



City of Hutto

Agenda

Hutto Economic Development Corp. Type A and Type B Board of Directors Meeting Monday, March 9, 2026 at 6:30 PM City Council Chambers

In accordance with the Texas Open Meetings Act this meeting agenda is posted for public information, continuously, for at least 3 business days prior to the scheduled date of the meeting on the bulletin board located on the exterior wall of the City Hall building at 500 West Live Oak, Hutto, Texas. This meeting agenda is also accessible via the Internet at huttotx.gov

1. CALL SESSION TO ORDER

2. ROLL CALL

- 2.1. Caitlin Morales, Vice Chair
Irma Gonzalez, Secretary/Treasurer
Mike Snyder, Board Member
Dan Thornton, Board Member
Evan Porterfield, Board Member
Jim Morris, Board Member

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Any citizen wishing to speak during public comment may do so after completing the required registration form. The purpose of this item is to allow the residents of Hutto and other interested persons an opportunity to address the Hutto Economic Development Corporation Type A and the Hutto Economic Development Corporation Type B on agenda issues and on agenda issues (i.e., Corporation policy or legislative issues). Non-agenda issues regarding daily operational or administrative matters should be first dealt with at the administrative level by calling City Hall at (512) 759-4913 during business hours. Each person providing public comment will be limited to 3 minutes. (Note: The Texas Open Meetings Act, Texas Government Code, Chapter 551, prohibits governing bodies from a full discussion, debating, or considering subjects for which public notice has not been given on the agenda. Issues that cannot be referred to the Corporation Staff for action may be placed on the agenda of a future meeting.)

5. PRESENTATIONS

- 5.1. Receive and discuss a presentation on the Strategic Plan for the Corporation.

6. AGENDA ITEMS

- 6.1. Discuss and consider action on Resolution R-HEDC-2026-019 approving a budget amendment of the Corporation for principal and interest payments on the Alliance Bank loan payment.
- 6.2. Discuss and consider action on Resolution R-HEDC-2026-020 to approve a budget amendment for the current Fiscal Year 2026 Budget in support of the CR137/FM1660 Project.
- 6.3. Discuss and consider action to approve the Corporation's monthly financial report for February 2026.

- 6.4. Discuss and consider action on Resolution R-HEDC-2026-012 to approve funding of the City of Hutto's Facade Grant Incentive Program using the approved funds in the current Fiscal Year 2026 Budget in the Facade Improvement Grant line item.
- 6.5. Discuss and consider action regarding Resolution R-HEDC-2026-013 to approve the Pecan Street design as a project to be wholly managed by the Hutto Economic Development Corporation (HEDC).
- 6.6. Discuss and consider action on Resolution R-HEDC-2026-014 to approve the ratification of the Professional Services Agreement between the Corporation and the City of Hutto.
- 6.7. Discuss and consider action on Resolution R-HEDC-2026-015 to approve a Strategic Plan for the Corporation.
- 6.8. Discuss and consider action to approve the Minutes from their Quarterly Joint Meeting with City Council on January 8, 2026, their Regular Meeting on February 9, 2026 and their Special Called Meeting on February 23, 2026.
- 6.9. Discuss and consider action on Resolution R-HEDC-2026-016 to conditionally approve the construction contract for the CR137/FM 1660 Project and award to Capital Exavation, LLC, pending the approval of the corresponding Funding Agreement by the Corporation and City Council.
- 6.10. Discuss and consider action on Resolution R-HEDC-2026-017 to approve a funding agreement with the City of Hutto for the construction of the CR137/FM1660 Project.
- 6.11. Discuss and consider action on Resolution R-HEDC-2026-018 to approve a Procedure Manual in support of the Capital Improvement Projects assigned to the Hutto Economic Development Corporation (HEDC) from the City of Hutto.

7. EXECUTIVE SESSION

The Board will now recess the open meeting and reconvene in executive session pursuant to Texas Government Code Section 551.071 (Attorney Consultation), Sections 551.087 (Economic Development), and 551.072 (Real Property) to deliberate and seek legal advice regarding the following economic development projects: Project Core, Project Lake, Project Sequel, Project the Megasite project, Project Heartbeat, Project Shrine, Project Orchard, Project Dynamite, Project West, Project Strat3 ; potential real estate transactions; the incentive agreement for Hutto Hospitality; the loan for the Cottonwood Properties; the planning and development of the Cottonwood Properties and any related incentives; possible litigation with Midway; Sales Tax Sharing Agreements between the City of Hutto and Williamson County Emergency Services District #3; use of eminent domain for economic development; infrastructure projects impacting Corporation owned property, and the evaluation of available corporate funds for incentives.

8. ACTION RELATIVE TO EXECUTIVE SESSION

- 8.1. Discuss and consider action on Resolution R-HEDC-2026-021 to engage Hyde Kelley, LLP as litigation counsel for the Type A and Type B Economic Development Corporations in Midway Development Group, LLC v. Hutto Economic Development Corporation, et. al, and authorizing the Chair of the Corporations to execute the engagement agreement.
- 8.2. Consideration and possible action related to Executive Session agenda items, listed above.

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

11. CERTIFICATION



Angel Kavanaugh

Sr. Management Assistant

The City of Hutto is committed to comply with the Americans Disability Act. The Hutto City Council Chamber is wheelchair accessible. Request for reasonable special accommodations must be made 48 hours prior to the meeting. Please email the City Secretary's office at City.Secretary@huttotx.gov or call (512) 759-4033 for assistance.

The Board reserves the right to recess the open session of the meeting and reconvene in Executive Session at any time between the meeting's opening and adjournment by majority vote on any item on the agenda for the purpose of consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code; discussion of personnel matters pursuant to Chapter 551.074 of the Texas Government Code; deliberation regarding real property pursuant to Chapter 551.072 of the Texas Government Code; deliberation regarding gifts and donations pursuant to Chapter 551.073 of the Texas Government Code; deliberation regarding economic development negotiations pursuant to Chapter 551.087 of the Texas Government Code; and/or deliberation regarding the deployment, or specific occasions for implementation of security personnel or devices pursuant to Chapter 551.076 of the Texas Government Code. Action, if any, will be taken in open session.

This agenda has been reviewed and approved by the Board's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the item discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

Attendance by Other Elected or Appointed Officials: It is anticipated that members of other governmental bodies, and/or city boards may attend the meeting in numbers that may constitute a quorum of the body, board, commission and/or committee. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a possible meeting of the other body, board, commission and/or committee, whose members may be in attendance, if such numbers constitute a quorum. The members of the boards, commissions and/or committees may be permitted to participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that body, board, commission or committee subject to the Texas Open Meetings Act.

AGENDA ITEM REPORT

6.1.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action on Resolution R-HEDC-2026-019 approving a budget amendment of the Corporation for principal and interest payments on the Alliance Bank loan payment.
Meeting: Monday, March 9, 2026
Department: Finance
Staff Contact:

BACKGROUND INFORMATION:

This proposed amendment adjusts the budgeted expenditures of the Corporation as the result of a loan renewal with Alliance Bank. The affected accounts are as follows:

Bank and Finance Charges: The proposed amendment increases expenditures by \$618 for an amended budget of \$968. There were charges incurred with the loan renewal, such as document preparation, recording fees, and title searches. Staff does not anticipate additional bank and finance charges this fiscal year.

Loan Principal Payment: This amendment will decrease budgeted principal payments by \$8,590,657 for an amended budget of \$4,813,066. Principal payments year-to-date total \$1,005,000. The remaining budget would be for the 10% principal payment that is due to the bank with the closing of land sales. Based on projected land sales, staff has budgeted a remaining \$3,808,066 to be paid towards principal this fiscal year.

Loan Interest Payment: This amendment will increase budgeted interest payments by \$526,939. The only remaining interest payment on the Alliance Bank loan is set to occur in August. With the renewal of the loan, interest payments are now due semi-annually instead of monthly.

The result of the proposed amendments will increase the budgeted fund balance by \$8,063,100.

SUMMARY OF REQUEST:

Staff requests approval as presented.

STAFF REVIEW:

Finance staff has reviewed the renewal of the loan with Alliance Bank, and recommends approval of these amendments.

FISCAL NOTES:

Approving these amendments will increase the budgeted fund balance by \$8,063,100

AGENDA ITEM REPORT

6.1.



POLICY IMPLICATIONS:

ATTACHMENTS:

1. Exhibit A - Proposed Budget Amendment 3-9-26 Loan Renewal
2. 2026.03.09 Resolution No. R-HEDC-2026-019 Alliance Loan Budget

EXHIBIT A
Proposed Budget Amendment
3/9/2026

Department / Description	Account Code	Current Budget	Proposed Budget Amendment	Revised Budget	Notes
Expenditures					
Bank & Finance Charges	35-500-008-6505	\$ 350	\$ 618	\$ 968	To increase bank and finance charges incurred to execute loan renewal
Loan Principal Payment	35-500-008-6806	\$ 13,403,723	\$ (8,590,657)	\$ 4,813,066	To reduce principal payments for terms of loan renewal
Loan Interest Payment	35-500-008-6807	\$ -	\$ 526,939	\$ 526,939	To increase interest payments associated with loan renewal
			\$ (8,063,099.58)		

HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE B
RESOLUTION NO. R-HEDC-2026-019

A RESOLUTION OF THE HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE A, APPROVING A BUDGET AMENDMENT TO THE FISCAL YEAR 2026-2027 ANNUAL BUDGET FOR PRINCIPLE AND INTEREST PAYMENTS ON THE ALLANCE BANK LOAN; PROVIDING FOR REPEAL, SEVERABILITY, OPEN MEETINGS COMPLIANCE, AN EFFECTIVE DATE, AND PROVIDING FOR RELATED MATTERS

WHEREAS, the Hutto Economic Development Corporation, Type B (the “Corporation”) is an economic development corporation operating pursuant to the Development Corporation Act, as codified in the Local Government Code, as amended and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, the Board finds that the Corporation owns approximately 254 acres of land near the intersection of US Highway 79 and County Road 132 (the “Property”) that it desires to be converted into multi-use development to bring jobs and generate sales tax for the City of Hutto; and

WHEREAS, the Board finds that the Corporation entered into a loan with Alliance Bank refinancing the Property after an initial loan and must now approve a budget amendment to provide for principle and interest payments on the new loan; and

WHEREAS, the Board desires to approve a budget amendment as provided in Exhibit A for principle and interest payments on the Alliance Bank Loan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Hutto Economic Development Corporation, Type B that:

1. The statements set forth in and by reference in the recitals of this Resolution are true and correct, and the Corporation hereby incorporates such recitals as a part of this Resolution.
2. The Board hereby approves an amendment to the Fiscal Year 2026-2027 Budget as shown in Exhibit A for principle and interest payments on the Alliance Bank Loan.
3. This Resolution shall be and is hereby cumulative of all other resolutions of the Corporation, and this Resolution shall not operate to amend, change, supplement or repeal any such other resolutions or action of the Board insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolutions are hereby repealed.

4. Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

5. The Board hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

6. This Resolution shall become effective and be in full force and effect from and after the date of passage and adoption by the Corporation and shall be binding on the Corporation. Any budget changes not previously approved by City Council will be final and binding after approval by City Council.

PASSED AND APPROVED by the Board of Directors of the Hutto Economic Development Corporation, Type B on the 9th day of March, 2026.

APPROVED

Caitlin Morales, Vice Chairperson

ATTEST:

Irma Gonzales, Secretary

EXHIBIT A

ALLIANCE BANK LOAN BUDGET AMENDMENT

EXHIBIT A

Proposed Budget Amendment

3/9/2026

Department / Description	Account Code	Current Budget	Proposed Budget Amendment	Revised Budget	Notes
Expenditures					
Bank & Finance Charges	35-500-008-6505	\$ 350	\$ 618	\$ 968	To increase bank and finance charges incurred to execute loan renewal
Loan Principal Payment	35-500-008-6806	\$ 13,403,723	\$ (8,590,657)	\$ 4,813,066	To reduce principal payments for terms of loan renewal
Loan Interest Payment	35-500-008-6807	\$ -	\$ 526,939	\$ 526,939	To increase interest payments associated with loan renewal
			\$ (8,063,099.58)		

AGENDA ITEM REPORT

6.2.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action on Resolution R-HEDC-2026-020 to approve a budget amendment for the current Fiscal Year 2026 Budget in support of the CR137/FM1660 Project.
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact: Christina Bishop

BACKGROUND INFORMATION:

This proposed amendment reflects anticipated funding and expenditures associated with the CR 137/FM 1660 project and is based on agreements currently pending approval.

The amendment would increase revenues in the **“Contribution from City”** line item by **\$11,258,108**, consistent with the funding agreement that is being presented to City Council for consideration at the March 12, 2026 meeting.

The amendment would also increase expenditures in the **“Capital Outlay”** line item by **\$11,258,108**, reflecting the amount of the proposed construction contract associated with the project.

The amendment, along with the related agreements and funding, remains subject to approval by City Council before becoming effective.

SUMMARY OF REQUEST:

Staff requests approval as presented.

STAFF REVIEW:

Finance and EDC staff recommend approval of this amendment.

FISCAL NOTES:

This budget amendment increases revenues and expenditures by the same amount; this will not affect the Corporation's fund balance.

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Exhibit A - Proposed Budget Amendment 3-9-26 137-1660 Project

AGENDA ITEM REPORT

6.2.



2. 2026.03.09 Resolution No. R-HEDC-2026-020 CR137-FM1660 Budget

EXHIBIT A
Proposed Budget Amendment
3/9/2026

Department / Description	Account Code	Current Budget	Proposed Budget Amendment	Revised Budget	Notes
Revenues					
Contribution from City	35-5925	\$ 34,998,328	\$ 11,258,108	\$ 46,256,436	To reflect the proposed funding agreement for the CR 13/FM 1660 project
Expenditures					
Capital Outlay	35-500-008-6650	\$ 34,998,328	\$ 11,258,108	\$ 46,256,436	To increase expenditures to reflect the proposed construction contract for the CR 137/FM 1660 project

**HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE A
RESOLUTION NO. R-2026-020**

A RESOLUTION OF THE HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE A, APPROVING A BUDGET AMENDMENT TO THE FISCAL YEAR 2026-2027 ANNUAL BUDGET TO SUPPORT THE CR137/FM1660 PROJECT; PROVIDING FOR REPEAL, SEVERABILITY, OPEN MEETINGS COMPLIANCE, AN EFFECTIVE DATE, AND PROVIDING FOR RELATED MATTERS

WHEREAS, pursuant to Texas Local Government Code Chapters 501, 502, and 504, the City of Hutto (“City”) created the Hutto Economic Development Corporation, Type A (the “Corporation”); and

WHEREAS, the Board of Directors (“Board”) for the Corporation finds that the City desires to delegate certain public infrastructure projects to the Corporation for administration and implementation which the City will fund; and

WHEREAS, the Board finds that one such project is traffic and safety improvements to the FM 1660 main corridor and to CR 137 which connects the main corridor to the Brushy Creek Amphitheater (the “Project”); and

WHEREAS, the Board finds that Capital Excavation, LLC (“Capital Excavation”), is highly qualified and the best value of the responding bidders; and

WHEREAS, the Board finds that prior to final awarding of the Project, the City and Corporation must execute a funding agreement and budget amendment for expenses related to the Project; and

WHEREAS, the Board desires to amend the Fiscal Year 2026-2027 annual budget, as provided in Exhibit A, to support the CR137/FM1660 Project.

NOW, THEREFORE, BE IT RESOLVED by the Hutto Economic Development Corporation, Type A Board of Directors that:

1. The facts and recitations set forth above are hereby found to be true and correct and are adopted herein for all purposes.

2. The Board hereby approves an amendment to the Fiscal Year 2026-2027 Annual budget as shown in Exhibit A to support the CR137/FM1660 Project.

3. This Resolution shall be and is hereby cumulative of all other resolutions of the Corporation, and this Resolution shall not operate to amend, change, supplement or repeal any such other resolutions or action of the Board insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolutions are hereby repealed.

4. Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

5. The Board hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

6. This Resolution shall become effective and be in full force and effect from and after the date of passage and adoption by the Corporation and shall be binding on the Corporation. Any budget changes not previously approved by City Council will be final and binding after approval by City Council.

PASSED AND APPROVED by the Board of Directors of the Hutto Economic Development Corporation, Type A on the 9th day of March, 2026.

APPROVED

Caitlin Morales, Vice Chairperson

ATTEST:

Irma Gonzales, Secretary

EXHIBIT A

CR137FM1660 PROJECT BUDGET AMENDMENT

EXHIBIT A

Proposed Budget Amendment

3/9/2026

Department / Description	Account Code	Current Budget	Proposed Budget Amendment	Revised Budget	Notes
Revenues					
Contribution from City	35-5925	\$ 34,998,328	\$ 11,258,108	\$ 46,256,436	To reflect the proposed funding agreement for the CR 13/FM 1660 project
Expenditures					
Capital Outlay	35-500-008-6650	\$ 34,998,328	\$ 11,258,108	\$ 46,256,436	To increase expenditures to reflect the proposed construction contract for the CR 137/FM 1660 project

AGENDA ITEM REPORT

6.3.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action to approve the Corporation's monthly financial report for February 2026.
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact: Christina Bishop

BACKGROUND INFORMATION:

A summary of the February 2026 financial report is as follows:

- As of February 28th, revenues of the Corporation exceed expenses by \$409,341.
- Current cash balances are \$6,732,499. This amount excludes the \$1,162,646 held in escrow at Alliance Bank.
- The most significant financial events that occurred in February was the principal payment to Alliance Bank in the amount of \$1,005,000, and the renewal of the Alliance Bank loan. Going forward, interest payments will be made semi-annually rather than monthly.

SUMMARY OF REQUEST:

Staff requests approval as presented.

STAFF REVIEW:

City accounting staff prepared the financial report, and it was reviewed and approved by the Assistant Finance Director.

FISCAL NOTES:

No fiscal impact.

POLICY IMPLICATIONS:

ATTACHMENTS:

1. February 2026 EDC Financials



City of Hutto, TX

Balance Sheet

Account Summary

As Of 02/28/2026

Account	Name	Balance
Fund: 35 - Economic Development Corporation		
Assets		
35-1000	Claim on Cash	0.00
35-1035	EDC Checking - FSB	0.00
35-1036	Wells Fargo - EDC Checking	113,875.34
35-1079	TexPool - EDC Operating	6,618,623.54
35-1081	Cash on Hand	0.00
35-1137	Alliance Escrow Account	1,162,646.16
35-1221	Sales Tax Receivable	953,289.01
35-1231	Accounts Receivable	0.00
35-1270	Loan Funds at BCL	0.00
35-1271	Purchase Option Assets	0.00
35-1275	Business Loans	58,794.44
35-1278	Allowance for Doubtful Accounts-Leases	0.00
35-1279	Allowance for Doubtful Accounts	-58,794.44
35-1298	Megasite Arterial Rd Rec	994.68
35-1299	Lease Receivable	0.00
35-1310	Due From City	0.00
35-1422	Prepaid Expenses	0.00
Total Assets:		8,849,428.73
		8,849,428.73
Liability		
35-2001	Accounts Payable	80.54
35-2005	Economic Dev Agreement Payable	16,403.98
35-2250	Due to City of Hutto	67.80
35-2251	Due to City of Hutto TIRZ	0.00
35-2290	Other Liabilities	50,000.00
35-2504	Legal Fee Deposit Liability	0.00
35-2998	Deferred Inflows - Notes Receivable	0.00
35-2999	Deferred Inflows - Leases	0.00
Total Liability:		66,552.32
Equity		
35-3001	Fund Balance	8,373,535.72
Total Beginning Equity:		8,373,535.72
Total Revenue		2,038,173.70
Total Expense		1,628,833.01
Revenues Over/Under Expenses		409,340.69
Total Equity and Current Surplus (Deficit):		8,782,876.41
Total Liabilities, Equity and Current Surplus (Deficit):		8,849,428.73



