatives.
5-809. Costs of debt.
5-810. Refinancing outstanding debt.
5-811. Professional services.
5-812. Conflicts.
5-813. Review of policy.
5-814. Compliance.

5-801. Purpose. The purpose of this debt policy is to establish a set of parameters by which debt obligations will be undertaken by the Town of Oliver Springs, Tennessee. This policy reinforces the commitment of the town and its officials to manage the financial affairs of the town so as to minimize risk, avoid conflicts of interest and ensure transparency while still meeting the capital needs of the town. A debt management policy signals to the public and the rating agencies that the town 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 direction 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. (as added by Ord. #2012-03-05, March 2012)

5-802. Definition of debt. All obligations of the town 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 town resources. This includes but is not limited to notes, bond issues, capital leases, and loans of any type whether from an outside source such as a bank or other lending institution or from another internal fund. (as added by Ord. #2012-03-05, March 2012)

5-803. 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 town council 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 town council; however, details on the lease agreement will be forwarded to the comptroller's office on the specified form within forty-five (45) days. (as added by Ord. #2012-03-05, March 2012)

5-804. Transparency.  (1) The town shall comply with legal requirements for notice and for public meetings related to debt issuance.

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

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

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

(5) A debt service schedule outlining the rate of retirement for the principal amount shall be clearly presented and disclosed to the citizens/members, town council, and other stakeholders in a timely manner. (as added by Ord. #2012-03-05, March 2012)

5-805. Role of debt.  (1) 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 operational borrowing; however, the town will minimize the use of short-term cash flow borrowings by maintaining adequate working capital and close budget management.

(2) In accordance with generally accepted accounting principles and state law,

(a) 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.

(b) Debt issued for operating expenses must be repaid within the same fiscal year of issuance or incurrence. (as added by Ord. #2012-03-05, March 2012)

5-806. Types and limits of debt.  (1) The town will seek to limit total outstanding debt obligations in an amount not to exceed seventy-five percent (75%) of the total gross revenues from all sources received by the town in a given fiscal year.
(2) The limitation on total outstanding debt must be reviewed prior to the issuance of any new debt.

(3) The town’s total outstanding debt obligation will be monitored and reported to the town council by the town finance officer. The town finance officer shall monitor the maturities and terms and conditions of all obligations to ensure compliance. The town finance officer shall also report to the town council any matter that adversely affects the credit or financial integrity of the town.

(4) The town has issued in the past various types of instruments evidencing indebtedness and is authorized to issue general obligation bonds, revenue bonds, TIFs, loans, notes and other debt allowed by law.

(5) The town will seek to structure debt with level or declining debt service payments as determined at that time to be the best type of structure for indebtedness over the life of each instrument of indebtedness and/or project, property, or improvement arising out of said indebtedness.

(6) As a rule, the town will not backload, use "wrap-around" techniques, balloon payments or other exotic formats to pursue the financing of projects. When refunding opportunities, natural disasters, other non-general fund revenues, or other external factors occur, the town 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 use is justified and in the best interest of the town.

(7) The town may use capital leases to finance short-term projects.

(8) Bonds backed with a general obligations pledge often have lower interest rates than revenue bonds. The town 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 town. The town council and management are committed to maintaining rates and fee structures of revenue supported debt at levels that will not require a subsidy from the town's general fund. (as added by Ord. #2012-03-05, March 2012)

5-807. **Use of variable rate debt.** (1) The town 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.

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

   (a) The town 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.

   (b) Prior to entering into any variable rate debt obligation that is backed by insurance and secured by a liquidity provider, the town
council shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the insurance fail.

(c) Prior to entering into any variable rate debt obligation that is backed by a letter of credit provider, the town council 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.

(d) Prior to entering into any variable rate debt obligation, the town council will be informed of any terms, conditions, fees, or other costs associated with the prepayment of variable rate debt obligations.

(e) The town shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any variable rate debt obligation. (as added by Ord. #2012-03-05, March 2012)

5-808. Use of derivatives. (1) The town chooses not to use derivative or other exotic financial structures in the management of the town's debt portfolio.

(2) Prior to any reversal of this provision:
   (a) A written management report outlining the potential benefits and consequences of utilizing these structures must be submitted to the town council; and
   (b) The town council 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. (as added by Ord. #2012-03-05, March 2012)

5-809. Costs of debt. (1) 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 town council in accordance with the notice requirements stated above.

(2) In cases of 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.