Budget Report

Account Summary

For Fiscal: 2025-2026 Period Ending: 02/28/2026

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 35 - Economic Development Corporation							
Revenue							
35-5005	Sales Tax	3,618,706.00	3,618,706.00	340,523.86	1,551,536.49	-2,067,169.51	57.12 %
35-5041	Interest Earned	175,000.00	175,000.00	20,878.92	104,637.21	-70,362.79	40.21 %
35-5099	Other Revenue	38,080,654.00	38,080,654.00	0.00	382,000.00	-37,698,654.00	99.00 %
35-5925	Contribution from City	0.00	34,998,328.00	0.00	0.00	-34,998,328.00	100.00 %
	Revenue Total:	41,874,360.00	76,872,688.00	361,402.78	2,038,173.70	-74,834,514.30	97.35%
Expense							
35-500-008-6204	Special Events/Awards	346.50	346.50	0.00	57.00	289.50	83.55 %
35-500-008-6205	Food/Meals	750.00	750.00	0.00	0.00	750.00	100.00 %
35-500-008-6208	Tradeshows & Conferences	1,311.50	1,311.50	10.80	10.80	1,300.70	99.18 %
35-500-008-6401	Attorney Svcs	125,000.00	125,000.00	0.00	24,721.88	100,278.12	80.22 %
35-500-008-6405	Professional Svcs	10,012.00	44,012.00	0.00	12,400.00	31,612.00	71.83 %
35-500-008-6416	Marketing Services	44,382.60	44,382.60	0.00	30,687.79	13,694.81	30.86 %
35-500-008-6417	Business Program Administration	21,684.00	21,684.00	15,750.00	15,750.00	5,934.00	27.37 %
35-500-008-6441	Audit Svcs	7,500.00	7,500.00	0.00	0.00	7,500.00	100.00 %
35-500-008-6502	Training & Development	825.00	825.00	0.00	225.00	600.00	72.73 %
35-500-008-6504	Postage	100.00	100.00	0.00	0.00	100.00	100.00 %
35-500-008-6505	Bank & Finance Charges	350.00	350.00	737.25	967.25	-617.25	-176.36 %
35-500-008-6507	Membership Dues & Subscriptions	13,360.00	13,360.00	0.00	2,500.00	10,860.00	81.29 %
35-500-008-6550	Business Incentives	125,000.00	125,000.00	0.00	0.00	125,000.00	100.00 %
35-500-008-6555	Small Business Incentive Program	200,000.00	200,000.00	0.00	0.00	200,000.00	100.00 %
35-500-008-6556	Performance Grants	772,500.00	772,500.00	0.00	0.00	772,500.00	100.00 %
35-500-008-6558	Sponsorships/Community Outreach	51,650.00	51,650.00	0.00	1,926.54	49,723.46	96.27 %
35-500-008-6650	Capital Outlay	0.00	34,998,328.00	0.00	0.00	34,998,328.00	100.00 %
35-500-008-6801	EDC Debt Principal Pmt	215,000.00	215,000.00	0.00	0.00	215,000.00	100.00 %
35-500-008-6802	EDC Debt Interest pmt	332,480.36	332,480.36	0.00	166,240.18	166,240.18	50.00 %
35-500-008-6806	Loan Principal Payment	13,403,723.00	13,403,723.00	1,005,000.00	1,005,000.00	12,398,723.00	92.50 %
35-500-008-6807	Loan Interest Payment	0.00	0.00	42,706.85	368,346.57	-368,346.57	0.00 %
	Expense Total:	15,325,974.96	50,358,302.96	1,064,204.90	1,628,833.01	48,729,469.95	96.77%
Fund: 35 - Economic Development Corporation Surplus (Deficit):		26,548,385.04	26,514,385.04	-702,802.12	409,340.69	-26,105,044.35	98.46%
Report Surplus (Deficit):		26,548,385.04	26,514,385.04	-702,802.12	409,340.69	-26,105,044.35	98.46%

Group Summary

Account Typ...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance	Percent
					Favorable (Unfavorable)	
Fund: 35 - Economic Development Corporation						
Revenue	41,874,360.00	76,872,688.00	361,402.78	2,038,173.70	-74,834,514.30	97.35%
Expense	15,325,974.96	50,358,302.96	1,064,204.90	1,628,833.01	48,729,469.95	96.77%
Fund: 35 - Economic Development Corporation Surplus (Deficit):	26,548,385.04	26,514,385.04	-702,802.12	409,340.69	-26,105,044.35	98.46%
Report Surplus (Deficit):	26,548,385.04	26,514,385.04	-702,802.12	409,340.69	-26,105,044.35	98.46%

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
35 - Economic Development Corp	26,548,385.04	26,514,385.04	-702,802.12	409,340.69	-26,105,044.35
Report Surplus (Deficit):	26,548,385.04	26,514,385.04	-702,802.12	409,340.69	-26,105,044.35

Commercial Checking Acct Public Funds

Account number: 4373524362 ■ February 1, 2026 - February 28, 2026 ■ Page 1 of 2

WELLS
FARGO

HUTTO ECONOMIC DEVELOPMENT CORPORATION
OPERATING ACCOUNT
500 W LIVE OAK ST
HUTTO TX 78634-3179

Questions?

Call your Customer Service Officer or Client Services
1-800-AT WELLS (1-800-289-3557)
5:00 AM TO 6:00 PM Pacific Time Monday - Friday

Online: wellsfargo.com

Write: Wells Fargo Bank, N.A. (182)
PO Box 63020
San Francisco, CA 94163

Account summary

Commercial Checking Acct Public Funds

Account number	Beginning balance	Total credits	Total debits	Ending balance
4373524362	\$411,819.09	\$794,122.48	-\$1,092,066.23	\$113,875.34

Credits

Electronic deposits/bank credits

Effective date	Posted date	Amount	Transaction detail
	02/10	594,122.48	WT Seq452528 City of Hutto, Operatin /Org=City of Hutto Srf# Gb00000082213735 Trn#260210452528 Rfb# 1341
	02/13	200,000.00	WT Fed#0Bc00 Federated Services /Org=Hutto Edc Srf# 2026021300034941 Trn#260213093072 Rfb#
		\$794,122.48	Total electronic deposits/bank credits
		\$794,122.48	Total credits

Debits

Electronic debits/bank debits

Effective date	Posted date	Amount	Transaction detail
	02/10	16,027.02	WT Seq452289 City of Hutto, Operatin /Bnf=City of Hutto, Operating Deposit/Disburseme Srf# Gb00000082213439 Trn#260210452289 Rfb# 1340
	02/13	1,048,444.10	WT Fed#03R01 Alliance Bank Cent /Ftr/Bnf=Hutto Economic Development Corp Srf# Gw00000082313168 Trn#260213155500 Rfb# 1342
		\$1,064,471.12	Total electronic debits/bank debits



Checks paid

<i>Number</i>	<i>Amount</i>	<i>Date</i>	<i>Number</i>	<i>Amount</i>	<i>Date</i>	<i>Number</i>	<i>Amount</i>	<i>Date</i>
8140	2,400.00	02/03	8143*	15,750.00	02/17	8144	9,445.11	02/10
			\$27,595.11		Total checks paid			

* Gap in check sequence.

			\$1,092,066.23		Total debits			
--	--	--	-----------------------	--	---------------------	--	--	--

Daily ledger balance summary

<i>Date</i>	<i>Balance</i>	<i>Date</i>	<i>Balance</i>	<i>Date</i>	<i>Balance</i>
01/31	411,819.09	02/10	978,069.44	02/17	113,875.34
02/03	409,419.09	02/13	129,625.34		
Average daily ledger balance		\$303,885.19			



City of Hutto, TX

Bank Statement Register

EDC Checking

Period 2/1/2026 - 2/28/2026

Packet: BRPKT02974

Bank Statement		General Ledger	
Beginning Balance	411,819.09	Account Balance	113,875.34
Plus Debits	794,122.48	Less Outstanding Debits	0.00
Less Credits	1,092,066.23	Plus Outstanding Credits	0.00
Adjustments	0.00	Adjustments	0.00
Ending Balance	113,875.34	Adjusted Account Balance	113,875.34
Statement Ending Balance		113,875.34	
Bank Difference		0.00	
General Ledger Difference		0.00	

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

35-1036 Wells Fargo - EDC Checking

Cleared Checks

Item Date	Reference	Item Type	Description	Amount
12/29/2025	8140	Check	CenTex Appraisals, Inc	-2,400.00
02/09/2026	8143	Check	CivicServe	-15,750.00
02/09/2026	8144	Check	Hyde Kelley LLP	-9,445.11
Total Cleared Checks (3)				-27,595.11

Cleared Other

Item Date	Reference	Item Type	Description	Amount
02/28/2026	MISC0009292	Miscellaneous	Contribution from the City - FEC 2026	594,122.48
02/28/2026	MISC0009293	Miscellaneous	Transfer to TextPool EDC for principal paym	200,000.00
02/28/2026	MISC0009294	Miscellaneous	Due to City of Hutto TIRZ - FEB 2026	-16,027.02
02/28/2026	MISC0009295	Miscellaneous	Loan Interest & Principal Payment - FEB 20	-1,048,444.10
Total Cleared Other (4)				-270,348.64



Bank Statement Register
Transaction Summary

Transaction Type	Count	Outstanding	Cleared	Total
Check	3	0.00	-27,595.11	-27,595.11
Miscellaneous	4	0.00	-270,348.64	-270,348.64
		0.00	-297,943.75	-297,943.75



City of Hutto, TX

Check Report

By Check Number

Date Range: 02/01/2026 - 02/28/2026

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: EDC - Wells Fargo-EDC Operating - Wells Fargo						
E22537	CivicServe	02/09/2026	Regular	0.00	15,750.00	8143
E22060	Hyde Kelley LLP	02/09/2026	Regular	0.00	9,445.11	8144

Bank Code EDC - Wells Fargo Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	2	2	0.00	25,195.11
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	2	2	0.00	25,195.11

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	2	2	0.00	25,195.11
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	2	2	0.00	25,195.11

Fund Summary

Fund	Name	Period	Amount
35	Economic Development Corporation	2/2026	25,195.11
			25,195.11



P.O. Box 7554 Waco, Texas 76714-7554

Account Number
Statement Date
Statement Thru Date
Check/Items Enclosed
Page

7023518
02/27/2026
03/01/2026
0
1

00008941 T27280DDA02272623563 01 000000000 0000000 003



HUTTO ECONOMIC DEVELOPMENT
CORPORATION
500 W LIVE OAK ST
HUTTO TX 78634-3179

Customer Service Information

Phone: 254.741.8000
Mailing Address: P.O. Box 7554 Waco, Texas 76714-7554
Visit Us Online: alliancebanktexas.com
Email: customerservice@alliancebanktexas.com

IMPORTANT MESSAGE(S)

If your business is still issuing paper checks please reach out to our Customer Service Department to learn how Treasury Services can pay them electronically to save time and money! For personal bills, our Bill Pay feature through Mobile Banking can do those as well.
Need more info? AskAlliance@AllianceBankTexas.com

MONEY MARKET BUSI ELITE

Account Number: 7023518

Account Owner(s): HUTTO ECONOMIC DEVELOPMENT CORPORATION

Balance Summary

Beginning Balance as of 02/01/2026	\$1,160,642.86
+ Deposits and Credits (1)	\$2,003.30
- Withdrawals and Debits (0)	\$0.00
Ending Balance as of 02/28/2026	\$1,162,646.16
Service Charges for Period	\$0.00
Average Collected for Period	\$1,160,642
Minimum Balance for Period	\$1,160,642

Earnings Summary

Interest for Period Ending 02/28/2026	\$2,003.30
Interest Paid Year to Date	\$4,217.01
Annual Percentage Yield Earned (APYE)	2.27%
Average Balance for APYE	\$1,160,642.86
Number of Days for APYE	28

DEPOSITS/CREDITS/INTEREST-PAID

Date	Description	Deposits
Feb 27	INTEREST PAID	2,003.30

FEE RECAP

	Total For This Period	Total Year-to-Date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00



TexPool Participant Services
1001 Texas Avenue, Suite 1150
Houston, TX 77002



HUTTO EDC
OPERATING ACCOUNT
ATTN CHRISTINA BISHOP
PO BOX 1016
HUTTO TX 78634-1016

Participant Statement

Statement Period 02/01/2026 - 02/28/2026

Customer Service 1-866-TEX-POOL
Location ID 000079034
Investor ID 000015672

TexPool Update

Stay informed with the latest market perspective from our portfolio managers and strategists by visiting the Insights page of TexPool.com.

TexPool Summary

Pool Name	Beginning Balance	Total Deposits	Total Withdrawals	Total Interest	Current Balance	Average Balance
Texas Local Government Investment Pool	\$6,799,747.92	\$0.00	\$200,000.00	\$18,875.62	\$6,618,623.54	\$6,686,810.46
Total Dollar Value	\$6,799,747.92	\$0.00	\$200,000.00	\$18,875.62	\$6,618,623.54	

Portfolio Value

Pool Name	Pool/Account	Market Value (02/01/2026)	Share Price (02/28/2026)	Shares Owned (02/28/2026)	Market Value (02/28/2026)
Texas Local Government Investment Pool	449/7903400001	\$6,799,747.92	\$1.00	6,618,623.540	\$6,618,623.54
Total Dollar Value		\$6,799,747.92			\$6,618,623.54

Interest Summary

Pool Name	Pool/Account	Month-to-Date Interest	Year-to-Date Interest
Texas Local Government Investment Pool	449/7903400001	\$18,875.62	\$40,233.08
Total		\$18,875.62	\$40,233.08

Transaction Detail

Texas Local Government Investment Pool

Participant: HUTTO EDC

Pool/Account: 449/7903400001

Transaction Date	Settlement Date	Transaction Description	Transaction Dollar Amount	Share Price	Shares This Transaction	Shares Owned
02/01/2026	02/01/2026	BEGINNING BALANCE	\$6,799,747.92	\$1.00		6,799,747.920
02/13/2026	02/13/2026	WITHDRAWAL	\$200,000.00-	\$1.00	200,000.000-	6,599,747.920
02/27/2026	02/27/2026	MONTHLY POSTING	\$18,875.62	\$1.00	18,875.620	6,618,623.540
Account Value as of 02/28/2026			\$6,618,623.54	\$1.00		6,618,623.540

TexPool Participant Services
1001 Texas Avenue, Suite 1150
Houston, TX 77002



HUTTO EDC
OPERATING ACCOUNT
ATTN CHRISTINA BISHOP
PO BOX 1016
HUTTO TX 78634-1016

Participant Statement

Statement Period 01/01/2026 - 01/31/2026

Customer Service 1-866-TEX-POOL
Location ID 000079034
Investor ID 000015672

TexPool Update

Stay informed with the latest market perspective from our portfolio managers and strategists by visiting the Insights page of TexPool.com.

TexPool Summary

Pool Name	Beginning Balance	Total Deposits	Total Withdrawals	Total Interest	Current Balance	Average Balance
Texas Local Government Investment Pool	\$6,778,390.46	\$0.00	\$0.00	\$21,357.46	\$6,799,747.92	\$6,779,768.36
Total Dollar Value	\$6,778,390.46	\$0.00	\$0.00	\$21,357.46	\$6,799,747.92	

Portfolio Value

Pool Name	Pool/Account	Market Value (01/01/2026)	Share Price (01/31/2026)	Shares Owned (01/31/2026)	Market Value (01/31/2026)
Texas Local Government Investment Pool	449/7903400001	\$6,778,390.46	\$1.00	6,799,747.920	\$6,799,747.92
Total Dollar Value		\$6,778,390.46			\$6,799,747.92

Interest Summary

Pool Name	Pool/Account	Month-to-Date Interest	Year-to-Date Interest
Texas Local Government Investment Pool	449/7903400001	\$21,357.46	\$21,357.46
Total		\$21,357.46	\$21,357.46

Transaction Detail

Texas Local Government Investment Pool

Participant: HUTTO EDC

Pool/Account: 449/7903400001

Transaction Date	Settlement Date	Transaction Description	Transaction Dollar Amount	Share Price	Shares This Transaction	Shares Owned
01/01/2026	01/01/2026	BEGINNING BALANCE	\$6,778,390.46	\$1.00		6,778,390.460
01/30/2026	01/30/2026	MONTHLY POSTING	\$21,357.46	\$1.00	21,357.460	6,799,747.920
Account Value as of 01/31/2026			\$6,799,747.92	\$1.00		6,799,747.920

Hutto Economic Development Corporation
Sales Tax Revenue Tracking - FY 2025-26

	2015-16	2016-17	2017-18	2018-2019	2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024 (a)	FY 2024-2025 (a)	FY 2025-2026 (a)
Month	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
October	63,287	69,268	92,357	118,635	126,739	153,613	216,926	232,419	253,911	278,312	284,854
November	79,986	87,633	89,840	89,335	122,677	177,030	211,701	239,827	288,350	321,756	327,911
December	65,702	68,998	113,670	125,495	157,104	200,904	172,779	280,168	271,039	293,851	307,860
January	62,918	79,728	86,496	103,405	124,832	158,361	190,809	224,784	281,161	266,613	290,388
February	81,489	94,191	85,407	114,474	116,493	131,667	181,806	261,876	318,291	408,895	340,524
March	60,032	85,606	129,988	116,086	156,272	229,146	265,537	318,020	240,224	258,180	
April	61,823	81,501	104,502	116,428	158,841	192,706	234,078	261,378	250,421	406,061	
May	89,017	109,160	99,704	123,021	167,310	192,815	232,144	263,482	305,281	345,220	
June	68,789	80,100	94,996	142,221	186,000	221,228	266,784	295,849	280,515	305,098	
July	66,076	89,793	104,049	119,433	163,039	214,882	239,765	280,594	282,767	300,526	
August	88,382	105,052	99,547	118,969	157,195	198,752	240,898	253,911	304,953	322,488	
September	72,702	96,255	117,155	140,667	169,266	271,765	269,546	288,350	311,729	325,903	
TIRZ Sales Tax	-	-	-	-	-	-	-	-	-	(16,027)	
Refunded for Incentive Agreement										(249)	
Total	860,203	1,047,285	1,217,712	1,428,170	1,805,769	2,342,870	2,722,774	3,200,657	3,388,642	3,816,873	1,551,536

(a) Changed to cash basis method of accounting for sales tax receipts in FY 2024

City of Hutto
Summary of EDC/City Receivable
February 28, 2026

		Due to City for Expense Reimbursement	
		Labels for Tradeshow Red River	10.80
		Facebook Ads	57.00
Sales Tax Due by City to EDC - February 2026	340,523.86		
Due to City for Expense Reimbursement	(67.80)		
Amount due to EDC to Settle Interfunds	340,456.06		
			\$ 67.80

Hutto EDC								
Summary of Active Incentives								
February 2026								
Party	Year	Expiration	Estimated End Date	Last payment date	Next Projected Payment Date	Payments to Date	Estimated Payments/ Costs Remaining	Type of Rebate
AEND	2018	December 31, 2028	2028	February 2022	January 2026	150,000.00	25,000.00	Grant
Ovivo	2021	After the grant is exhausted or 10 years after construction actually begins (whichever is earlier)	2033	December 2022	April 2026	75,000.00	205,000.00	Grant
K-Tonic	2021	2031 or when remaining \$10,000 grant is expended	2031	March 2022	Unknown	120,000.00	10,000.00	Grant
Es Vedra Cinemas	2023	10 years after effective date	2035	June 2025	June 2026	500,000.00	3,500,000.00	Grant
Es Vedra Cinemas (a)	2023	10 years after effective date	2035	N/A	March 2026	-	1,350,000.00	Sales Taxes (EDC/COH)
AS-64 CR 119-HWY 79 LLP	2023	15 years after agreement execution	2038	June 2025	March 2026	700,000.00	3,300,000.00	Grant
AS-64 CR 119-HWY 79 LLP (a)	2023	15 years after agreement execution	2038	November 2025	March 2026	404,404.55	4,595,595.45	Sales Taxes (EDC/COH)
Hutto Hospitality	2023	10 years after receipt of Certificate of Occupancy	2035	September 2023	N/A	300,000.00	-	Loan/Grant
Hutto Wine Bar	2023	Earliest of 4 years after the effective date, 380 payments NTE, or termination in accordance with other provisions of the agreement	2028	April 2025	February 2026	20,000.00	10,000.00	Grant
Hutto Wine Bar (a)	2024	Earliest of 4 years after the effective date, 380 payments NTE, or termination in accordance with other provisions of the agreement	2028	April 2025	April 2026	1,746.34	15,253.66	Sales Taxes (EDC/COH)
Happy Panini	2024	5 years following Happy Panini's receipt of Certificate of Occupancy	2029	December 2024	N/A	30,000.00	-	Grant
Cerco Development	2025	3-years after Sprouts obtains CO	2031	N/A	2028	-	875,000	Grant
(a) Total amount paid to date and estimated remaining payments include the contributions from the City of Hutto								

AGENDA ITEM REPORT

6.4.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action on Resolution R-HEDC-2026-012 to approve funding of the City of Hutto's Facade Grant Incentive Program using the approved funds in the current Fiscal Year 2026 Budget in the Facade Improvement Grant line item.
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact:

BACKGROUND INFORMATION:

In previous consideration of this topic, the HEDC Board decided to postpone until after the Ordinance and related Incentive program documents pertaining to the Downtown Incentives had been approved by City Council. Approval by City Council occurred at their meeting on February 19, 2026. Following the direction from the Board, this item is now returning for consideration. The proposal is to utilize the existing approved line item in the current Fiscal Year 2026 Corporation Budget of \$100,000 for Facade Improvement Grants as the funding source for Facade Improvement incentives for existing businesses and properties on which a business currently operates or is planned to operate for which the Facade Improvement is requested. This distinction aligns with Economic Development goals of recruitment and retention of businesses, sales tax generation, and supporting the revitalization of the commercial district in Downtown Hutto.

SUMMARY OF REQUEST:

Approve as presented.

STAFF REVIEW:

FISCAL NOTES:

Funding source is \$100,000 from the approved Fiscal Year 2025 Budget of the Corporation. There is no additional fiscal impact.

POLICY IMPLICATIONS:

ATTACHMENTS:

1. 2026.03.09 Resolution NO. R-HEDC-2026-012 Facade

**HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE A AND TYPE B
RESOLUTION NO. R-HEDC-2026-012**

**A RESOLUTION OF THE HUTTO ECONOMIC DEVELOPMENT
CORPORATION TYPE A AND TYPE B, APPROVING AND ADOPTING
DOWNTOWN FAÇADE IMPROVEMENT GRANT PROGRAM;
PROVIDING FOR REPEAL; PROVIDING LIMITATIONS ON
APPLICABILITY; PROVIDING FOR SEVERABILITY AND PROVIDING
AN EFFECTIVE DATE**

WHEREAS, pursuant to the Development Corporation Act, Texas Local Government Code Chapters 501 through 505 (the “Act”), the City of Hutto created the Hutto Economic Development Corporation, Type A and Type B (the “Corporation”); and

WHEREAS, the Board of Directors for the Corporation (the “Board”) finds that the City of Hutto operates a Downtown Façade Improvement Grant Program (the “Program”) which is designed as a 50/50 reimbursement grant for exterior improvements that are visible from public streets, helping enhance the look and feel of the City of Hutto; and

WHEREAS, the Board sees the importance of investing in Downtown Hutto and wants to support projects that improve building appearance, preserve historic character, and encourage private investment in order to promote economic development with the City; and

WHEREAS, the Board finds that some of the projects within the Program are eligible for Corporation incentives pursuant to the Act; and

WHEREAS, the Board finds that participation in the Program will encourage economic development through infrastructure improvements that promote or development expanding business enterprises and the creation of primary jobs; and

WHEREAS, the Board desires to approve participation in the program and use of funds from the 2026 budget for properties used for commercial purposes.