(3) 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). (as added by Ord. #2012-03-05, March 2012)

5-810. Refinancing outstanding debt. (1) The town will refund debt when it is in the best financial interest of the town 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.

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

(a) 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.

(b) Restructuring for economic purposes - The town will refund debt when it is in the best financial interest of the town to do so. Such refunding may include restructuring to meet unanticipated revenue expectations, 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.

(c) Term of refunding issues - The town 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 financed facility and the concept of inter-generational equity should guide this decision.

(d) Escrow structuring - The town 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 town from its own account.

(e) Arbitrage - The town shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any refunding. (as added by Ord. #2012-03-05, March 2012)

5-811. Professional services. The town 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 town and the lender or conduit issuer, if any. This includes "soft" costs or compensations in lieu of direct payments.

(1) Counsel: The town shall enter into an engagement letter agreement with each lawyer or law firm representing the town in a debt transaction. Provided however, no engagement letter is required for any lawyer who is an employee of the town or lawyer or law firm which is under a general appointment or contract to serve as counsel to the town. The town does not need an engagement letter with counsel not representing the town, such as underwriters' counsel.
(2) Financial advisor: If the town chooses to hire a financial advisor(s), the town shall enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions.

(a) Whether in a competitive sale or negotiated sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are or have been providing advisory services for the issuance or broker any other debt transactions for the town.

(3) Underwriter: If there is an underwriter, the town shall require the underwriter to clearly identify itself in writing as an underwriter and not as a financial advisor from the earliest stages of its relationship with the town with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an arm’s-length commercial transaction and that it has financial and other interests that differ from those of the entity. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the town council in advance of the pricing of the debt. (as added by Ord. #2012-03-05, March 2012)

5-812. Conflicts. (1) Professionals involved in a debt transaction hired or compensated by the town shall be required to disclose to the town existing client and business relationships between and among the professionals 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, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the town to appreciate the significance of the relationships.

(2) Professionals who become involved in the debt transaction as a 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. (as added by Ord. #2012-03-05, March 2012)

5-813. Review of policy. This policy shall be reviewed at least annually by the town council 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. (as added by Ord. #2012-03-05, March 2012)

5-814. Compliance. The town finance officer in cooperation with the town's auditors is responsible for ensuring compliance with this policy. (as added by Ord. #2012-03-05, March 2012)
CHAPTER 9

PURCHASING POLICY

SECTION

5-901. Purchases less than $1,000.00.
5-902. Purchases greater than $1,000.00 not exceeding $2,499.00.
5-903. Purchases over $2,500.00 but less than $10,000.00.
5-904. Purchases over $10,000,000.

5-901. Purchases less than $1,000.00. Purchases of less than one thousand dollars ($1,000.00) may be made with department head approval. All purchases over one hundred dollars ($100.00), except in emergency cases after hours, must be accompanied by a purchase order number, and a receipt or invoice must be promptly submitted to the finance office. (as added by Ord. #2015-02-05, Feb. 2015)

5-902. Purchases greater than $1,000.00 not exceeding $2,499.00. Purchases greater than one thousand dollars ($1,000.00), not to exceed two thousand four hundred ninety-nine dollars ($2,499.00), may be made with the department head and city manager approval. When possible, three (3) written quotes will be obtained. All purchases, except in emergency cases after hours, must be accompanied by a purchase order number, and a receipt or invoice must be promptly submitted to the finance office. (as added by Ord. #2015-02-05, Feb. 2015)

5-903. Purchases over $2,500.00 but less than $10,000.00. Purchases over two thousand five hundred dollars ($2,500.00) but less than ten thousand dollars ($10,000.00) must have the prior approval of the town council. When possible, three (3) written quotes will be obtained. All purchases, except in emergency cases after hours, must be accompanied by a purchase order number, and a receipt or invoice must be promptly submitted to the finance office. In the event of an emergency, purchases over two thousand five hundred dollars ($2,500.00) may be authorized by the city manager and mayor jointly, provided that a full justification is presented to council at the next regularly scheduled meeting. (as added by Ord. #2015-02-05, Feb. 2015)

5-904. Purchases over $10,000,000. Purchases over ten thousand dollars ($10,000.00) require formal sealed and advertised bids and the transaction shall be submitted to and approved by town council unless the town council states in the minutes that there is clearly no advantage to competitive bidding, or in the event that the purchase or service requires a request for purchasing. (as added by Ord. #2015-02-05, Feb. 2015)