NOW, THEREFORE, BE IT RESOLVED by the Hutto Economic Development Corporation, Type A and Type B Board of Directors that:

1. The findings and recitals set forth above are hereby determined to be true and correct and are incorporated into this Resolution as if fully stated herein.

2. The Board approves participation in the Downtown Façade Improvement Program with funding from the Fiscal Year 25-26 Annual Budget for City of Hutto Façade Grant Program projects for properties which are used for commercial purposes, which meet all legal requirements, and which are consistent with Corporation goals and incentive policies.

3. The board authorizes the Executive Director to take actions to coordinate with the City of Hutto in the administration of the Program consistent with the terms of the approval provided above.

4. This Resolution shall be and is hereby cumulative of all other resolutions of the Corporation, and this Resolution shall not operate to amend, change, supplement or repeal any such other resolutions or action of the Board insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolutions are hereby repealed.

5. Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

6. The Board hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

7. This Resolution shall become effective immediately upon passage.

PASSED AND APPROVED by the Board of Directors of the Hutto Economic Development Corporation, Type A and Type B on the 9th day of March, 2026.

APPROVED

Caitlin Morales, Vice Chairperson

ATTEST:

Irma Gonzales, Secretary

AGENDA ITEM REPORT

6.5.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action regarding Resolution R-HEDC-2026-013 to approve the Pecan Street design as a project to be wholly managed by the Hutto Economic Development Corporation (HEDC).
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact:

BACKGROUND INFORMATION:

The HEDC Approved a \$500,000 expenditure for the design of the Pecan Street Improvement Project, which was then approved by City Council as required. Staff is seeking clarification regarding the project scope and management of the project. The scope of the project as originally presented was for Pecan Street from West Street to College Street. The approval from HEDC and City Council adjusted the scope to include parking improvements to West Street and Main Street from Hwy 79 to Pecan Street. Staff recently met with representatives from the Downtown Hutto Business Association and an engineering firm to walk the project. During that meeting, the revised scope for the project was discussed. Due to the scope changes and the amount of utility relocation needed, it was recommended to adjust the scope for the Pecan Street portion to be from West Street to FM1660. This change would better adhere to the approved budget and provide for the best opportunity to meet the goal of design completion by the end of the 2026 calendar year and would align with the current goals of Downtown revitalization. Additionally, staff is requesting that the design of the Pecan Street Improvement Project be wholly managed as an HEDC project including the bidding process to further expedite and support the timeline goal. In the previous approvals, it was not clarified if this was intended to simply be funded by the HEDC or become an HEDC Project and wholly managed as such. Staff is proposing a process similar to what was used for the Megasite Spine Road Project as follows: City Engineering will provide project scope, HEDC (via the Executive Director) will utilize an invitation to bid with a two-week turnaround, then a one-week review/evaluation process, with a recommendation of award at the next scheduled HEDC Board Meeting or for the Board to approve the Executive Director to award the design contract to the best value bid that is within the approved budget. Evaluations will be completed by a committee consisting of a designee from the following City departments: Engineering, Public Works, Development Services, and Finance as well as the Executive Director of the Corporation.

SUMMARY OF REQUEST:

Approve as presented.

STAFF REVIEW:

FISCAL NOTES:

AGENDA ITEM REPORT

6.5.



The expense for this item was previously approved. There is no additional fiscal impact at this time.

POLICY IMPLICATIONS:

ATTACHMENTS:

1. 2026.03.09 Resolution No. R-HEDC-2026-013 Pecan Street Design

**HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE B
RESOLUTION NO. R-HEDC-2026-013**

A RESOLUTION OF THE HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE B, CONFIRMING BUDGET AMENDMENT IN AN AMOUNT NOT TO EXCEED \$500,000 TO FOR PECAN STREET IMPROVEMENT PROJECT; AUTHORIZING THE EXECUTIVE DIRECTOR TO MANAGE THE PROJECT; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to Texas Local Government Code Chapters 501, 502, 504, and 505, the City of Hutto created the Hutto Economic Development Corporation, Type B (the “Corporation”); and

WHEREAS, the Board of Directors of the Corporation (the “Board”) anticipates considering a future economic development project related to potential design amendments to Pecan Street (the “Project”); and

WHEREAS, the Board finds that the proposed budget amendment would allocate funding in an amount not to exceed Five Hundred Thousand Dollars (\$500,000) to support these anticipated design efforts for the Project; and

WHEREAS, the Board desires to approve a budget amendment for the design of the Project consistent with Exhibit A, attached; and

WHEREAS, the Board also desires to authorize the Executive Director to work with City of Hutto staff to manage the design for the project with the goal of completing the design phase by the end of the 2026 calendar year.

NOW, THEREFORE, BE IT RESOLVED by the Hutto Economic Development Corporation, Type B Board of Directors that:

1. The findings and recitals set forth above are hereby determined to be true and correct and are incorporated into this Resolution as if fully stated herein.
2. The Board hereby approves a budget amendment in an amount not to exceed \$500,000, consistent with the attached Exhibit A, for anticipated design efforts related to improvements to Pecan Street.
3. The Board hereby authorizes the Executive Director to work with City of Hutto staff to manage and execute the design phase of the Pecan Street improvement project consistent with this authorization with a goal of completing the design phase by the end of the 2026 calendar year. The Executive Director shall update the Board with all relevant progress.

4. This Resolution shall be and is hereby cumulative of all other resolutions of the Corporation, and this Resolution shall not operate to amend, change, supplement or repeal any such other resolutions or action of the Board insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolutions are hereby repealed.

5. Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

6. The Board hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

7. This Resolution shall become effective and be in full force and effect from and after the date of passage and adoption by the Corporation and shall be binding on the Corporation. Any budget changes not previously approved by City Council will be final and binding after approval by City Council.

PASSED AND APPROVED by the Board of Directors of the Hutto Economic Development Corporation, Type B on the 9th day of March, 2026.

APPROVED

Caitlin Morales, Vice Chairperson

ATTEST:

Irma Gonzales, Secretary

EXHIBIT A

BUDGET AMENDMENT FOR DESIGN OF PECAN STREET

AGENDA ITEM REPORT

6.6.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action on Resolution R-HEDC-2026-014 to approve the ratification of the Professional Services Agreement between the Corporation and the City of Hutto.
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact:

BACKGROUND INFORMATION:

The Professional Services Agreement has been approved by HEDC and City Council. Upon recommendation from HEDC Legal, staff is bringing forward a Resolution to ratify the agreement going back to the date that the previous agreement expired. This is an administrative clean-up item.

SUMMARY OF REQUEST:

Approve as presented.

STAFF REVIEW:

FISCAL NOTES:

The amount in the Agreement is already reflected in the approved budget for the current year. There is no additional fiscal impact.

POLICY IMPLICATIONS:

ATTACHMENTS:

1. 2026.03.09 Resolution No. R-HEDC-2026-014 Prof. Svcs Agreement

**HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE B
RESOLUTION NO. R-HEDC-2026-014**

A RESOLUTION OF THE HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE B, TO APPROVE THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF HUTTO, TEXAS AND THE HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE B; TO RATIFY THE CONTINUATION OF SERVICES PRIOR TO APPROVAL; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE AND CONTAINING OTHER PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, pursuant to Texas Local Government Code Chapters 501 and 505, the City of Hutto created the Hutto Economic Development Corporation, Type B (the “Corporation”); and

WHEREAS, the Board of Directors of the Corporation (the “Board”) finds that the City of Hutto provides administrative and professional services to the Corporation pursuant to an Administrative and Professional Services Agreement (“Agreement”) between the City and Corporation; and

WHEREAS, the Board finds that the previously executed agreement expired by its terms and a the City Council has approved new Agreement; and

WHEREAS, the Board finds that the City and Hutto continued operating under the terms of the Agreement after its expiration; and

WHEREAS, the Board desires to approve the Agreement in the form approved by City Council and attached hereto as Exhibit A; and

WHEREAS, the Board desires to ratify the continuation of services during the time between the expiration of the previously approved Agreement and this approval of the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Hutto Economic Development Corporation, Type B Board of Directors that:

1. The facts and recitations set forth above are hereby found to be true and correct and are adopted herein for all purposes
2. The Corporation finds that expenses incurred in entering into the Administrative and Professional Services Agreement with the City of Hutto, Texas are authorized expenditures under the Act.
3. The Administrative and Professional Services Agreement between the City of Hutto, Texas and the Hutto Economic Development Corporation, Type B, attached hereto as

Exhibit “A” and incorporated herein for all purposes, is approved, and the continuation of the Agreement between the time it expired and the effective date of this Resolution is hereby ratified.

4. The Executive Director of the Corporation is hereby authorized to execute the Agreement for and on behalf of the Corporation.

5. This Resolution shall be and is hereby cumulative of all other resolutions of the Corporation, and this Resolution shall not operate to amend, change, supplement or repeal any such other resolutions or action of the Board insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolutions are hereby repealed.

6. Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

7. The Board hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

8. This Resolution shall become effective and be in full force and effect from and after the date of passage and adoption by the Corporation.

PASSED AND APPROVED by the Board of Directors of the Hutto Economic Development Corporation, Type B on the 9th day of March, 2026.

APPROVED

Caitlin Morales, Vice Chairperson

ATTEST:

Irma Gonzales, Secretary

EXHIBIT “A”

AGENDA ITEM REPORT

6.7.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action on Resolution R-HEDC-2026-015 to approve a Strategic Plan for the Corporation.
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact:

BACKGROUND INFORMATION:

The HEDC Board participated in a Strategic Planning session at a Special Called Meeting on January 15, 2026. The direction from the Board was to bring back the Plan at the March 9, 2026 meeting. The proposed Strategic Plan is attached for review and will be presented under item 5.1 for discussion and feedback.

SUMMARY OF REQUEST:

Approve as presented.

STAFF REVIEW:

FISCAL NOTES:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. EDC Strategic Plan 2026 Final_3.9.26



HUTTO ECONOMIC DEVELOPMENT CORPORATION

STRATEGIC PLAN

2026-2028



OUR MISSION

To build a better Hutto by attracting and retaining **strong businesses**, supporting high-value projects that create **quality jobs**, **reduce the tax burden**, and **enhance our community's quality of life.**



A MESSAGE FROM THE BOARD

The Hutto Economic Development Corporation Board of Directors presents this Strategic Plan with a unified commitment to a focused approach, accountability, and long-term value for the community. As a Type B corporation, we recognize that economic growth and quality of life are inseparable. Our priorities center on preparing key sites and infrastructure, attracting and supporting businesses that strengthen the tax base, and building a resilient local economy that can adapt as conditions change.

Infrastructure readiness remains essential to Hutto's future. The completion of Krueger Boulevard demonstrates how strategic investments open the door to new opportunity. By providing critical access to the 1,400 acre Megasite, this corridor positions Hutto to attract employers, create quality jobs, and expand the city's economic base. This Strategic Plan builds on that success by committing to continued investment in infrastructure that will shape Hutto's economic future and elevate the community's quality of life.

We are equally committed to strengthening the heart of the community through continued Downtown revitalization. A vibrant and active downtown supports local businesses, attracts

visitors, and reinforces Hutto's identity as a welcoming and distinctive place to live and invest.

Our business recruitment efforts will focus on uses that align with community demand and contribute to long-term fiscal health, including retail, dining, entertainment, and destination experiences that generate sustained sales tax revenue. Alongside these efforts, we will pursue employers in approved incentive sectors that create skilled jobs and strengthen Hutto's economic foundation. This approach is complemented by a commitment to championing existing businesses by advocating to remove barriers to sustained success and ensuring Hutto remains a dynamic place to grow.

A strong local economy gives residents and businesses confidence that Hutto can weather change and continue to thrive. By using data to guide decisions and maintaining a healthy mix of industries and revenue sources, we're working to protect the community's long-term prosperity.

As a Board, we hold ourselves accountable to measurable progress, responsible stewardship of public resources, and ongoing collaboration with city leadership, local businesses, community partners, and residents. This strategic plan reflects our collective vision and our commitment to delivering results.





CHENEY GAMBOA, DIRECTOR OF ECONOMIC DEVELOPMENT

Hutto's momentum is real, and this strategic plan is our commitment to turning that momentum into measurable progress. Every action we take must strengthen the city's economic foundation, support the businesses that invest here, and create opportunities that benefit residents today and in the future.

The work ahead is both practical and deeply meaningful. Preparing key sites, advancing infrastructure, and positioning the Megasite for high-quality employers are not just technical tasks; they are investments in the kind of community we want Hutto to be.

Supporting existing businesses remains central to our mission. Their success is a reflection of Hutto's strength, and we will stay engaged, remove barriers where we can, and help create an environment where success is encouraged and growth feels inevitable. Downtown revitalization will continue to be a priority as we strengthen the heart of our community and create a place that reflects Hutto's character, ambition, and entrepreneurial spirit.

We will use data to guide decisions, track performance, and adapt as conditions change, all in service of clear outcomes: stronger revenue, quality jobs, and a development environment that is consistent, transparent, and aligned with long-term community benefit. This plan sets our direction, but our follow-through will define our impact, and I'm grateful for the trust placed in our team as we work to deliver results that move Hutto forward.

CONTACT CHENEY:

CHENEY.GAMBOA@HUTTOTX.GOV
(512) 318-0566

CONTACT THE TEAM:

JENNIFER DEROECK

MARKETING SPECIALIST
JENNIFER.DEROECK@HUTTOTX.GOV

EMILY BETROS

BUSINESS RESOURCE SPECIALIST
EMILY.BETROS@HUTTOTX.GOV



THE PLAN

This Strategic Plan provides clear direction for how the Hutto Economic Development Corporation sets priorities, evaluates opportunities, and measures progress. It is intended to guide decision-making and bring focus and discipline to economic development efforts.



WHAT THIS PLAN IS

This plan serves as a practical decision-making framework for business attraction, infrastructure readiness, use of incentives, and program alignment. It establishes priorities and desired outcomes, and provides a basis for tracking progress and reporting results to the Board and community.

WHAT THIS PLAN IS NOT

This plan serves as a high-level framework to guide future decision-making. It identifies goals and opportunities for Hutto, while recognizing that individual projects or developments will depend on future approvals, market conditions, partnerships, and City processes.

PLANNING HORIZON

This plan is a commitment to guide HEDC efforts over a two-to-three-year period, and is intended to serve as a fixed framework for decision-making and resource allocation.

ROLES & RESPONSIBILITIES

The HEDC Board sets the strategic direction and defines success. The Executive Director leads the execution and reports progress. The City of Hutto remains a key partner and retains its respective authorities and responsibilities.



STRATEGIC PILLARS + OBJECTIVES

1. INFRASTRUCTURE READINESS & STRATEGIC DEVELOPMENT

Hutto's ability to attract high-value projects depends on infrastructure readiness and the timely delivery of major capital improvement projects. The HEDC will focus on positioning priority sites for development and supporting efficient project delivery in coordination with strong private partners.

1A Position priority sites for near- and mid-term development.

Ensure priority retail, mixed-use, and employment sites are infrastructure-ready and competitively positioned to attract investment.

1B Support strategic acceleration of critical infrastructure projects

Support the timely completion of major capital improvement projects by enabling flexibility and coordination with strong private partners to advance economic development outcomes.

2. BUSINESS ATTRACTION & RECRUITMENT

The EDC will pursue disciplined business attraction strategies that strengthen Hutto's tax base and long-term fiscal health while aligning with documented community demand. Emphasis will be placed on recruiting uses that contribute to sustained sales tax growth and destination appeal.

2A Focus recruitment on retail and destination businesses that generate sales tax

Prioritize dining, entertainment, family-oriented uses, and anchor retail that contribute to sustained sales tax growth and reinforce Hutto as a regional destination.

2B Use incentives strategically to support long-term economic return

Leverage incentives and partnerships that support clustering, co-tenancy, and long-term performance rather than one-time wins.

2C Compete for the right projects through clarity, preparation and disciplined approach

Clearly communicate expectations, site location specifics, and incentive guidelines so developers can quickly determine whether Hutto is the right fit.

3. BUSINESS RETENTION & EXPANSION

Retaining and expanding existing businesses is essential to maintaining a competitive local economy. The HEDC will focus on removing barriers to growth and ensuring Hutto remains an attractive place to grow.

3A Identify existing internal policies and procedures that impact business success

Engage with existing businesses and community partners to create or change internal policies and procedures to improve the overall business environment.

3B Support business expansion through targeted coordination

Coordinate with relevant partners as needed to address common external constraints impacting business growth, such as workforce availability and site limitations.

4. ECONOMIC RESILIENCE

A balanced and resilient economy that supports long-term fiscal stability and reduces exposure to market volatility. The HEDC will use data and performance monitoring to guide decisions and adjust strategies as conditions change.

4A Use economic data to guide decisions

Monitor economic trends and performance indicators to inform recruitment priorities, incentive use, and strategic adjustments.

4B Maintain a balanced mix of industries and revenue sources

Pursue economic diversification that limits overreliance on any single industry or revenue stream while supporting sound economic performance.

4C Regularly review and adjust HEDC programs

Evaluate HEDC program and initiative outcomes to ensure alignment with Board priorities, community demand, and measurable results.

KEY PERFORMANCE INDICATORS (KPI FRAMEWORK)

STRATEGIC PILLAR	PRIMARY FOCUS	KEY PERFORMANCE INDICATORS
Pillar 1: Infrastructure Readiness & Strategic Development	Speed and project readiness	- Priority economic development CIP projects delivered on or ahead of schedule - Sales tax growth attributable to new or expanded businesses
Pillar 2: Business Attraction & Recruitment	Sales tax growth and discipline	- Recruited projects aligned with Board-defined priority categories Year-over-year sales tax revenue growth
Pillar 3: Business Retention & Expansion	Reinvestment and predictability	- Recurring development or process barriers identified and resolved Ratio of commercial and sales tax revenue to residential property tax revenue
Pillar 4: Economic Resilience	Balance and risk management	- Distribution of tax revenue across major industry categories related to HEDC projects - Annual review and adjustment of programs based on performance - Year-over-year residential property tax revenue vs. commercial tax revenue



HUTTO ECONOMIC DEVELOPMENT CORPORATION BOARD MEMBERS

Vacant, Board Chair

Caitlin Morales, Vice Chair

Irma Gonzalez, Secretary/Treasurer

Jim Morris, Board Member

Evan Porterfield, Board Member

Mike Snyder, Board Member



Adopted by the hutto economic development corporation

AGENDA ITEM REPORT

6.8.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action to approve the Minutes from their Quarterly Joint Meeting with City Council on January 8, 2026, their Regular Meeting on February 9, 2026 and their Special Called Meeting on February 23, 2026.
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FISCAL NOTES:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Quarterly Joint Meeting HEDC-CC_1.8.26-for EDC sig
2. HEDC 2.9.26 Meeting Minutes-for sig
3. HEDC Special Called 2.23.26 Meeting Minutes-for sig



City of Hutto

Agenda

City Council Work Session

Thursday, January 8, 2026 at 6:00 PM

Executive Conference Room – 500 W. Live Oak Street

1. **CALL SESSION TO ORDER** – City Council – 6:00 PM, HEDC – 6:00 PM

2. **ROLL CALL**

2.1. City Council present:

Mayor Mike Snyder

Mayor Pro Tem Dan Thornton

Councilmember Jim Morris

Councilmember Peter Gordon
(arrived 6:03 PM)

Councilmember Evan Porterfield

Councilmember Aaron King

2.2. HEDC present:

Caitlin Morales, Vice Chair

Irma Gonzalez,

Secretary/Treasurer

Mike Snyder, Board Member

Absent: Don Carlson, Chair

Evan Porterfield, Board Member

Dan Thornton, Board Member

Jim Morris, Board Member

3. **OTHER BUSINESS**

3.1. Discussion and possible action regarding the results of the Community "Wish List" survey.

David Amsler, Executive Director of Strategic Operations, presented the survey results.

Council discussion regarding same set of questions establishing a baseline and seeing how they change over time; and being a marketing tool showing prospective developers that support exists in the community for relevant businesses.

4. **ADJOURNMENT** – City Council – 6:32 PM, HEDC – 6:32 PM


Mike Snyder, Mayor

ATTEST:


Laura Hallmark, City Secretary

Irma Gonzalez
HEDC Board Secretary/Treasurer

Don Carlson
HEDC Board Chair



City of Hutto

Minutes

» Economic Development Corp. Type A and Type B

Board of Directors Meeting Monday, February 9, 2026 at 6:30 PM City Council Chambers

1. CALL SESSION TO ORDER

Meeting called to order at 6:31pm.

2. ROLL CALL

Board Member Thornton absent, all others present.

- 2.1. Don Carlson, Chair
Caitlin Morales, Vice Chair
Irma Gonzalez, Secretary/Treasurer
Mike Snyder, Board Member
Dan Thornton, Board Member
Evan Porterfield, Board Member
Jim Morris, Board Member

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Any citizen wishing to speak during public comment may do so after completing the required registration form. The purpose of this item is to allow the residents of Hutto and other interested persons an opportunity to address the Hutto Economic Development Corporation Type A and the Hutto Economic Development Corporation Type B on agenda issues and on agenda issues (i.e., Corporation policy or legislative issues). Non-agenda issues regarding daily operational or administrative matters should be first dealt with at the administrative level by calling City Hall at (512) 759-4913 during business hours. Each person providing public comment will be limited to 3 minutes. (Note: The Texas Open Meetings Act, Texas Government Code, Chapter 551, prohibits governing bodies from a full discussion, debating, or considering subjects for which public notice has not been given on the agenda. Issues that cannot be referred to the Corporation Staff for action may be placed on the agenda of a future meeting.)

None.

5. AGENDA ITEMS

Prior to taking up agenda items, Chair Carlson addressed the Board and Public to announce his resignation from the Board to take effect prior to entering Executive Session.

- 5.1. Discuss and consider action to approve the Corporation's monthly financial report for January 2026.

Motion by Board member Porterfield to approve as presented. Seconded by Board Member Morris. Passed 6-0.

- 5.2. Discuss and consider action on Resolution R-HEDC-2026-007 to approve the creation and management of a LinkedIn account for the Hutto Economic Development Corporation.
Motion by Secretary Gonzalez to approve as presented. Seconded by Board Member Morris. Passed 6-0.
- 5.3. Discuss and consider action on Resolution R-HEDC-2026-008 to authorize the Executive Director to execute the documents related to the land sale transaction for Project Strat3.
Motion by Chair Carlson to approve as presented. Seconded by Board Member Porterfield. Passed 6-0.
- 5.4. Discuss and consider action on Resolution R-HEDC-2026-009 to approve a budget amendment for the Brushy Creek Wastewater Interceptor Phase Four Project in the amount of \$34,998,328.00.
Motion by Chair Carlson to approve as presented. Seconded by Board Member Morris. Passed 6-0.
- 5.5. Discuss and consider action regarding the creation of a document tracking system for legal documents requiring review.
Motion by Board Member Porterfield to approve as presented. Seconded by Secretary Gonzalez. Passed 6-0.
- 5.6. Discuss and consider action regarding the Corporation meeting schedule for 2026.
Motion by Board Member Snyder to add the Boards and Commissions Strategic Planning workshop to the meeting schedule and to reschedule the October 12, 2026 Board Meeting to October 19, 2026 due to the holiday. Seconded by Board Member Morris. Passed 6-0.
- 5.7. Discuss and consider action to approve the Minutes from their Regular Meeting on January 12, 2026 and their Special Called Meeting on January 15, 2026.
Motion by Board Member Snyder to approve as presented. Seconded by Board Member Porterfield. Passed 6-0.

6. EXECUTIVE SESSION

The Board will now recess the open meeting and reconvene in executive session pursuant to Texas Government Code Section 551.071 (Attorney Consultation), Sections 551.087 (Economic Development), and 551.072 (Real Property) to deliberate and seek legal advice regarding the following economic development projects: Project Sequel, Project Strat3, the Megasite project, Project Orchard, Project Core, Project Lake, Project Air, Project Shrine; potential real estate transactions; the incentive agreement for Hutto Hospitality; the loan for the Cottonwood Properties; the planning and development of the Cottonwood Properties and any related incentives; possible litigation with Midway; Sales Tax Sharing Agreements between the City of Hutto and Williamson County Emergency Services District #3; use of eminent domain for economic development; and the evaluation of available corporate funds for incentives.

*Recessed to Executive Session at 7:05pm
Convened in Executive Session at 7:14pm
Exited Executive Session at 9:17pm
Reconvened in Public Session at 9:24pm
No action taken in Executive Session.*

7. ACTION RELATIVE TO EXECUTIVE SESSION

- 7.1. Discuss and consider action on Resolution R-HEDC-2026-004 to approve an extension of the incentive period for Project Hutto Hospitality.
Motion by Board Member Morris to direct Legal Counsel to issue the Notice of Default as discussed in Executive Session. Seconded by Board Member Porterfield. Passed 5-0
- 7.2. Discuss and consider action on acquisition of real property in key commercial districts within the City of Hutto.
Motion by Board Member Snyder to direct staff to pursue the properties as discussed in Executive Session. Seconded by Board Member Porterfield. Passed 5-0.
- 7.3. Discuss and consider action regarding the Live Oak Extension project.
Motion by Vice Chair Morales to approve a letter of support to the TIRZ 1 Board regarding the acquisition of the design plans for the Live Oak Extension project as discussed in Executive Session. Seconded by Board Member Morris. Passed 5-0.
- 7.4. Discuss and consider action regarding the removal of the house located on Hutto Economic Development owned property at 11700 Hwy 79 in Hutto, Texas.
Motion by Board Member Snyder to proceed with the house removal as discussed in Executive Session. Seconded by Secretary Gonzalez. Passed 5-0.
- 7.5. Discuss and consider action on Resolution R-HEDC-2026-010 to approve a fifth amendment to the Option and Purchase Agreement for Project Sequel.
Motion by Board Member Snyder to approve as presented. Seconded by Board Member Morris. Passed 5-0.
- 7.6. Consideration and possible action related to Executive Session agenda items, listed above.
No action.

8. FUTURE AGENDA ITEMS

None.

9. ADJOURNMENT

Meeting adjourned at 9:30pm.

10. CERTIFICATION

Caitlin Morales, Vice Chair

Irma Gonzalez, Secretary



City of Hutto

Minutes

› Economic Development Corp. Type A and Type B

Board of Directors Meeting

Monday, February 23, 2026 at 6:00 PM

City Council Chambers

1. CALL SESSION TO ORDER

Meeting called to order at 6:14pm.

2. ROLL CALL

Secretary Gonzalez and Board Member Snyder absent. All others present.

- 2.1. Caitlin Morales, Vice Chair
Irma Gonzalez, Secretary/Treasurer
Mike Snyder, Board Member
Dan Thornton, Board Member
Evan Porterfield, Board Member
Jim Morris, Board Member

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Any citizen wishing to speak during public comment may do so after completing the required registration form. The purpose of this item is to allow the residents of Hutto and other interested persons an opportunity to address the Hutto Economic Development Corporation Type A and the Hutto Economic Development Corporation Type B on agenda issues and on agenda issues (i.e., Corporation policy or legislative issues). Non-agenda issues regarding daily operational or administrative matters should be first dealt with at the administrative level by calling City Hall at (512) 759-4913 during business hours. Each person providing public comment will be limited to 3 minutes. (Note: The Texas Open Meetings Act, Texas Government Code, Chapter 551, prohibits governing bodies from a full discussion, debating, or considering subjects for which public notice has not been given on the agenda. Issues that cannot be referred to the Corporation Staff for action may be placed on the agenda of a future meeting.)

None.

5. EXECUTIVE SESSION

The Board will now recess the open meeting and reconvene in executive session pursuant to Texas Government Code Section 551.071 (Attorney Consultation), 551.087 (Economic Development), and 551.072 (Real Property) to deliberate and seek legal advice regarding Project Sequel.

Recessed to Executive Session at 6:15pm

Convened in Executive Session at 6:17pm

Exited Executive Session at 6:24pm

Reconvened in Public Session at 6:25pm

No action taken in Executive Session.

6. ACTION RELATIVE TO EXECUTIVE SESSION

- 6.1. Consideration and possible action on Resolution R-HEDC-2026-011 to approve a Lease Agreement for Project Sequel.
Motion by Vice Chair Morales to approve as presented. Seconded by Board Member Morris. Passed 4-0.

7. ADJOURNMENT

Meeting adjourned at 6:26pm.

8. CERTIFICATION

Caitlin Morales, Vice Chair

Irma Gonzalez, Secretary

AGENDA ITEM REPORT

6.9.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action on Resolution R-HEDC-2026-016 to conditionally approve the construction contract for the CR137/FM 1660 Project and award to Capital Excavation, LLC, pending the approval of the corresponding Funding Agreement by the Corporation and City Council.
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact:

BACKGROUND INFORMATION:

This CIP Project has been assigned to and accepted by the HEDC to manage the construction. The project has been bid out according to City Procurement procedures. Capital Excavation Company has been recommended for award of the construction contract. Approval of this Resolution conditionally awards the contract to Capital Excavation Company pending the approved allocation of funds and approval of the funding agreement by the City Council, which is on the agenda for the March 12, 2026 City Council Agenda.

SUMMARY OF REQUEST:

Approve as presented.

STAFF REVIEW:

FISCAL NOTES:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. 2026.03.09 Resolution No. R-HEDC-2026-016 CR137-FM1660 Conditional Award

**HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE A
RESOLUTION NO. R-2026-016**

A RESOLUTION OF THE HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE A, CONDITIONALLY AWARDDING THE CR137/FM1660 PROJECT TO CAPITAL EXCAVATION LLC; CONDITIONALLY APPROVING A CONSTRUCTION CONTRACT; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT; PROVIDING FOR REPEAL, SEVERABILITY, OPEN MEETINGS COMPLIANCE, AN EFFECTIVE DATE, AND PROVIDING FOR RELATED MATTERS

WHEREAS, pursuant to Texas Local Government Code Chapters 501, 502, and 504, the City of Hutto (“City”) created the Hutto Economic Development Corporation, Type A (the “Corporation”); and

WHEREAS, the Board of Directors (“Board”) for the Corporation finds that the City desires to delegate certain public infrastructure projects to the Corporation for administration and implementation which the City will fund; and

WHEREAS, the Board finds that one such project is traffic and safety improvements to the FM 1660 main corridor and to CR 137 which connects the main corridor to the Brushy Creek Amphitheater (the “Project”); and

WHEREAS, the Board finds that the infrastructure is necessary to promote new and develop expanded business enterprises within the City; and

WHEREAS, the Board finds that the City issued a request for proposals, and received, opened, and considered responsive proposals; and

WHEREAS, the Board finds that Capital Excavation, LLC (“Capital Excavation”), is highly qualified and the best value of the responding bidders; and

WHEREAS, the Board finds that prior to final awarding of the Project, the City and Corporation must execute a funding agreement for expenses related to the Project; and

WHEREAS, the Board desires to award the Project to Capital Excavation and approve a construction contract with Capital Excavation for the same conditioned on final approval of all Project funding and further evaluation and approval by Corporation staff.

NOW, THEREFORE, BE IT RESOLVED by the Hutto Economic Development Corporation, Type A Board of Directors that:

1. The facts and recitations set forth above are hereby found to be true and correct and are adopted herein for all purposes.

2. The Board hereby approves the award of the CR137/FM 1660 Project to Capital Excavation, LLC after, and conditioned upon, final approval of all necessary funding, and evaluation and approval by Corporation staff.

3. The Board hereby approves the construction contract with Capital Excavation in a form substantially similar to Exhibit A, as amended and approved by general counsel for the Corporation, after and conditioned upon final approval of all necessary funding, and evaluation and approval by Corporation staff.

4. The Board hereby authorizes the Executive Director to take steps necessary to confirm all conditions are met and execute the approved construction contract.

5. This Resolution shall be and is hereby cumulative of all other resolutions of the Corporation, and this Resolution shall not operate to amend, change, supplement or repeal any such other resolutions or action of the Board insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolutions are hereby repealed.

6. Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

7. The Board hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

8. This resolution shall become effective immediately upon passage.

PASSED AND APPROVED by the Board of Directors of the Hutto Economic Development Corporation, Type A on the 9th day of March, 2026.

APPROVED

Caitlin Morales, Vice Chairperson

ATTEST:

Irma Gonzales, Secretary

EXHIBIT A

CONSTRUCTION CONTRACT WITH CAPITAL EXCAVATION, LLC

AGENDA ITEM REPORT

6.10.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action on Resolution R-HEDC-2026-017 to approve a funding agreement with the City of Hutto for the construction of the CR137/FM1660 Project.
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact:

BACKGROUND INFORMATION:

This funding agreement is in support of the previous agenda item-to conditionally award the construction contract for the CR137/FM1660 project to Capital Excavation Company. The funding agreement is a condition of the award and requires City Council approval, which is planned to occur at the City Council meeting on March 12, 2026.

SUMMARY OF REQUEST:

Approve as presented.

STAFF REVIEW:

FISCAL NOTES:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. 2026.03.09 Resolution No. R-HEDC-2026-017 CR137-FM1660 Project Funding Agreement
2. 2026.03.09 City-HEDC Funding Agreement CR137_FM1660 Project-HEDC LEGAL

**HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE A
RESOLUTION NO. R-HEDC-2026-017**

A RESOLUTION OF THE HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE A, APPROVING A PROJECT FUNDING AGREEMENT FOR THE CR137/FM1660 PROJECT WITH THE CITY OF HUTTO; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT; PROVIDING FOR REPEAL, SEVERABILITY, OPEN MEETINGS COMPLIANCE, AN EFFECTIVE DATE AND PROVIDING FOR RELATED MATTERS

WHEREAS, pursuant to Texas Local Government Code Chapters 501, 502, and 504, the City of Hutto created the Hutto Economic Development Corporation, Type A (the “Corporation”); and

WHEREAS, the Board of Directors (“Board”) for the Corporation finds that the City of Hutto (the “City”) desires to delegate certain public infrastructure projects to the Corporation for administration and implementation which will be funded by the City; and

WHEREAS, the Board finds that one such project is traffic and safety improvements to the FM 1660 main corridor and CR 137 which connects the main corridor to the Brushy Creek Amphitheater (the “Project”); and

WHEREAS, the Board finds that the infrastructure is necessary to promote new and develop expanded business enterprises within the City; and

WHEREAS, the Board finds that the City issued a request for proposals, and received, opened, and considered responsive proposals; and

WHEREAS, the Board finds that it conditionally awarded the Project to, and conditionally approved a construction contract with, Capital Excavation, LLC (“Capital Excavation”); and

WHEREAS, the Board desires to approve a Project Funding Agreement with the City of Hutto as shown on Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Hutto Economic Development Corporation, Type A Board of Directors that:

1. The facts and recitations set forth above are hereby found to be true and correct and are adopted herein for all purposes.
2. The Board hereby approves the Project Funding Agreement with the City of Hutto in a form substantially similar to that attached as Exhibit A as amended and approved by the general counsel for the Corporation.
3. The Board hereby authorizes the Executive Director to execute the Agreement.

4. This Resolution shall be and is hereby cumulative of all other resolutions of the Corporation, and this Resolution shall not operate to amend, change, supplement or repeal any such other resolutions or action of the Board insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolutions are hereby repealed.

5. Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

6. The Board hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

7. This resolution shall become effective immediately upon passage.

PASSED AND APPROVED by the Board of Directors of the Hutto Economic Development Corporation, Type A on the 9th day of March, 2026.

APPROVED

Caitlin Morales, Vice Chairperson

ATTEST:

Irma Gonzales, Secretary

EXHIBIT A
PROJECT FUNDING AGREEMENT FOR CR137/FM1660 PROJECT

**ECONOMIC DEVELOPMENT FUNDING AGREEMENT BETWEEN
THE CITY OF HUTTO, TEXAS AND THE HUTTO ECONOMIC
DEVELOPMENT CORPORATION TYPE A, FOR CHAPTER 380
ECONOMIC DEVELOPMENT GRANT IN SUPPORT OF THE
CR137/FM1660 PROJECT**

This Economic Development Grant Agreement ("Agreement") dated January 21, 2026 ("Effective Date") is hereby made by and between the **City of Hutto**, a Texas home-rule municipality located in Williamson County (the "City"), and the **Hutto Economic Development Corporation Type A**, a Texas nonprofit corporation established pursuant to the Development Corporation Act, subtitle C1, title 12 of the Texas Local Government Code and pursuant to the Texas Non-Profit Corporations Act. (the "HEDC"). The City the HEDC may be referred to individually as "Party" and collectively as "Parties" for the purposes of this Agreement.

RECITALS

WHEREAS, the Board and City Council find the Corporation obligated to construct certain infrastructure in connection with an economic development infrastructure project identified as the CR137/FM1660 Project ("Project").

WHEREAS, the Board and City Council find this Project is a sufficient Program pursuant to Texas Local Government Code Chapter 380 to permit funding a grant toward the project in support of the project's goals.

WHEREAS, the Board and City Council find the grant funding provided is appropriate pursuant to Chapter 380 of the Texas Local Government Code.

WHEREAS, the Board and City Council find the Project encourages developers to acquire, develop, and improve certain property, all of which is to be located within the City's corporate limits, to grow the local, regional and state economy; and

WHEREAS, the Board and City Council find that the funds granted City of Hutto, Texas, will be utilized to develop and diversify the state's economy, to eliminate unemployment or underemployment, and to develop and expand state commerce; and

WHEREAS, the Board and City Council find this agreement establishes and provides for the administration of this economic development program by the HEDC with the program goals to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, the Board and City Council find that all conditions precedent for this agreement necessary to determine and permit the Project identified have been fulfilled.

NOW THEREFORE, in consideration of the foregoing and the mutual agreements, covenants, and payments authorized herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and as authorized by the Laws of the State of Texas, the Parties agree as follows:

ARTICLE 1

Recitals/Definitions

1.01 Recitals. The recitals referenced in this Agreement are incorporated herein for all purposes.

1.02 Definitions. As used in this Agreement, the following words and phrases shall have the meanings indicated:

"*City Grant*" means the grant of funds to the City from the HEDC in accordance with this Agreement.

"*Force Majeure*" means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government, or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of a Party), fires, earthquake, tornado, explosions, floods, strikes, slowdowns, pandemics, or work stoppages.

"*Project*" means the design, plans, construction, renovation, and installation of all related infrastructure and improvements of the CR137/FM1660 Project, in accordance with the Project's engineered plans as identified in the Project solicitation materials attached hereto as **Exhibit A** and any resulting approved construction agreements.

ARTICLE 2

Term

2.01 Term. The term of this Agreement ("Term") will commence on the Effective Date and terminate upon the termination on the completion and acceptance of the Project by the City, unless sooner terminated as provided herein.

ARTICLE 3 Grant

3.01 City Grant. The City shall contribute up to eleven million, two-hundred fifty-eight thousand, one hundred and seven dollars and sixty-six cents (\$11,258,107.66 USD) as necessary and requested by the HEDC, to pay any and all fees and expenses related to the construction of the CR137/FM1660 Project.

3.02 City Grant Limitations. Under no circumstances shall the obligations to the HEDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

3.03 Current Revenue. The City Grant Payments will be paid solely through lawfully available funds that have been appropriated by the City Council.

3.04 Obligations of HEDC. The obligation of HEDC to provide the Grant is conditioned upon:

- A. use of the funds in accordance with this agreement;
- B. HEDC performing its obligations herein stated.
- C. the Grant being used solely for funding the Project.

ARTICLE 4 Project Management

4.01 Project Management. To prevent any additional expenses from being incurred by the HEDC in the administration of the CR137/FM1660 Project, the City agrees to manage the procurement and construction of the Project in conformity with the City of Hutto/Joint CIP Project Manual approved by the City Council and HEDC and any jointly approved amendments thereto.

4.02 Delegation of Authority. To facilitate compliance with the City of Hutto/Joint CIP Project Manual, the HEDC hereby delegates authority to approve change orders or other project cost amendments to the City Manager in an amount not to exceed 49,999.99 or 25% of the project, whichever is less. HEDC also authorizes the City Manager to delegate limited spending authority to the Project Manager and Project Engineer in compliance with the terms of the City of Hutto/Joint CIP Project Manual.

ARTICLE 5

Termination

5.01 Termination Term. This Agreement will terminate upon completion of the project and acceptance of the infrastructure by the City unless terminated earlier by either Party for cause after thirty (30) days notice and opportunity to cure.

ARTICLE 6 Miscellaneous

6.01 Amendment. This Agreement may be amended only by written amendment signed by both Parties.

6.02 Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in City of Hutto, Williamson County, Texas. Venue for any action concerning this Agreement shall lie in a state court of competent jurisdiction in Williamson County, Texas. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to any conflicts of law rule or principle that might result in the application of laws of another jurisdiction.

6.03 Legal Construction. In the event any one or more of the provisions in this Agreement shall be held to be invalid, illegal, or unenforceable, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement.

6.04 Assignment. This Agreement is binding upon the Parties and their successors and assigns. This Agreement may not be assigned by either Party without the specific prior written consent of the other Party, which consent may be withheld at the sole discretion of the non-assigning Party.

6.05 Parties in Interest. Nothing in this Agreement shall entitle any party other than those stated herein to any claim, cause of action, remedy, or right of any kind.

6.06 Interpretation. Each Party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the Parties, at arm's length, and will be interpreted in accordance with its terms without favor to any Party.

6.07 No Joint Venture. Nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between the Parties.

6.08 Survival of Terms. All rights, duties, liabilities, and obligations accrued prior to termination shall survive termination.

6.09 Entire Agreement. This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof.

6.10 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all the counterparts shall constitute one and the same instrument.

6.11 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.12 Employment of Undocumented Workers. During the term of this Agreement, the HEDC agrees not to knowingly employ any undocumented workers. If convicted of a violation under 8 U.S.C. Section 1324a(f), HEDC shall immediately repay any City Grant Payments received from the City pursuant to this Agreement not later than the 120th day after the date the HEDC is notified of the violation, plus interest at the rate of 2% compounded annually from the date of violation until paid.

6.13 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed in this Agreement.

The HEDC approved this agreement and authorized its execution by the undersigned on _____, 2026.

HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE A

By: _____
Caitlin Morales, Board Vice Chair

ATTEST:

By: _____
Irma Gonzales, Board Secretary

The **Hutto City Council** approved this agreement and authorized its execution by the undersigned on _____, 2026.

By: _____
James Earp, City Manager

ATTEST:

By: _____
Laura Hallmark, City Secretary

EXHIBIT A

PROJECT SOLICITATION DOCUMENTS FOR CR137/FM1660 PROJECT

AGENDA ITEM REPORT

6.11.



To: Hutto Economic Development Corporation Type A & Type B Board
Subject: Discuss and consider action on Resolution R-HEDC-2026-018 to approve a Procedure Manual in support of the Capital Improvement Projects assigned to the Hutto Economic Development Corporation (HEDC) from the City of Hutto.
Meeting: Monday, March 9, 2026
Department: Economic Development
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FISCAL NOTES:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. 2026.03.09 Resolution No. R-HEDC-2026-018 Joint CIP Project Manual
2. 2026.03.05 Hutto Joint CIP Project Procurement Manual

**HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE A
RESOLUTION NO. R-2026-018**

A RESOLUTION OF THE HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE A, APPROVING THE PROCUREMENT MANUAL FOR CAPITAL IMPROVEMENT PROJECTS WHICH ARE FUNDED BY THE CITY AND ADMINISTERED BY THE CORPORATION; PROVIDING FOR REPEAL, SEVERABILITY, OPEN MEETINGS COMPLIANCE, AN EFFECTIVE DATE AND PROVIDING FOR RELATED MATTERS

WHEREAS, pursuant to Texas Local Government Code Chapters 501, 502, and 504, the City of Hutto created the Hutto Economic Development Corporation, Type A (the “Corporation”); and

WHEREAS, the Board of Directors (“Board”) for the Corporation finds that the City of Hutto (the “City”) desires to delegate certain public infrastructure projects to the Corporation for administration and implementation which will be funded by the City (Joint CIP Projects); and

WHEREAS, the Board finds that the City and Corporation draft a manual that identifies the process and allocation of authority and responsibility for management of Joint CIP Projects during the procurement and construction stages (Joint CIP Project Manual); and

WHEREAS, the Board desires to approve the Joint CIP Project Manual as shown in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Hutto Economic Development Corporation, Type A Board of Directors that:

1. The facts and recitations set forth above are hereby found to be true and correct and are adopted herein for all purposes.

2. The Board hereby approves the Joint CIP Project Manual in a form substantially similar to that in Exhibit A, as amended and approved by general counsel for the Corporation.

3. This Resolution shall be and is hereby cumulative of all other resolutions of the Corporation, and this Resolution shall not operate to amend, change, supplement or repeal any such other resolutions or action of the Board insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolutions are hereby repealed.

4. Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

5. The Board hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were

discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

6. This resolution shall become effective immediately upon signing of this resolution.

PASSED AND APPROVED by the Board of Directors of the Hutto Economic Development Corporation, Type A on the 9th day of March, 2026.

APPROVED

Caitlin Morales, Vice Chairperson

ATTEST:

Irma Gonzales, Secretary

EXHIBIT A
PROJECT FUNDING AGREEMENT FOR CR137/FM1660 PROJECT

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Chapter 1 - Introduction & Governance Framework

City of Hutto & Hutto Economic Development Corporation

1.1 Purpose

This manual establishes the policies and procedures that govern procurement, contracting, and capital project administration ~~between-for~~ the City of Hutto ("City") and ~~the~~ Hutto Economic Development Corporation ("HEDC") projects which are funded by and managed by the City ("Joint CIP Projects").

It serves as the operational guide ~~for both entities~~ when undertaking infrastructure and development projects, including road, water, and wastewater improvements.

1.2 Policy Authority

The City Council of Hutto adopts this manual as the controlling policy for all City and ~~City-funded HEDC capital projects~~ Joint CIP Projects

The City Manager is responsible for implementing and administering the manual, ensuring all procurement and contracting actions align with state law, City policy, and Council ~~and HEDC Board of Directors ("HEDC Board")~~ direction.

1.3 Strategic Alignment

This manual reflects and supports the City Council's Strategic Plan, emphasizing fiscal stewardship, infrastructure investment, and operational excellence.

All procurement activities should advance the City's strategic goals while maintaining transparency and accountability in the use of public funds.

1.4 Applicability

The manual applies to:

- All City departments engaged in procurement or contracting.
- The HEDC when acting as contracting entity for ~~City-funded projects~~ Joint CIP Projects.
- Consultants, engineers, contractors, and suppliers performing work under City contract or under HEDC contract for Joint CIP Projects.

1.5 Guiding Principles

Procurement and contracting activities must uphold:

1. Integrity — Conduct business ethically and fairly.
2. Stewardship — Protect public resources and achieve best value.
3. Transparency — Maintain open and accessible records.
4. Accountability — Ensure compliance with applicable laws.
5. Timeliness — Deliver projects efficiently and on schedule.

Commented [SM1]: Document needs page #s. Consider definitions & table of contents

Commented [KM2R1]: TOC added, page #s added

Commented [CB3]: Confirming that this governs CITY-ONLY projects as well?

Commented [KM4R3]: Verbiage should be rewritten to something like, "... for all City and City-funded HEDC capital projects, with the provisions herein applying to HEDC-managed projects only when such projects have been approved by both City Council and the Hutto Economic Development Corporation."

1.6 Administrative Oversight

The City Manager oversees this manual's implementation. The Procurement Officer provides administrative guidance and maintains version control.

The City Engineer manages technical procurement and contract execution within the scope of approved budgets and authorizations.

1.7 Manual Updates

Revisions require City Manager review and ~~approval by both City Council and HEDC approval.~~ All approved updates must include a version number, effective date, and summary of changes recorded in Appendix K.

1.8 Compliance Requirements

Any anticipated or perceived deviation from this manual must be documented beforehand by staff with written approval by the City Manager.

Such documentation and approval shall be maintained with the purchasing records of the impacted project.

1.8 Limitations and Caveats

This manual does not apply to any HEDC project which is not a Joint CIP Project. Nothing herein should be interpreted to apply to HEDC projects that are not funded and managed by the City.

It is anticipated by the City and HEDC that in the Project Funding Agreement (PFA) and/or other contracts associated with each Joint CIP Project, the HEDC will grant the City the management of the project and will delegate certain decision-making and spending authority to specific employees, such as the City Manager. This manual is written assuming all necessary delegation has occurred. Any spending authority, signing authority, or other decision-making authority which is granted to a City employee or City contractor on behalf of the HEDC herein is conditioned on such delegation occurring in the PFA or other Project contract documents. The City and HEDC will amend the PFA to reflect all necessary delegated authority. In the event, the City and HEDC elect to pursue a project that does not include delegated authority pursuant to the terms of this manual, they will separately include the changes to authority for clarity.

Chapter 2 - Roles & Responsibilities

2.1 Purpose

This chapter defines the specific responsibilities of City and HEDC personnel engaged in the procurement, contracting, and project management process. Clear role delineation ensures accountability, prevents duplication, and facilitates transparent coordination between the two entities.

2.2 Guiding Framework

Procurement authority is delegated by the City Council to the City Manager, who may in turn delegate specific duties to the Procurement Officer, City Engineer, and other staff as appropriate. The HEDC Board holds authority for actions on behalf of the HEDC within the scope of its adopted bylaws and approved funding resolutions.

2.3 City Departments and Roles

2.3.1 City Council

- Adopts this manual and all procurement policies.
- Approves funding, contracts exceeding City Manager authority, and PFAs with the HEDC.
- Reviews project reports and compliance summaries.
- Authorizes budget amendments and interfund transfers for capital projects.

2.3.2 City Manager

- Administers this manual and delegates operational procurement functions.
- Approves contracts and change orders up to \$49,999 cumulative per project.
- Recommends contract awards and PFAs for Council approval.
- Coordinates with HEDC Executive Director on joint projects.
- Ensures all procurement and contract actions comply with City Council and HEDC direction.

2.3.3 Procurement Officer

- Manages solicitations, advertisements, bid openings, and contract execution documentation.
- Maintains procurement records and contract templates.
- Advises departments on applicable procurement methods and thresholds.
- Ensures compliance with Chapter 252 (Local Government Code) and other statutory requirements.

2.3.4 City Engineer / Engineering Department

- Serves as project manager for City-funded and City-managed HEDC projects Joint CIP Projects.
- Prepares scopes of work, technical specifications, and evaluation criteria.
- Coordinates consultant and contractor selection processes.
- Reviews submittals, pay applications, and change orders for accuracy.
- Provides written recommendations to City Manager for award or approval.

Commented [SM5]: Contract processes and signature authority needs to be consistent with HEDC projects and contracts; contract changes need to be addressed and approved by HEDC, the contract is not with the City, etc.

Commented [KM6R5]: The whole point of this bullet point is to include original direction from city council. It is understood that once a contract exists with HEDC, council may not take action in contrast with said contract. I think this is fine as is unless this will cause you all distress.

- Provides written progress reports to the Executive Director of the HEDC.

2.3.5 Finance Department

- Confirms availability of funds and proper execution of PFAs prior to solicitation or contract award.
- Issues purchase orders following approval.
- Processes payments upon certification from the project manager.
- Maintains project budget tracking and supports annual audit requirements.

2.3.6 Legal Staff (City and HEDC)

- City Legal reviews and approves all City and City-funded HEDC procurement and contract documents as to form any contract to which the City is a Party.
- HEDC Legal reviews HEDC-specific contracts and funding documents reviews any contract to which the HEDC is a party.
- For joint City-HEDC projects Joint CIP Projects, City Legal and HEDC Legal coordinate to ensure timely and mutually approved contracts, resolutions, and budget actions. reviews; City Legal retains oversight of the procurement process, while HEDC Legal oversees contract execution and compliance on the HEDC side.
- Both legal offices review joint resolutions, PFAs, and budget actions.

2.3.7 HEDC Executive Director

- Serves as administrative liaison between the HEDC Board and City staff.
- Executes HEDC contracts and documents as authorized by Board action.
- Coordinates with City Manager and Engineering to ensure project alignment with City infrastructure objectives and HEDC direction.
- Does not serve as project lead or contract administrator.

2.3.8 HEDC Board

- Approves HEDC contracts, resolutions, funding transfers, budgets, and PFAs in coordination with the City Council.
- Authorizes execution of joint resolutions and funding transfers.
- Provides oversight on HEDC expenditures and ensures compliance with Chapters 501–505, Texas Local Government Code.

2.4 Funding Coordination

City Council and the HEDC Board must each approve and execute a PFA to fund any Joint CIP Project prior to approval of any other project documents. PFAs may be titled in any way that signals the intent to fund and the nature of the Project. Additional resolutions or other transfer approvals may be used in coordination with a PFA.

City Council must take action via Joint Resolution to fund any project managed by the HEDC. This Joint Resolution serves as the funding authorization between the City and HEDC and establishes the financial relationship, responsibilities, and reimbursement procedures. The instrument may be titled a “Funding Agreement,” “Interlocal Agreement,” or “Project Funding

Commented [SM7]: Edit involvement of Executive Director of HEDC-previous Council direction was that ED has no involvement, however, this process includes ED participation in a variety of areas.

Commented [KM8R7]: HEDC Exec Dir is purely the admin liaison. i.e. agenda item development, signing when directed, etc. This clarifies they are not the project lead, city engineering team is the project lead. I think this is fine as is.

Commented [SM9]: confirm expectations of Exec Director of HEDC, some of the current items seem contradictory as these are HEDC Contracts

Commented [KM10R9]: See my reply above

Commented [SM11]: 2.4-2.8: feels misaligned to have this section in the roles and responsibilities since there is no defined responsible party

Commented [KM12R11]: Confirm if you still feel they are misaligned after considering other replies under Chap 2

Commented [AG13]: This language is confusing. Here it says Joint Resolutions may be called PFAs and the two phrases seem to be used interchangeably in some areas with only one funding agreement described in the funding section. Then there are separate requirements for each in the Exhibits. I recommend using PFA throughout, combining their contents and processes in the exhibits. Where you intend that an additional resolution is necessary for a transfer approval or to increase certain contract amounts within the scope of the approved PFA, then refer to resolutions. I have edited consistent with my recommendation.

Agreement (PFA),” depending on the project type and legal review.

2.5 Communication Protocols

- All project-related communication flows through the assigned Project Manager for documentation consistency.
- Council and HEDC Board communication should occur through the City Manager and HEDC Executive Director, respectively.
- Staff must document key decisions, meeting summaries, and direction received in project files.
- Any anticipated deviation from process or budget must be promptly communicated to the City Manager and HEDC Executive Director.

2.6 Procurement Coordination

City and HEDC projects utilize the same procurement framework for consistency. The Procurement Officer provides administrative oversight, while the Engineering Project Manager executes the technical portions of the process, including evaluation and recommendation.

2.7 Reporting Relationships

- The Procurement Officer reports to the City Manager or designee.
- Project Managers report to the City Engineer.
- The HEDC Executive Director reports to the HEDC Board and coordinates with the City Manager for administrative alignment, and to the HEDC Board for corporate governance.
- Legal, Finance, and Engineering maintain lateral coordination throughout the project lifecycle.

2.8 Accountability

All personnel engaged in procurement and contract management must comply with this manual. Failure to do so may result in administrative action or referral to the City Manager for corrective measures. The City Manager maintains ultimate accountability for adherence to Council policy and the lawful execution of contracts.

Commented [SM14]: how do we provide consistent information to both Council and HEDC if there are 2 points of contact/responsible parties to communicate

Commented [KM15R14]: You don't, that is squarely the responsibility of HEDC Exec Dir and CM. They need to be equally informed of all project info and then relay to their respective parties.

Commented [SM16]: the intent is to follow a different procurement process than the City.

Commented [KM17R16]: IS the "City and HEDC projects" what is causing confusion here? We can retool to say "CIP Projects with a coordinating Resolution between city council and HEDC utilize the same..."to make it more explicit.=

Commented [CB18]: Clarify- inconsistent with current reporting structure

Commented [KM19R18]: This was illustrated this way because at the end of the day, all employees report to CM. This isn't meant to be a subversion of hierarchy. Finance leadership should be appropriately involved in project communication when necessary b/w them & CM

Commented [AG20]: The executive director is a dual employee. However, in the context of this manual, when she is referred to as the HEDC Executive Director, she reports to the Board.

Commented [CB21]: Confirm that the HEDC executive director reports to City Manager for CIP purposes and not City engineer (or clarify)

Commented [KM22R21]: Let's plug in "collaborates with the City Manager" instead of "reports to"

Commented [SM23]: separation and clarity between City processes vs HEDC processes

Also separate two different processes:
1. Assigning procured CIP projects to EDC
2. How to procure CIP projects assigned to EDC

Commented [KM24R23]: I don't know what you are looking for here. What if we added, for specificity, "...with this manual for collaborative CIP projects with a executed Resolution from city council and HEDC..."

Chapter 3 - Ethics & Procurement Standards

3.1 Purpose

This chapter defines ethical expectations, standards of conduct, and procurement principles governing the actions of City and HEDC officials, employees, and contractors in the context of City project and Joint CIP Projects. Outside the context of Joint CIP Project, all staff, employees, contractors, officials, and agents of the HEDC are governed by the HEDC bylaws, policies, and applicable law. Ethical procurement protects public trust and ensures fairness, transparency, and compliance with the City Council's established policy direction.

3.2 Applicability

All City employees, HEDC employees, City Council Members, and HEDC Board Members engaged in the procurement or contracting process are subject to these ethical standards. The same standards extend to consultants, contractors, and vendors performing work for the City or HEDC.

3.3 Code of Ethics

All participants in procurement and contracting must adhere to the following ethical standards:

1. Avoid conflicts of interest, both actual and perceived.
2. Decline any offer of gifts, meals, entertainment, or favors that could influence judgment or appear to do so.
3. Refrain from using confidential or proprietary information for personal benefit.
4. Uphold transparency and impartiality in every procurement activity.
5. Report potential violations immediately to the City Manager or Legal staff.

3.3.1 Application to Elected and Appointed Officials

These ethical requirements apply equally to members of the City Council and the HEDC Board. All officials must avoid participation in discussions, votes, or deliberations where a conflict of interest may exist. Recusal should be documented in the official meeting record.

3.4 Professional Conduct Standards

- City and HEDC employees must not engage in procurement activities in which they have a financial interest.
- Employees shall disclose any outside employment or financial relationship with firms doing business with the City or HEDC.
- Personnel involved in evaluation or recommendation must maintain objectivity and avoid personal communications that could compromise neutrality.

3.5 Vendor Relations

City and HEDC staff must maintain professional boundaries when interacting with vendors. Vendors shall not attempt to influence decision-making through gifts, meals, or personal relationships. Staff must:

- Treat all vendors fairly and equitably.

- Share identical information with all respondents during a solicitation.
- Document substantive vendor communications related to a project.
- Report any inappropriate contact to the Procurement Officer or Legal.

3.6 Gifts and Meals

Gifts or meals valued under \$50 may be accepted when they are clearly incidental to legitimate business discussions (e.g., lunch during a working meeting), provided they do not create an appearance of influence. Items exceeding this value must be declined or returned, and any instance of uncertainty must be reported to the City Manager or Legal for guidance.

3.7 Vendor Assistance and Specification Development

Vendors may assist in preparing technical specifications when specialized expertise is required (e.g., for wastewater treatment plant components or advanced instrumentation). However:

- Assistance must be documented and approved by the Project Manager.
- The assisting vendor must not gain an unfair advantage in the subsequent solicitation.
- Any proprietary specifications must allow equal or equivalent products unless justified by operational necessity.

3.8 Confidentiality

Staff and evaluation committee members must not disclose proposal contents, scores, or deliberations to external parties before contract award. Internal discussions among staff and committee members are permissible as part of the evaluation process, provided confidentiality is maintained outside of that context.

3.9 Procurement Exceptions

Certain procurements may proceed outside competitive processes when justified by law and approved through the proper authority:

- Emergency Purchases: When immediate action is required to protect health, safety, or property.
- Sole Source Purchases: When only one vendor provides the required product or service, as determined by written justification from the Project Manager and Legal concurrence.
- Interlocal Agreements: When purchasing through another government entity or cooperative program, consistent with Texas Government Code Chapter 791.

All exceptions must be documented, justified, and retained with the project's procurement record.

3.10 Conflict of Interest

A conflict of interest exists when a person involved in the procurement or contracting process has, or appears to have, a personal, financial, or organizational interest that could affect impartial judgment. This includes direct or indirect ownership, family ties, or business associations—whether through an individual, partnership, LLC, or nonprofit used to obscure ownership. Staff must file a Conflict Disclosure Statement (CIS) or Questionnaire (CIQ) when applicable under Texas Local Government Code Chapter 176.

3.11 Reporting Violations

Any person who suspects a breach of ethics or conflict of interest must report the matter to the City Manager or Legal. Retaliation against individuals who report concerns in good faith is prohibited. Confirmed violations may result in disciplinary action, contract termination, or referral for investigation.

3.12 Accountability

The City Manager and Legal Department jointly ensure enforcement of this chapter. Violations by City or HEDC employees are subject to disciplinary action in accordance with personnel policies. Vendors in violation may be subject to suspension or disqualification from future solicitations.

Chapter 4 - Procurement Planning & Project Initiation

4.1 Purpose

This chapter defines the processes by which capital projects are planned, scoped, and authorized for procurement. Effective planning ensures that each solicitation is properly funded, aligned with the City Council's strategic goals, and structured to deliver best value through transparent competition. Project initiation establishes the foundation for accountability in budget, schedule, and performance.

4.2 Procurement Planning

The planning phase begins once a capital project is identified through the City's Capital Improvement Program (CIP), HEDC initiatives, or other Council-directed efforts. Planning activities include defining project scope, funding sources, schedule, and procurement method.

4.2.1 Objectives

- Ensure all projects are ready for solicitation with clear deliverables and funding in place.
- Standardize pre-procurement procedures for City ~~and HEDC-managed projects~~projects and Joint CIP Projects.
- Coordinate roles and responsibilities among departments before solicitation.

4.2.2 Responsibilities

- Engineering Department: Leads project scoping, technical specification drafting, and schedule definition.
- Finance Department: Confirms fund availability and budget authority.
- Procurement Officer: Advises on applicable procurement method and legal compliance.
- Legal Department: Reviews draft documents and contract templates before advertisement.
- City Manager: Authorizes initiation of solicitation once all readiness criteria are met.

4.3 Project Scoping & Readiness

Scoping defines the objectives, design expectations, and performance outcomes of each project. Readiness ensures that all conditions are met before the solicitation process begins.

4.3.1 Project Readiness Criteria

A project is considered ready for solicitation when the following conditions are satisfied:

1. Scope of Work Defined: Engineering completes technical design or preliminary engineering documents.
2. Funding Identified: Finance confirms budget source, ~~and~~ amount, and when applicable, proper execution of a PFA.
3. Procurement Path Determined: Procurement Officer confirms the correct solicitation type (RFQ, RFP, or ITB).
4. Schedule Established: Target advertisement and award dates are defined and approved by the

City Manager.

5. Legal Review Completed: City Legal, ~~and/or~~ HEDC Legal for Joint CIP Projects, approves form and compliance language.

6. Authorization Issued: City Manager signs readiness certification to initiate advertisement.

4.3.2 Pre-Procurement Meeting

Prior to advertisement, the Engineering Department convenes a pre-procurement meeting with Procurement, Finance, and Legal to confirm:

- Project scope and schedule.
- Contract type and key deliverables.
- Evaluation criteria and weighting (if applicable).
- Funding source and expenditure tracking.

Meeting minutes and sign-in sheets are filed with the project record.

4.3.3 Source of Funding

Funding sources may include:

- City capital funds.
- Transfers from the City to the HEDC via PFA, Joint Resolution or Project Funding Agreement (PFA).
- ~~HEDC direct funds derived from land sales or reserve accounts.~~
- State or federal grants administered through the City.

Each funding source must be verified and documented in the procurement initiation memo prepared by Engineering and reviewed by Finance.

4.4 Funding Source Confirmation

Before any solicitation is issued, Finance must confirm that adequate funds are budgeted and available within the proper fund and account. For HEDC-managed projects, ~~City Council must approve a Joint Resolution authorizing the funding transfer~~ City Council and the HEDC Board must approve a PFA. The ~~funding instrument~~ PFA serves as the legal basis for payment and contract execution. This document must specify:

- Project name and description.
- Total authorized funding amount.
- Source of funds and account numbers.
- Responsible project entity (City or HEDC).
- Terms for reimbursement or cost sharing, if applicable.

~~Once executed, the funding PFA and any authorizing resolutions, and meeting minutes from the meeting at which it is passed by both entities, confirmation and supporting resolution~~ are filed in the project record and retained for audit purposes.

4.5 Procurement Method Selection

Selecting the proper procurement method ensures compliance with state law and alignment with project complexity, schedule, and funding source. The Procurement Officer and City Engineer jointly determine the appropriate method, subject to City Manager approval.

Commented [SM25]: Many locations where “city or HEDC” is stated should be separated out to clarify differing processes, and for “clear role delineation”

Commented [KM26R25]: Ok. Provide proposed verbiage. Effectively, both sides of the coin just need to ensure their legal teams have reviewed & OK'd documents.

Commented [AG27]: This is a good example where really only one funding agreement is being required. The requirements here do not align with all the requirements listed in the exhibits. I recommend combining requirements and either listing them all here or simply referring to the proper exhibit.

Commented [CB28]: Finance suggests that the Finance Director approve the most appropriate procurement method

Commented [KM29R28]: Ok, replace Procurement Officer with Finance Director

4.5.1 Method Options

- Request for Qualifications (RFQ): Used for professional services (engineering, architectural, surveying) per Texas Government Code Chapter 2254.
- Request for Proposals (RFP): Used when best-value selection criteria, not only price, determine award; typically applied to design-build or service-intensive projects.
- Invitation to Bid (ITB): Used for construction and commodity procurements where specifications are complete and award is based on lowest responsible bid.
- Cooperative or Interlocal Purchase: Permitted under Chapter 791, Government Code, when the City or HEDC participates in an authorized purchasing cooperative.
- Informal Procurement: May be used for smaller projects when total cost is below the City Manager's approval limit, provided Council ratifies its use through resolution.

4.5.2 Factors Considered

1. Project Complexity: Level of design and coordination required.
2. Schedule Sensitivity: Urgency of project completion.
3. Funding Source: City, HEDC, or external grant requirements.
4. Market Conditions: Vendor availability and competition level.
5. Legal Constraints: Applicable statutes and thresholds.

4.5.3 Documentation

The selected procurement method and justification are documented in the Procurement Method Determination Form (PMDf) maintained in the project file and approved by the City Manager before solicitation begins.

4.6 Project Readiness and Approvals

All projects must receive readiness approval before release for solicitation. The Project Manager compiles a Procurement Initiation Package (PIP) containing:

- Scope of Work and Technical Specifications.
- Engineer's Estimate or Project Budget.
- Funding Confirmation from City Council or PFA for Joint CIP Projects. ~~(Council or HEDC Resolution).~~
- Procurement Method Determination Form.
- Proposed Advertisement Dates.

The City Manager's signature on the PIP authorizes advertisement. Projects initiated by the HEDC must also include the corresponding HEDC Board resolution.

4.7 Documentation Standards

Proper documentation is essential to maintain transparency and provide a complete audit trail.

4.7.1 Required Records

Each project file must contain:

- Procurement Initiation Package (PIP).

- All solicitation documents and addenda.
- Bid tabulations, evaluations, and award recommendations.
- Legal approvals and funding authorizations.
- Contract execution documents.
- Meeting minutes and correspondence.
- Pay applications, change orders, and final acceptance certificates.

4.7.2 Record Storage

Records are stored digitally on the City's approved project management drive and physically in Engineering archives until project close-out. Files are transferred to Records Management upon completion in accordance with Chapter 10 retention schedules.

4.8 Schedule Development

Engineering establishes a project schedule that includes key procurement and contract milestones:

- Advertisement and question period.
- Evaluation and recommendation deadlines.
- Council and HEDC meeting dates for award.
- Anticipated contract execution and Notice to Proceed.

The schedule must include sufficient lead time for legal and financial review and must identify critical path items that could affect project completion. Adherence to the schedule is mandatory; deviations require City Manager approval and must be documented in the project record.

4.9 Final Authorization

Once the project is fully scoped, funded, and approved for solicitation, the City Manager issues written authorization to advertise. The notice specifies:

- Solicitation type and project title.
- Advertisement period and due date.
- Responsible department and Project Manager.
- Any pre-bid or pre-proposal meeting requirements.

This authorization marks the transition from planning to active procurement. The Procurement Officer then coordinates advertisement, receipt of bids or proposals, and subsequent evaluation as outlined in Chapter 5.

Chapter 5 - Procurement Methods & Procedures

5.1 Purpose

This chapter establishes the procedures for implementing the various procurement methods authorized under Texas law and this manual. It provides standardized processes for developing, advertising, and administering solicitations to ensure fairness, transparency, and consistency in the selection of vendors, contractors, and consultants.

5.2 Overview of Procurement Methods

The City and HEDC utilize several procurement methods depending on project type, funding source, and statutory requirements. The HEDC is not subject to the same legal procurement requirements as the City. The following summarizes the approved methods and their typical applications unless otherwise required in the PFA or other Contracting documents by the HEDC.

5.2.1 Request for Qualifications (RFQ)

- Used exclusively for professional services, such as engineering, architecture, or surveying, under Texas Government Code Chapter 2254 (Professional Services Procurement Act).
- Selection is based on demonstrated competence and qualifications.
- Fees are negotiated only after the most qualified firm is selected.
- Price is not used as an evaluation criterion during initial ranking.

5.2.2 Request for Proposals (RFP)

- Used when factors other than price determine the best value for the City or HEDC.
- Appropriate for design-build, public-private partnerships, and operational services.
- Evaluation criteria must be published in the solicitation, including weightings if applicable.
- Allows negotiation with ranked proposers prior to award.

5.2.3 Invitation to Bid (ITB)

- Used for traditional construction or commodity purchases where specifications are well-defined.
- Awarded to the lowest responsible bidder meeting all requirements.
- No negotiation is permitted after bids are opened.
- Bid openings are public, with results recorded in the bid tabulation sheet.

5.2.4 Cooperative or Interlocal Purchases

- Permitted under Chapter 791, Texas Government Code.
- Allows the City or HEDC to utilize contracts competitively procured by other government entities or authorized cooperatives.
- Requires documentation showing that the cooperative contract meets all applicable state and local purchasing standards.

5.2.5 Informal Procurement

- Used for procurements under the City Manager's authority threshold when time, scale, or

Commented [SM30]: the intent of this document is to support a process just for the CIP projects that get assigned to the HEDC, thus the process should align with HEDC project processes and procedures

Commented [SM31]: Caution on references to City/Municipal procurement processes, want to ensure we have a very clear, separate and unique process for these projects as they are HEDC projects and no longer City Projects for the purposes of this process

Commented [KM32R31]: Why don't we add, "The following summarizes the approved method for projects that are jointly approved for HEDC management..."

market conditions warrant.

- Requires at least three (3) written quotes whenever feasible.
- The use of informal procurement must be documented, justified, and ratified by City Council through resolution prior to award.

5.3 Solicitation Preparation

The solicitation package serves as the foundation for competitive procurement. Each solicitation must include the scope, instructions, evaluation criteria, and all required legal provisions.

5.3.1 Standard Contents

1. Solicitation Cover Page — Identifies project title, solicitation type, due date, and contact information.
2. Instructions to Respondents — Outlines procedures, deadlines, and format requirements.
3. Scope of Work / Specifications — Describes the work or services to be performed.
4. Evaluation Criteria — Lists the factors to be considered and their relative weight (if applicable).
5. Contract Terms and Conditions — Includes general conditions, insurance requirements, and performance bonds where applicable.
6. Forms — Bid sheet, proposal form, conflict of interest forms, and signature pages.
7. Appendices — Drawings, maps, or other supporting materials.

5.3.2 Roles in Solicitation Preparation

- Engineering drafts technical specifications and drawings.
- Procurement prepares administrative and legal documents, ensuring template compliance.
- Legal reviews all forms and terms to verify statutory compliance.
- Finance verifies funding prior to release.
- City Manager authorizes advertisement once the package is complete.

5.3.3 Coordination with HEDC

~~When the HEDC manages procurement~~ For Joint CIP Projects, City staff (Procurement and Engineering) prepare and review solicitation materials in the same manner. The HEDC Executive Director coordinates Board scheduling and signature routing but does not perform procurement administration functions.

5.4 Advertisement & Public Notice

All solicitations must be publicly advertised in accordance with applicable law and City or HEDC policy to ensure open and fair competition. Solicitations issued by the HEDC shall be in the name of the HEDC.

5.4.1 Advertising Requirements

- RFQs and RFPs: Published at least once per week for two consecutive weeks in a newspaper of general circulation and on the City's website.
- ITBs: Advertised under the same schedule unless otherwise required by statute.

Commented [SM33]: Whose name is on the advertisement? HEDC, COH or both?

Commented [KM34R33]: HEDC

- Informal Procurements: May be posted on the City's website or distributed directly to qualified vendors, but a written record of distribution must be maintained.
- Electronic Platforms: In addition to required publication, solicitations may be posted to recognized procurement platforms to expand outreach.

5.4.2 Publication Documentation

Proof of publication must be retained in the project file, including:

- Newspaper affidavit or proof of posting.
- Screenshot or digital copy of online posting.
- Advertisement start and end dates.

5.5 Pre-Bid / Pre-Proposal Meetings

Pre-bid or pre-proposal meetings provide an opportunity for potential respondents to seek clarification on project requirements and ensure shared understanding of the scope.

5.5.1 Requirement Determination

- Mandatory Meetings: Required when project complexity, site conditions, or coordination needs justify direct vendor engagement.
- Optional Meetings: Used for simpler projects where questions can be managed through written Q&A.

5.5.2 Conduct of Meeting

- Chaired by the Project Manager or City Engineer.
- Procurement Officer records attendance and minutes.
- Clarifications provided at the meeting are later issued in writing as an addendum to ensure all respondents receive the same information.

5.5.3 Addendum Issuance

All questions and answers discussed during the meeting must be documented. Any modification to scope, schedule, or requirements must be issued as a formal addendum approved by Procurement and Legal before posting.

5.6 Evaluation and Scoring

Evaluations ensure that awards are based on merit, capability, and alignment with the City Council's policy objectives. Every evaluation process must be structured, transparent, and consistently documented.

5.6.1 Evaluation Committees

Evaluation committees are appointed by the City Manager or designee.

- Composition: At least three members representing Engineering, Procurement, and a third discipline relevant to the project (such as Finance, Legal, or Operations).
- Voting Rights: Each member has equal voting power. Advisory members may be included for technical expertise but do not score proposals.

- Conflicts of Interest: All evaluators must sign a Conflict-of-Interest Disclosure prior to accessing proposal materials.

For HEDC-managed procurements, City staff normally comprise the evaluation team, and the HEDC Executive Director serves only as liaison to the HEDC Board—not as an evaluator.

5.6.2 Evaluation Procedures

1. Receipt & Control of Proposals: Procurement secures all submittals until the official opening. After opening, copies are distributed to committee members.

2. Individual Review: Each evaluator independently reviews and scores proposals using the approved evaluation matrix.

3. Consensus Meeting: The committee convenes to discuss findings and agree on a final composite score.

4. Documentation: Procurement records individual and composite scores, along with justification notes, in the evaluation report.

5. Recommendation: The committee recommends the highest-ranked proposer to the City Manager for approval.

5.6.3 Evaluation Criteria

Evaluation criteria vary by solicitation type:

- RFQ (Professional Services): Qualifications, relevant experience, project understanding, capacity to perform, and demonstrated performance history. No pricing may be considered until after selection.

- RFP (Best Value): Qualifications, technical approach, schedule, innovation, and cost proposal. Weights must be disclosed in the solicitation.

- ITB (Low Bid): Responsiveness, responsibility, and lowest price. Only compliant bids are considered responsive.

5.6.4 Scoring Standards

Scores are based on the published evaluation matrix, generally using a 0–100 scale. A minimum average of 70 is typically required for further consideration unless otherwise approved by the City Manager. Evaluation comments must clearly support each score to withstand public or legal review.

5.6.5 Confidentiality and Integrity

Evaluation materials are confidential until award. Committee members may not discuss proposals outside of official meetings. After award, evaluation documents become public records, except for portions deemed confidential by law (e.g., trade secrets).

5.7 Negotiation and Clarifications

Negotiation and clarification ensure that the final contract achieves best value while maintaining transparency and fairness to all respondents.

5.7.1 Clarifications and Discussions

Procurement may issue clarification requests to one or more proposers to resolve ambiguities in

their submissions.

- All clarifications must be in writing.
- Responses become part of the official record.
- Clarifications may not change the fundamental nature of a proposal.

5.7.2 Negotiation Authority

- The City Manager (or designee) is authorized to conduct negotiations with the highest-ranked proposer following the evaluation.
- The Procurement Officer coordinates the negotiation process and documents all communications.
- For HEDC procurements, the negotiation team consists of City Procurement, Engineering, Legal, and the HEDC Executive Director in an observing role.

5.7.3 Negotiation Objectives

Negotiations should:

1. Confirm scope understanding and deliverables.
2. Validate proposed schedule and milestones.
3. Ensure risk allocation and insurance coverage are appropriate.
4. Seek cost efficiencies or schedule improvements without compromising quality.
5. Finalize contract language consistent with approved templates.

5.7.4 Price Negotiation and Professional Services

Under Texas Government Code 2254, professional-service fees may only be negotiated after ranking. If the City and the most qualified firm cannot agree on compensation, negotiations must formally end and begin with the next-ranked firm. All negotiation records must be documented in the procurement file.

5.7.5 Best and Final Offers (BAFO)

For RFPs, the City or HEDC may request Best and Final Offers:

- BAFOs must be requested in writing from all proposers within the competitive range.
- Responses are due by a specified deadline and evaluated using the same criteria.
- No new factors may be introduced after BAFO submission.
- The final evaluation results in a single recommended proposer for award.

5.7.6 Negotiation Documentation

All negotiation steps—including correspondence, meeting notes, and revised pricing—must be documented. The Procurement Officer compiles a Negotiation Summary Report detailing key decisions, concessions, and justifications, signed by the City Manager before contract award.

5.7.7 Unsuccessful Negotiations

If negotiations fail to produce an agreement, the City Manager issues a written termination of negotiations with that proposer and authorizes Procurement to begin negotiations with the next-ranked proposer. All prior negotiation records remain part of the project file.

5.8 Recommendation for Award

The recommendation process ensures that the proposed contract award reflects the evaluation results and complies with all policy and legal requirements.

5.8.1 Preparation of Recommendation

- The Procurement Officer prepares a written recommendation summarizing the evaluation outcome, the selected vendor, and justification for award.
 - The Project Manager confirms technical adequacy and alignment with project requirements.
 - Finance verifies budget sufficiency and funding authorization.
 - Legal confirms form and enforceability of the proposed contract.
- The final recommendation packet must include the evaluation report, funding verification, legal approval, and a draft contract.

5.8.2 City Manager and Council Review

- ~~For City projects,~~ The City Manager reviews the recommendation and authorizes placement on the City Council agenda.
- ~~For HEDC projects~~For Joint CIP Projects, the HEDC Board reviews and adopts a resolution approving award, which is then forwarded to the City Council for ratification. ~~through a Joint Resolution if City funds are involved.~~
- No contract may be executed before the required authorizations are obtained.

5.8.3 Evaluation Transparency

After award recommendation is complete, the Procurement Officer prepares a public summary including proposer names and total scores. Proprietary or confidential information is redacted in accordance with the Texas Public Information Act.

5.9 Award and Contract Execution

The award stage formalizes commitment between the City or HEDC and the selected contractor.

5.9.1 Award Approval

- Contracts exceeding the City Manager's authority ($\geq \$50,000$ or policy-limited) require City Council approval by resolution.
 - ~~Contracts funded through the HEDC~~Joint CIP Projects ~~also~~ require Board approval and, ~~if City funded, a Joint Resolution authorizing expenditure.~~
ratification by City Council.
- The City Manager may approve and execute contracts below the threshold within adopted budget authority.

5.9.2 Contract Execution Process

1. Legal Review: Final contract language confirmed by City Legal (or HEDC Legal ~~for HEDC contracts~~any contract to which HEDC is a party) before signature.
2. Signature Routing:
 - City contracts → Vendor → City Manager → Legal → Clerk.
 - HEDC contracts → Vendor → HEDC Executive Director (for routing only) → HEDC Legal

→ City Manager → Clerk.

3. Purchase Order Issuance: Procurement issues a PO once the contract is fully executed.

4. Notice to Proceed: Issued by the Project Manager after all insurance, bonding, and funding documents are received.

5.9.3 Contract Documents and Retention

All executed contracts and supporting resolutions must be filed electronically in the City's records system and retained per Chapter 10. Originals are stored in the City Secretary's Office.

All executed contracts for Joint CIP Projects must also be provided to HEDC legal.

Commented [AG35]: The language here does not include all the people that must be provided executed contracts in section 8 which could cause error. I recommend either combining into one complete section or ensuring they are the same.

5.9.4 Timeliness and Performance Expectations

The City and HEDC commit to prompt payment and efficient contract administration.

Contractors, in turn, are expected to meet or exceed approved schedules.

- Schedule slippage without approved cause may result in withholding of payment or application of liquidated damages as defined in the contract.

- Early completion incentives, when applicable, must be documented and approved in advance.

The City and HEDC will pay fast—but expect projects to be delivered on time or ahead of schedule.

5.10 Debriefing and Protest Procedures

The City and HEDC value transparency and vendor feedback. These procedures provide structured opportunities for vendors to seek clarification and ensure accountability.

5.10.1 Debriefings

Unsuccessful proposers may request a debriefing within ten (10) business days of award notification.

- The request must be submitted in writing to the Procurement Officer.

- The debriefing is informational, not a negotiation, and focuses on evaluation strengths and weaknesses relative to published criteria.

- Proprietary information of other respondents will not be disclosed.

A summary of each debriefing is retained in the project file.

5.10.2 Protests

Vendors may protest procurement actions that they believe violate applicable law or policy.

- Protests must be submitted in writing to the City Manager within ten (10) business days of the alleged action.

- The protest must identify specific facts, legal grounds, and the remedy sought.

- The City Manager may request input from Legal, Procurement, and other departments before issuing a written determination.

5.10.3 Appeal Process

If a protestor disagrees with the City Manager's determination, they may appeal to the City Council by submitting a written appeal within five (5) business days of receiving the decision.

The Council's determination is final.

5.10.4 HEDC Protests

~~For HEDC projects, For Joint CIP Projects, protests are appealed to the City Council with ratification or amendment follow the same procedures but are first reviewed by the HEDC Board, whose decision may be ratified or amended by the City Council, if City funds are involved.~~

5.10.5 Recordkeeping

All protest documents and resolutions are retained in the project record for a minimum of five (5) years following project close-out.

Chapter 6 - Contract Formation & Change Control

6.1 Purpose

This chapter establishes the procedures for forming, executing, and modifying contracts associated with City and HEDC capital projects. Its purpose is to ensure every agreement is:

- Legally compliant;
- Financially authorized and documented;
- Structurally consistent with approved templates; and
- Managed under transparent controls for changes in scope, cost, or schedule.

Contract formation marks the transition from procurement to project delivery. Each executed agreement represents the City Council's or HEDC Board's authorization to commit public funds and must reflect the standards of accountability expected by both bodies.

6.2 Contract Formation Process

6.2.1 Pre-Execution Requirements

Before any contract is executed, the following elements must be completed:

1. Selection and Award Authorization – Confirmed in accordance with Chapter 5 procedures.
2. Funding Verification – Finance certifies sufficient appropriations and account codes.
3. Legal Review – City Legal (or HEDC Legal) confirms form and enforceability.
4. Insurance and Bonding – Certificates and bonds verified for compliance.
5. Document Assembly – Procurement compiles the final contract package using approved templates.

6.2.2 Execution Sequence

1. Vendor executes the agreement first.
2. City Manager signs on behalf of the City (or concurrently for HEDC when dual funding exists for Joint CIP Projects).
3. City Secretary (or designated Clerk) attests and files the executed contract.
4. Procurement issues the Purchase Order.
5. The Notice to Proceed (NTP) is issued by Engineering once pre-construction obligations are met.

6.2.3 Contract Types

- Lump Sum (Fixed Price): Payment based on defined deliverables; used for traditional construction.
- Unit Price: Based on measured quantities; used when field conditions vary.
- Cost Plus/Time and Materials: Used sparingly; requires clear not-to-exceed limits.
- Professional Services Agreements: Governed by Chapter 2254, Texas Government Code; fees negotiated post-selection.

- Interlocal Agreements: Used for partnerships with other public entities.

6.2.4 Execution Authority & Thresholds

- City Manager: May execute contracts up to \$49,999 (cumulative value) within adopted budgets.
- City Council: Approves all contracts $\geq$ \$50,000 or those exceeding policy thresholds.
- HEDC Board: Approves all contracts using HEDC funds.

- An amendment to the PFA is required if the approved funds exceed the overall amount approved by City Council to be paid to HEDC for the project. Resolutions approved by the HEDC and City Council are used to approve transfer of funds that are already within the overall amount approved in the PFA.

~~- Joint Resolution: Required when City funds are transferred to the HEDC for contract execution.~~

6.3 Required Documents and Standards

6.3.1 Standard Templates

All contracts must use templates approved jointly by City Legal and HEDC Legal. Templates are version-controlled and archived in Appendix K. Modifications require written approval from both legal offices and must reference the template version being amended.

6.3.2 Required Components

Each contract must contain:

1. Recitals & Purpose Statement – Identifying parties, authority, and intent.
2. Scope of Work / Services – Derived directly from the solicitation package.
3. Compensation Terms – Including milestones, retainage, and any escalation limits.
4. Schedule and Completion Dates – With liquidated-damages provisions where applicable.
5. Insurance and Bonding Requirements – Certificates, endorsements, and performance/payment bonds.
6. Change Order and Amendment Procedures – Referencing this chapter for controls.
7. Termination Clause – For cause or convenience, consistent with City policy.
8. Signatures and Attestations – Authorized officials only.

6.3.3 Electronic Execution

Electronic signatures are permitted using City-approved platforms. Each digitally executed contract must include verification metadata and be stored in the official records system with identical retention status as hard-copy originals.

6.4 Bonding and Insurance

All contractors and consultants must provide insurance and, where applicable, performance and payment bonds before a Notice to Proceed is issued.

6.4.1 Insurance Requirements

- General Liability: Minimum \$1 million per occurrence and \$2 million aggregate unless project risk warrants higher limits.
 - Automobile Liability: \$1 million combined single limit.
 - Workers' Compensation: Statutory limits per Texas Law.
 - Professional Liability (for design services): \$1 million minimum; must remain active for one year after project completion.
- All certificates must list the City of Hutto and/or HEDC as additional insureds and include waiver-of-subrogation endorsements.

6.4.2 Bonding Requirements

- Bid Bond: 5 percent of bid amount for projects over \$100,000.
 - Performance Bond: 100 percent of contract price for construction contracts over \$100,000.
 - Payment Bond: 100 percent of contract price for contracts over \$50,000 involving labor or materials.
 - Maintenance Bond: 10–20 percent of final contract price, valid for one year after acceptance when required by Engineering.
- Bonds must be executed by a surety licensed in Texas and accompanied by power-of-attorney documents.

6.5 Change Order Procedures

Change orders modify an executed contract's scope, price, or schedule and require strict documentation to ensure accountability.

6.5.1 Change Order Definition

A change order is any written agreement altering the contract value, scope of work, quantities, or completion date after execution.

Change orders are used to address unforeseen conditions, design clarifications, or administrative adjustments necessary for project completion.

6.5.2 Required Documentation

Each change order must include:

1. A clear description of the change and justification.
2. Cost impact and revised contract total.
3. Schedule impact (days added or deleted).
4. Supporting quotes or cost backup.
5. Signatures of the contractor, Project Manager, Finance, and City Manager (or Council as required).

6.5.3 Review and Approval Sequence

1. Project Manager: Verifies necessity and accuracy.
2. Engineering Director: Confirms technical validity.
3. Finance: Verifies funding availability.
4. Legal: Reviews form and compliance.
5. City Manager / Council: Approves based on threshold authority in 6.6.

6.5.4 Change Order Recordkeeping

All change orders must be numbered sequentially and filed with the original contract. Cumulative value and schedule adjustments must be tracked in the project ledger and reported in monthly status updates to the City Manager and, where applicable, the HEDC Board.

6.6 Change Order Authority and Approval Thresholds

Change order approval is controlled through clear, auditable thresholds designed to preserve accountability while maintaining operational efficiency.

6.6.1 Approval Hierarchy

Approval Level	Maximum Authority	Approval Body
Project Manager	Up to \$10,000 per change ($\leq$ \$25,000 cumulative) and no scope change beyond original intent	Department Director and Engineering Review
City Manager	Up to \$49,999 cumulative contract increase and $\leq$ 25% of original contract value	City Manager or designee
City Council / HEDC Board	$\geq$ \$50,000 individual change or $>$ 25% of original value or scope expansion beyond intent	Council and/or HEDC Board Resolution <u>and amended PFA if not within scope of original PFA.</u>

Note: Once the cumulative value of all approved change orders equals \$50,000 or more, or the combined increase exceeds 25 percent of the original contract value — even if the individual change is smaller — City Council and HEDC approval is required prior to authorization.

6.6.2 Emergency Change Orders

If immediate action is required to protect public safety or prevent substantial loss, the City Manager may authorize a change order exceeding the normal threshold.

- The Project Manager must provide written justification within 24 hours.
- A confirming resolution must be presented to the City Council and HEDC Board at the next regular meeting.

6.6.3 Funding Verification

Finance must verify budget availability for every change order before execution. When additional funding is required, a budget amendment ~~or joint resolution~~ and amended PFA must be approved

before work proceeds.

6.7 Contract Amendments and Extensions

Amendments and extensions are formal instruments used to modify non-price terms or extend time under controlled conditions.

6.7.1 Amendment Definition

An amendment modifies a contract without changing its overall scope or fundamental nature.

Examples include:

- Clarifying minor language errors;
- Updating administrative contacts or reporting requirements;
- Adjusting insurance or bonding provisions; or
- Aligning terminology with current statutory language.

6.7.2 Extension Definition

A contract extension adds time to the performance period without material change to price or scope. Extensions are permitted only when:

1. The delay is outside the City's or HEDC's control;
2. Performance to date is satisfactory; and
3. The extension is approved before expiration of the current term.

6.7.3 Approval and Execution

- Project Manager prepares written justification.
- Legal reviews to confirm no scope change or unauthorized term alteration.
- City Manager may approve extensions or amendments ≤ \$49,999 value impact.
- City Council or HEDC Board approval required for anything exceeding that amount or changing contract intent.

6.7.4 Recordkeeping

All amendments and extensions must be numbered sequentially, filed with the original contract, and included in the cumulative value tracking log. Reports on active contracts and their amendment status will be included in quarterly procurement summaries to the City Manager and Council.

Chapter 7 - Contract Administration & Project Delivery

7.1 Purpose

~~This chapter governs the administration of active contracts and capital projects managed by the City of Hutto and the Hutto Economic Development Corporation (HEDC).~~

~~Its purpose~~The purpose of this chapter is to ensure that all work authorized under contract is completed safely, on schedule, within budget, and in accordance with approved specifications. Contract administration begins at issuance of the Notice to Proceed (NTP) and continues through final acceptance, warranty, and close-out. It emphasizes timely communication, accurate documentation, and accountability among City staff, consultants, contractors, and funding partners.

7.2 Administration Framework

7.2.1 Roles and Responsibilities

- City Engineer / Project Manager: Leads day-to-day field and contract administration, including submittal review, pay-app verification, and coordination with consultants and inspectors.
- Procurement Officer: Maintains the official contract file and ensures compliance with documentation and retention requirements.
- Finance Department: Confirms fund availability, processes payments, and reconciles project financial records.
- Legal Counsel: Provides interpretation and ensures all contract modifications, claims, and notices comply with applicable law.
- City Manager: Provides executive oversight and authorizes significant contract actions, including changes, suspensions, or terminations.
- HEDC Executive Director: Serves as liaison to the HEDC Board, coordinating communication and signatures for board-approved actions, but does not serve as project lead or contract administrator.

7.2.2 Administrative Objectives

1. Maintain project momentum through proactive issue resolution.
2. Protect public funds by enforcing contract terms and deliverables.
3. Provide transparent reporting to City Council and HEDC Board.
4. Document all decisions, communications, and field events.
5. Close each project with complete, auditable records.

7.3 Pre-Construction Administration

7.3.1 Notice to Proceed (NTP)

The City Engineer issues the NTP only after confirming:

1. The contract is fully executed and filed;
 2. Required bonds and insurance certificates are approved;
 3. Pre-construction submittals (schedules, safety plans, contact lists) are received; and
 4. The project funding source has been validated by Finance.
- No mobilization or on-site work may begin before issuance of the NTP.

7.3.2 Pre-Construction Conference

A mandatory pre-construction meeting must be held for all construction contracts. Participants include the contractor, project manager, field inspector, finance representative, and relevant City departments.

The agenda covers:

- Review of contract requirements and specifications;
- Schedule expectations and reporting cadence;
- Submittal procedures and approval timelines;
- Safety, environmental, and traffic-control plans;
- Communication protocols and chain-of-command;
- Documentation standards for pay applications and change requests.

Meeting minutes are distributed within five (5) business days and retained in the project file.

7.3.3 Submittal Schedule and Review Process

The contractor must submit a detailed schedule of required submittals within ten (10) days after the NTP.

The City Engineer or consultant reviews submittals for conformance with the design documents. No materials or equipment may be installed until corresponding submittals are approved.

7.3.4 Baseline Schedule and Milestone Tracking

Each project must include a baseline schedule showing critical milestones, completion targets, and inspection checkpoints.

The baseline schedule forms the basis for evaluating contractor performance and assessing potential liquidated-damage exposure if deadlines are missed.

7.3.5 Pre-Construction Documentation Checklist

Before field operations commence, the Project Manager verifies that the following items are on file:

- Executed contract and all amendments;
- Performance, payment, and maintenance bonds;
- Insurance certificates and endorsements;
- Approved submittal and schedule documents;
- Safety and traffic-control plans;
- Funding verification and purchase order;
- Contact list and communication chain.

Work may not begin until all checklist items are confirmed complete.

7.4 Construction Management

7.4.1 Purpose

Construction management ensures that contracted work complies with design intent, applicable codes, and safety standards. The process establishes accountability through field oversight, documentation, and proactive communication among the City, consultants, and contractors.

7.4.2 Daily Responsibilities

- The Project Manager monitors contractor progress, quality, and safety performance.
- Inspectors document site activities, equipment, and materials.
- Contractor Superintendents must be present whenever work is performed.
- Consultants review technical submittals, respond to Requests for Information (RFIs), and assist with field resolutions.

All field decisions must be documented in writing within daily reports or meeting minutes.

7.4.3 Requests for Information (RFIs)

- RFIs are submitted in writing to the Project Manager.
- The Project Manager coordinates with Engineering and Design Consultants for response.
- Responses must be provided within five (5) business days unless the complexity requires more time.
- RFIs that result in scope changes must be processed as Change Orders under Chapter 6.

7.4.4 Field Meetings

Regular field coordination meetings must occur no less than biweekly for active projects. Meeting minutes must capture:

- Progress updates;
- Quality and safety observations;
- Open RFIs and submittal status;
- Pending change orders or claims; and
- Schedule projections and risks.

7.5 Field Coordination and Inspections

7.5.1 Inspection Standards

All construction must conform to approved plans and specifications, the International Building Code, and City of Hutto construction standards.

The City Engineer determines the frequency and type of inspections based on project complexity.

7.5.2 Testing and Quality Assurance

- Materials testing shall be performed by certified labs engaged by the City or consultant.
- Test results must be submitted to the Project Manager within two (2) business days of completion.

- Nonconforming results require immediate corrective action and retesting at the contractor's expense.
- Test records become part of the permanent project file.

7.5.3 Safety and Site Control

Contractors are responsible for maintaining safe job sites in accordance with OSHA and City policies.

The City Engineer or inspector may halt work for unsafe conditions or permit violations.

A Safety Stop Notice must be documented and signed by the Project Manager and contractor representative before work resumes.

7.5.4 Public Communications and Notifications

For projects affecting public rights-of-way or service availability, contractors must notify the City Engineer 48 hours before closures or utility interruptions.

The City Engineer coordinates notifications to residents, businesses, and emergency services.

7.6 Progress Payments

7.6.1 Purpose

Progress payments ensure contractors receive compensation for verified work performed while protecting public funds. Payments are made based on approved quantities and percent completion verified by Engineering staff or consultants.

7.6.2 Payment Schedule

- Pay applications are submitted monthly unless otherwise stated in the contract.
- Each application must include a Schedule of Values and backup documentation (showing materials on site, work completed, and retainage withheld).
- The Project Manager verifies quantities and signs the application before Finance processing.

7.6.3 Review and Approval

1. Contractor submits application to Project Manager.
2. Project Manager reviews for accuracy and attaches inspection reports.
3. Finance verifies funding and compliance with contract terms.
4. City Manager approves payment authorization up to policy limits; Council ratifies as needed.

7.6.4 Retainage and Final Payment

- Standard retainage is 5 percent unless otherwise approved by the City Manager.
- Final payment is released after substantial completion and submission of close-out documents (warranties, as-builts, lien releases).
- The City reserves the right to withhold payment for deficient or untimely work.

7.6.5 Timeliness and Prompt Pay

The City ~~and HEDC~~ will process ~~approved~~ pay applications within fifteen (15) days of receipt.

Commented [CB36]: Confirm which parties are approving before processing payment (who is signing off and approving prior to the 15 day deadline)

Commented [KM37R36]: The payment process should be the exact same for City-owned CIP projects. Fed through Finance & Engineering, and so forth. HEDCs "action" here is to bring it to the EDC board should it need their approval

For Joint CIP Projects, the HEDC Board shall approve pay applications that are within the bounds of the PFA.

Early payment may be authorized as an incentive for superior performance or accelerated completion, subject to Finance confirmation and City Manager approval.

7.7 Records and Transparency

7.7.1 Public Access and Oversight

All records related to procurement and contract administration shall be maintained in accordance with the Texas Public Information Act and the City's records retention schedule.

City Council shall have access to review active construction contracts and related documentation at any time. To the extent allowable by law, any information designated confidential by a vendor or contractor will be protected from public disclosure.

7.7.2 Record Retention Requirements

Project files must include:

- Original executed contract and all amendments;
- Change orders, pay applications, inspection reports, and testing data;
- Meeting minutes, correspondence logs, and daily reports;
- Certificates of insurance, bonds, and warranty records;
- Close-out documentation and as-built drawings.

Records must be maintained for a minimum of seven (7) years after project completion or longer if required by statute or grant conditions.

7.7.3 Digital Archiving

All project documentation will be scanned or stored electronically in a centralized repository maintained by the City's Engineering and Finance departments.

The repository must be organized by project number and accessible to both City and HEDC staff for audit and reference.

7.8 Performance Monitoring and Reporting

7.8.1 Schedule Adherence

Contractors are expected to meet or exceed all project milestones. Schedule slippage beyond seven (7) calendar days must be reported immediately to the Project Manager with a recovery plan.

Liquidated damages and other contractual penalties will be enforced when delays are not justified or mitigated in accordance with contract terms.

7.8.2 Quality of Work

Workmanship and materials must meet all design standards and specifications.

Repeated nonconformance or failed tests may result in corrective work at the contractor's

expense or disqualification from future City and HEDC projects.

7.8.3 Communication and Escalation

- Issues that threaten project schedule, budget, or safety must be elevated to the City Engineer immediately.
- The City Engineer will coordinate with the City Manager and HEDC Executive Director for formal notification to the Council and HEDC Board if needed.
- Contractors are prohibited from bypassing the established chain of command.

7.8.4 Performance Evaluation

Upon completion, the Project Manager shall complete a Contractor Evaluation Report covering quality, timeliness, responsiveness, safety, and cooperation.

Evaluations will be retained for reference in future procurements and may affect prequalification status.

7.9 Project Close-Out

7.9.1 Substantial Completion and Inspection

When the contractor notifies the City of substantial completion, the Project Manager schedules a final inspection with Engineering, consultants, and key stakeholders.

A punch list of remaining items is created and must be completed within the time specified in the contract, typically 30 calendar days.

7.9.2 Documentation Requirements

Final payment will not be released until the following have been received and approved:

1. As-built drawings and record surveys;
2. Final pay application and retainage release request;
3. Warranty and guarantee certificates;
4. Release of liens and claims;
5. O&M manuals and training documentation (as applicable).

7.9.3 Warranty and Maintenance Period

The standard warranty period begins upon final acceptance and typically runs for one (1) year unless otherwise specified.

The Project Manager tracks warranty obligations, ensures prompt correction of defects, and coordinates warranty inspections prior to expiration.

7.9.4 Project Evaluation and Lessons Learned

After close-out, the City Engineer convenes a debrief with the project team to identify lessons learned and process improvements for future capital projects.

A summary memo is retained in the project record and shared with the City Manager for organizational learning.

Chapter 8 - Contract Oversight & Governance

8.1 Purpose

~~This chapter establishes the framework for oversight, governance, and accountability across all contracts administered by the City of Hutto and the Hutto Economic Development Corporation (HEDC).~~

~~This Chapter~~It ensures the appropriate balance between operational efficiency and policy-level control, reflecting City Council authority as the governing body, and the City Manager's responsibility to execute contracts consistent with Council direction.

The objective is to maintain public trust by:

- Defining clear lines of authority;
- Preventing duplication or overreach between the City and HEDC on Joint CIP Projects; and
- Ensuring every action involving expenditure of public funds or contractual commitment is documented, authorized, and reviewable.

8.2 Governance Structure

8.2.1 City Council and HEDC Board

- The City Council retains ultimate authority over policy, appropriations, and funding transfers to the HEDC.
- The HEDC Board provides strategic direction for Joint CIP Projects in~~HEDC-funded initiatives~~ and ensures alignment with Council-approved priorities.
- Both bodies act jointly on funding resolutions, major contracts, and amendments exceeding delegated limits.

8.2.2 City Manager

The City Manager serves as the chief administrative officer for both the City and the HEDC Board under inter-organizational cooperation.

Responsibilities include:

- Executing contracts and amendments within delegated authority;
- Enforcing compliance with procurement and contract policies;
- Ensuring coordination between City Engineering, Finance, and Legal staff and the HEDC;
- Certifying readiness for Council or Board action; and
- Serving as the single point of accountability for contract execution and performance.

8.2.3 HEDC Executive Director

The Executive Director acts as liaison to the HEDC Board and coordinates signatures, meeting preparation, and Board communications.

The Director does not serve as project lead or contract administrator, but ensures that Board directives are executed and that documentation prepared by City staff is complete and accurate before submission.

8.2.4 Legal Counsel

Legal oversight is shared:

- City Legal Staff review ~~all procurement documents, solicitations, and contracts involving City funds.~~

all contracts to which the City is a Party.

- HEDC Legal Staff ~~review contracts executed solely by the HEDC or funded through HEDC revenues.~~

reviews all contracts to which the HEDC is a party.

- For Joint CIP Projects, the City and HEDC legal departments coordinate to ensure timely execution of mutually approved project documents. Joint Legal review is required for all funding agreements, joint resolutions, or contracts involving City to HEDC fund transfers.

8.2.5 Finance Department

The Finance Director ensures that:

- Funding sources are verified prior to contract award;
- Encumbrances and payments comply with Council and Board resolutions;
- Financial records are auditable and traceable to each project; and
- Expenditures are reconciled across City and HEDC accounts.

8.2.6 City Engineering Department

Engineering serves as the operational lead for capital project administration, overseeing procurement execution, field management, and performance verification.

Project Managers within Engineering are responsible for producing documentation, facilitating evaluations, and verifying pay applications.

8.3 Delegation of Authority

8.3.1 Contract Execution Limits

- The City Manager may execute contracts up to \$49,999 in total value or cumulative change, consistent with Chapter 6.
- Contracts at or above \$50,000, or those extending beyond policy intent, must receive formal approval from the City Council and HEDC Board through joint resolution.
- Emergency contracts may be authorized by the City Manager when immediate action is required to protect health, safety, or property; such actions must be ratified by Council and Board at the next regular meeting.

8.3.2 Signature Authority

Only individuals expressly designated by the City Manager or City Council may sign binding agreements on behalf of the City. Only individuals expressly delegated authority in the PFA or other project contracts may sign binding agreements on behalf of or the HEDC.

Electronic signatures are acceptable when consistent with State law and City policy.

Unauthorized signatures are null and may constitute a disciplinary violation.

8.3.3 Delegation to Staff

The City Manager may delegate routine administrative tasks—such as preparation of documentation, coordination of reviews, or communication with vendors—to appropriate staff; however, delegation does not transfer accountability.

The Manager remains responsible for ensuring compliance with this manual and all applicable laws.

8.3.4 Documentation of Delegation

Any standing delegation must be in writing, specify scope and duration, and be maintained in the City Manager's Office.

Delegations expire automatically with staff reassignment or termination unless reaffirmed in writing.

8.4 Communication Protocols

8.4.1 Authorized Communications

Only individuals formally designated within the project team structure may engage in official contract communications.

- City Staff: Engineering Project Managers, Procurement, and Finance personnel may issue correspondence or directives within their scope.
- HEDC Staff: The Executive Director may communicate on behalf of the Board only for items formally approved or directed.
- Consultants and Contractors: All communications must flow through the City's Project Manager unless otherwise directed in writing.

Unauthorized communications with vendors or contractors regarding contract terms, performance, or disputes are prohibited and must be referred to the Project Manager immediately.

8.4.2 Written Communication Requirement

All critical decisions, clarifications, or directives affecting project cost, scope, or schedule must be in writing.

Email is acceptable if archived to the official project file; however, verbal instructions must always be documented through a formal follow-up memo or meeting summary.

8.4.3 Coordination Meetings

Joint coordination meetings between City and HEDC staff are held as needed to discuss project progress, upcoming board items, and funding coordination.

Meeting minutes are distributed to all stakeholders and retained in the central record.

8.5 Reporting and Oversight

8.5.1 Monthly Project Status Reports

Each active capital project requires a monthly progress report prepared by the City Engineer or Project Manager.

Reports must include:

- Schedule status and milestone progress;
- Expenditure-to-date and remaining budget;
- Approved change orders and pending requests;
- Anticipated Council or Board actions; and
- Issues or risks requiring leadership input.

Reports are reviewed by the City Manager and provided to the HEDC Executive Director for inclusion in the next HEDC Board agenda packet.

8.5.2 Council and Board Presentations

The City Manager or designee presents project updates to City Council and the HEDC Board when:

- Projects exceed approved budgets;
- Schedule variance exceeds 15 percent of total contract time;
- Scope or funding changes require formal approval; or
- Requested by either governing body.

8.5.3 Financial Transparency

~~All HEDC-funded~~ Joint CIP Project contracts must be tracked through the City's financial system with identical project identifiers to maintain visibility of expenditures.

Joint quarterly financial reports will summarize:

- Total project funding by source;
- Disbursements and reimbursements;
- Remaining balances; and
- Forecasted cash flow needs.

8.6 Contract Execution and Compliance

8.6.1 Contract Routing and Review

Before execution, all contracts must undergo coordinated review:

1. Project Manager ensures technical completeness and funding verification.
2. Finance confirms budget allocation and PO issuance.
3. Legal reviews form and content for compliance with laws and policies.
4. City Manager authorizes signature or routes for Council/Board approval as applicable.

8.6.2 Joint Resolutions for City-Funded HEDC Contracts

~~For Joint CIP Projects, When City funds are used for an HEDC-administered contract, a joint resolution~~ PFA authorizing the funding transfer must be approved by both the City Council and HEDC Board before contract award.

Subsequent progress payments are authorized through the City's Project Manager under the approved ~~PFA and any modifying resolutions~~ resolution unless scope or funding changes occur.

8.6.3 Contract Compliance

Contract compliance is monitored by HEDC staff in coordination with City Legal to ensure adherence to approved terms.

- Compliance certification must accompany final payment documentation.
- Any suspected noncompliance or deviation from approved terms must be reported immediately to the City Manager and HEDC Board for corrective action.

Commented [CB38]: Is this more appropriate for City Engineer position?

Commented [KM39R38]: Yes, this should likely specify that position

8.6.4 Authorized Execution

Contracts are fully executed only when:

- All required approvals and signatures are secured;
- Funding verification is complete; and
- An executed copy is filed in the official record.

8.6.5 Record Distribution

Executed contracts are distributed to:

- City Manager's Office;
- Finance;
- Engineering Department;
- HEDC Executive Director; and
- Legal Counsel (City and HEDC).

Each office is responsible for maintaining its records in compliance with retention policy.

8.7 Compliance and Ethics

Commented [AG40]: This is duplicative of the ethics section. I recommend removal

8.7.1 Purpose

To protect public confidence, all City and HEDC personnel involved in contracting shall maintain the highest ethical standards.

Compliance ensures every procurement, negotiation, and contract action is conducted fairly, transparently, and free from conflicts of interest.

8.7.2 Conflict of Interest Standards

- Any employee, officer, or official with a financial interest—direct or indirect—in a contract must immediately disclose that interest in writing to the City Manager and Legal Counsel.
- Individuals with conflicts must abstain from participation in selection, negotiation, or oversight related to the contract.
- These standards apply equally to immediate family members, business partners, or entities (LLCs, non-profits, etc.) in which an individual holds a controlling or material interest.
- Disclosure requirements apply to both City and HEDC staff and extend to Council and Board members per Texas Local Government Code Chapters 171 and 176.

8.7.3 Ethical Conduct Guidelines

1. Avoid gifts or gratuities from vendors exceeding \$50 in value within any 12-month period.
2. Do not solicit meals, entertainment, or travel from contractors or consultants.

3. Report immediately any offer that may be perceived as an attempt to influence.
4. Maintain confidentiality of bids, proposals, evaluations, and negotiations.
5. Vendors assisting in developing specifications for highly technical projects may do so only under written non-participation agreements for any resulting solicitation unless specifically authorized by Legal Counsel.

8.7.4 Sole Source Exceptions

A vendor may be exempted from competitive procurement only when a valid sole-source determination is documented and approved by Legal Counsel and the City Manager, and subsequently ratified by Council or Board as required.

The justification must clearly demonstrate that:

- No other provider offers equivalent goods or services; or
- Compatibility or standardization is essential to system integrity; and
- Pricing is verified as fair and reasonable.

8.7.5 Consequences for Non-Compliance

Violations of ethical or compliance standards may result in:

- Revocation of delegation or purchasing authority;
- Disciplinary action up to and including termination; and
- Referral to law enforcement for suspected criminal conduct.

8.8 Auditing and Accountability

8.8.1 Internal Audit Reviews

The City Finance Department, in coordination with the City Manager's Office, conducts periodic audits of contract files and procurement activities to verify compliance with this manual and state law. Audits will examine:

- Proper authorization and documentation;
- Contract values and change order controls;
- Record retention and transparency compliance; and
- Adherence to financial reporting standards.

8.8.2 External Audits

Independent auditors or state/federal agencies may conduct reviews of projects funded by grants or bond proceeds. City and HEDC staff shall fully cooperate and promptly address any findings or recommendations.

8.8.3 Corrective Actions

When audit findings identify deficiencies, the responsible department shall develop a corrective action plan within 30 days and report progress to the City Manager until resolved.

8.9 Continuous Improvement

8.9.1 Lessons Learned Process

At least annually, the City Manager and City Engineer shall facilitate a “Lessons Learned” session with Finance, Legal, and HEDC staff to evaluate the effectiveness of procurement and contract management procedures. Outcomes will be used to:

- Streamline processes and reduce redundancy;
- Improve inter-departmental coordination; and
- Strengthen controls over funding and documentation.

8.9.2 Policy and Manual Updates

Recommended policy revisions identified through audits or lessons-learned sessions shall be submitted to the City Manager for review and then forwarded to City Council and HEDC Board for adoption. Approved changes become effective immediately unless otherwise specified.

8.9.3 Training and Awareness

All staff involved in procurement or contract administration shall complete training at least once every two years on:

- Procurement laws and ethical standards;
- Contract documentation and recordkeeping; and
- Updates to this manual and related policies.

Records of training completion shall be maintained by Human Resources and available for audit.

Chapter 9 - Dispute Resolution & Claims Management

9.1 Purpose

The purpose of this chapter is to provide a structured, transparent process for resolving disputes and claims that may arise during the procurement or execution of contracts. For protests to the procurement process see Chapter 5, administered by the City of Hutto or the Hutto Economic Development Corporation (HEDC).

Its goals are to:

- Resolve issues promptly and fairly;
- Protect public funds and contractual relationships;
- Preserve the integrity of project delivery; and
- Avoid unnecessary legal action through early communication and negotiated solutions.

This policy applies to all vendors, consultants, and contractors engaged in City or HEDC contracts and supplements all relevant Texas statutes and contractual provisions.

9.2 Definitions

Claim — A written demand or assertion by one party seeking, as a matter of right, payment of money, adjustment or interpretation of contract terms, or other relief arising under or relating to the contract.

Dispute — Any disagreement regarding contract performance, interpretation, or entitlement that has not yet escalated to a formal claim.

Notice of Dispute — A written statement submitted by a contractor, consultant, or vendor identifying the issue, contractual basis, and relief sought.

Resolution Conference — A structured meeting between the Project Manager, contractor, and relevant staff intended to achieve early resolution before a formal claim is filed.

9.3 Notice and Initial Resolution Process

9.3.1 Notification Requirement

Contractors or consultants must provide written notice to the Project Manager within seven (7) calendar days of becoming aware of a condition or event that may give rise to a dispute or claim. Failure to provide timely notice may result in waiver of entitlement unless the City Manager or Legal Counsel determines that extenuating circumstances justify acceptance.

9.3.2 Documentation Standards

The notice must include:

1. A concise description of the issue and when it was discovered;
2. The specific contract provisions involved;
3. The estimated cost, time, or other impacts; and
4. Supporting evidence such as daily reports, correspondence, or test results.

Commented [AG41]: I think this caveat is sufficient because they are different. However, the language here does say it applies to disputes in the procurement process and Chapter 5 protests/appeals are also disputes in the procurement process so I recommend including the caveat or combining both here to ensure clarity of administrative remedies in the event of legal action.

All documentation shall be retained in the official project file and submitted electronically to the City Engineer and Legal Counsel.

9.3.3 Initial Review by Project Manager

Upon receipt of a Notice of Dispute, the Project Manager shall:

- Review the issue with Engineering and Finance staff;
- Request clarification or additional documentation as needed; and
- Attempt to resolve the matter within ten (10) business days through negotiation or corrective action.

If agreement is reached, the resolution will be documented in writing and signed by both parties.

If not resolved, the matter proceeds to a Resolution Conference.

9.3.4 Resolution Conference

The Project Manager shall convene a Resolution Conference within fifteen (15) business days of the unresolved dispute.

Attendees include:

- The contractor's authorized representative;
- The City Engineer;
- Legal Counsel (City or HEDC as appropriate);
- Finance and Procurement representatives (as needed).

The purpose is to review documentation, clarify issues, and identify potential remedies without formal claim submission.

A summary of findings and recommended next steps must be prepared within five (5) days of the meeting.

9.3.5 Interim Performance Obligation

Pending resolution of any dispute, the contractor shall continue performance of the work as directed, without suspension or delay, unless otherwise approved in writing by the City Manager. Payment for undisputed work shall continue in accordance with Chapter 7.

9.4 Formal Claim Submission

9.4.1 Eligibility for Claim

If a dispute remains unresolved after the Resolution Conference, the contractor or consultant may submit a Formal Claim to the City Manager.

Only claims based on contractual entitlement or measurable financial/time impact will be considered. Disagreements based solely on opinion or interpretation without contractual basis are not valid claims.

9.4.2 Claim Submission Requirements

A claim must be submitted in writing and include:

1. Reference to the specific contract and provisions supporting the claim;
2. A detailed description of the event or condition giving rise to the claim;

3. Quantified cost, time, or scope impacts with full supporting documentation; and
 4. Certification by an authorized officer of the claimant affirming that the claim is made in good faith and that the supporting data is accurate and complete.
- Claims must be filed within thirty (30) calendar days after the Resolution Conference summary is issued, unless extended by mutual agreement.

9.4.3 City Acknowledgment and Tracking

Upon receipt of a claim, the City Manager's Office shall:

- Acknowledge receipt within five (5) business days;
- Assign a claim tracking number;
- Forward the claim to Legal Counsel, Engineering, and Finance for review; and
- Maintain a central register of all active and resolved claims.

9.5 Claim Review and Determination

9.5.1 Review Committee Composition

Claims will be reviewed by a Claims Review Committee consisting of:

- City Engineer (Chair);
- Finance Director;
- Legal Counsel (City or HEDC as applicable); and
- Procurement Officer (as needed).

The Committee may seek input from the City Manager, external consultants, or other subject matter experts as appropriate.

9.5.2 Evaluation Criteria

The Committee shall evaluate each claim based on:

1. Contractual entitlement and documentation provided;
2. Timeliness of notice and filing;
3. Accuracy of cost and schedule impact analysis;
4. Mitigation actions taken by the claimant; and
5. Compliance with applicable laws and contract provisions.

9.5.3 Determination Process

- The Committee shall issue a written recommendation to the City Manager within thirty (30) calendar days of receiving a complete claim file.
- The City Manager shall render a final administrative determination within fifteen (15) calendar days of receiving the Committee's recommendation.
- The determination shall include findings, conclusions, and the City's proposed resolution.

9.5.4 Notification

The claimant shall receive written notification of the City Manager's determination via certified mail or verified electronic delivery.

The notification shall specify:

- Whether the claim is approved, partially approved, or denied;

- The basis for the determination; and
- Available next steps for further review or appeal.

9.6 Negotiation and Mediation

9.6.1 Purpose

When formal claims cannot be resolved administratively, the City and claimant may mutually agree to enter good-faith negotiations or mediation to avoid litigation. Mediation promotes collaborative solutions while preserving relationships and reducing costs.

9.6.2 Negotiation Phase

- The City Manager or designee may initiate negotiation with the claimant to seek voluntary settlement.
- Negotiations must be documented in writing, identifying the parties involved, date(s), and proposals exchanged.
- Settlements must be reviewed by Legal Counsel and approved by the City Council and HEDC Board if monetary value exceeds \$49,999 or affects policy terms.

9.6.3 Mediation Process

If negotiations fail, the City Manager may authorize mediation before a neutral third-party mediator for claims against the City. The HEDC Board may authorize mediation for claims against the HEDC.

- The mediator shall be jointly selected by the City and claimant, and HEDC Board when applicable.
- Costs of mediation are shared equally unless otherwise agreed.
- The mediator shall not issue binding decisions but may provide recommendations for resolution.
- Mediation discussions are confidential and inadmissible in later proceedings, except as required by law.

9.6.4 Documentation of Outcome

All settlements reached through negotiation or mediation must be documented in a Settlement Agreement signed by all parties and approved consistent with City and HEDC policy. The agreement becomes part of the official project record.

No settlement to which the HEDC is a party may be approved without HEDC Board approval.

9.7 Arbitration and Litigation

9.7.1 Authorization

If mediation does not resolve the dispute, the City Manager, upon advice of Legal Counsel, may authorize arbitration or litigation on behalf of the City. No legal proceeding may be initiated without prior approval of the City Council and HEDC Board.

9.7.2 Jurisdiction and Venue

All legal actions shall be brought in a court of competent jurisdiction within Williamson County, Texas, unless otherwise required by law or funding agreement provisions.

9.7.3 Coordination with Legal Counsel

All communication with outside counsel, claimants, or insurers shall be coordinated through City and HEDC Legal Counsel to ensure consistency of position and protection of privileged information.

Legal Counsel shall provide status updates to the City Manager, ~~and Council~~ and HEDC Board as appropriate.

9.7.4 Settlement Authority

The City Manager may approve settlement agreements on behalf of the City valued at or below \$49,999 provided that Legal Counsel concurs and funding is available.

No settlement on behalf of the HEDC may be made without HEDC Board approval.
For Joint CIP Projects, settlements exceeding the City Manager's approval threshold require approval by both City Council and HEDC Board ~~approval via joint resolution.~~

9.7.5 Cost Recovery

When possible, the City shall seek reimbursement of legal and administrative expenses from responsible parties, insurers, or sureties.

Recovered funds will be credited to the originating project or fund.

9.8 Claims Close-Out

9.8.1 Final Resolution Documentation

Upon conclusion of any claim, arbitration, or litigation, the responsible department shall compile a complete case file including:

- Notice of Dispute and all correspondence;
- Meeting summaries and recommendations;
- Settlement or judgment documents; and
- Post-resolution cost summaries.

The file shall be archived in accordance with the City's and HEDC's record retention policy.

9.8.2 Post-Project Review

Following final resolution, the City Manager shall ensure a debrief is conducted among Project Management, Legal, and Finance staff to identify lessons learned and opportunities for improvement in contract language, communication, or oversight.

9.8.3 Communication to Council and HEDC Board

Significant claims or settlements shall be summarized in quarterly reports to the City Council and

HEDC Board, noting outcomes, costs, and corrective measures implemented.

9.9 Continuous Learning and Prevention

9.9.1 Training on Dispute Prevention

Project Managers, Engineers, and Procurement personnel shall receive ongoing training on dispute avoidance techniques including:

- Clear documentation practices;
- Early issue identification; and
- Effective communication and negotiation strategies.

9.9.2 Policy Updates

Recommendations derived from claims analyses shall be incorporated into future revisions of this manual and relevant procurement policies.

Updates will be reviewed by the City Manager, Legal Counsel, and approved by Council and HEDC Board.

9.9.3 Transparency and Accountability

The City and HEDC affirm their commitment to transparency in managing disputes and claims. All actions will be guided by fairness, fiscal responsibility, and the protection of public trust.

Chapter 10 - Recordkeeping, Reporting & Transparency

10.1 Purpose

This chapter establishes standards for maintaining, protecting, and disclosing records associated with ~~City and HEDC procurement and contracting activities~~ Joint CIP Projects.

Its objectives are to:

- Preserve the integrity and accessibility of official records;
- Ensure compliance with the Texas Public Information Act (TPIA) and Local Government Records Act;
- Support transparency and accountability to the City Council, HEDC Board, and the public; and
- Provide reliable data for audits, performance reviews, and future project planning.

10.2 Scope

These requirements apply to all records generated or received during procurement, contracting, and project delivery, including but not limited to:

- Solicitation documents (RFQs, RFPs, bids, advertisements);
- Evaluation and selection materials;
- Contracts, amendments, and change orders;
- Correspondence, meeting notes, and inspection reports;
- Payment and financial records; and
- Project close-out and performance evaluations.

Both the City and HEDC shall maintain separate record archives but follow consistent retention standards and procedures outlined herein.

10.3 Record Retention Requirements

10.3.1 Retention Schedule

Records must be retained in accordance with the City of Hutto Records Retention Schedule, which adheres to Texas State Library and Archives Commission (TSLAC) requirements. Retention periods apply from the date of final contract completion or project close-out unless otherwise specified. Examples include:

- Procurement records – minimum 3 years after final payment or project completion;
- Construction and engineering contracts – 10 years after close-out;
- Financial records and payment requests – 5 years after audit completion;
- Grant-funded projects – period required by grant terms or federal law, whichever is longer.

10.3.2 Storage and Security

- Records shall be stored in secured digital repositories or fire-resistant archives managed by the City Secretary or designated Records Management Officer.
- Electronic files must be backed up daily to City-approved servers with redundant storage.

- Access permissions will be role-based to protect confidential procurement and contract information.
- HEDC records shall be subject to the same security standards and may be co-located with City records if approved by the City Manager and HEDC Executive Director.

10.3.3 Disposition of Records

- Records eligible for destruction must be approved by the City Secretary or Records Management Officer in accordance with TSLAC guidelines.
- No record related to an active project, claim, audit, or investigation may be destroyed.
- Destruction must be documented through a certificate of disposition retained for a minimum of five years.

10.3.4 Funding Source Documentation

For projects funded through City appropriations to HEDC via joint resolutions or funding agreements, all associated financial records shall be retained by both entities to ensure full audit traceability.

10.4 Reporting & Disclosure

10.4.1 Purpose

This section defines the reporting responsibilities for ~~procurement, contracting~~ Joint CIP Projects, and capital projects administered by the City and HEDC.

The intent is to ensure that financial data, contract performance, and project outcomes remain visible to City Council, the HEDC Board, and the public.

10.4.2 Procurement Reports

The City Procurement Officer shall compile quarterly summaries including:

- Active and completed procurements;
- Contract awards and associated funding sources;
- Local, small, and minority business participation metrics; and
- Any approved deviations from this manual.

Reports will be submitted to the City Manager and distributed to the HEDC Executive Director for presentation to the Board.

10.4.3 Capital Project Status Reports

The City Engineer shall maintain a capital project dashboard summarizing:

- Project scope, budget, and schedule;
- Expenditures to date and funding sources; and
- Change order activity and claims status.

Monthly updates will be shared internally and included in quarterly reports to the City Council and HEDC Board.

10.4.4 Financial Transparency

Finance shall maintain auditable ledgers for all project accounts ~~funded in whole or in part by the City or HEDC.~~

Reconciliations must occur monthly, and financial summaries will be provided to the City Manager, Legal Counsel, and HEDC Executive Director for review.

10.5 Public Disclosure & Access to Information

10.5.1 Commitment to Transparency

All City and HEDC procurement activities shall be conducted with full regard for public disclosure and fair competition.

Public information will be released in accordance with the Texas Public Information Act (TPIA), balancing openness with the protection of confidential and proprietary data.

10.5.2 Confidential Information

- Proprietary information designated as confidential by vendors shall be handled in accordance with Texas Government Code §552.110.
- Confidential records include trade secrets, pricing formulas, or technical data protected by law.
- Staff must consult Legal Counsel before releasing any information that may be subject to confidentiality exemptions.

10.5.3 Records Availability

All final contracts, project budgets, and change orders are public records subject to disclosure unless specifically exempt under state law.

Electronic copies shall be available through the City's open data portal or by formal public information request.

10.6 Open Records Requests

10.6.1 Processing Requests

Requests for City or HEDC records shall be processed under the Texas Public Information Act (TPIA).

The City Secretary serves as the Records Custodian for the City, and the HEDC Executive Director serves as the Custodian for HEDC records. TPIA requests for HEDC documents shall be submitted through the City's online submission portal. Upon receipt of a TPIA request for HEDC documents the City Secretary shall, directly, by designee, or by means of software manipulation, promptly provide such request to the HEDC Executive Director.

Each Custodian shall:

1. Acknowledge receipt within 10 business days;
2. Coordinate with Legal Counsel to determine disclosable content; and

3. Provide responsive records promptly unless an Attorney General opinion is required.

10.6.2 Shared Records

For ~~projects funded by City appropriations to the HEDC, Joint CIP Projects~~, both entities will maintain mirrored records to ensure response consistency. Requests received by either entity will be jointly coordinated to avoid duplicate or inconsistent responses.

10.6.3 Cost Recovery

Fees for copying, programming, or research shall be assessed per TPIA standards and credited to the appropriate fund. The City Manager or designee may waive fees if disclosure serves a substantial public interest.

10.6.4 Retention of Requests

All open records requests and responses shall be retained for a minimum of two years after final disposition and may be reviewed as part of internal audits.

10.7 Transparency Initiatives

10.7.1 Open Government Commitment

The City of Hutto and the HEDC are committed to proactive transparency. Whenever possible, key project and contract information will be made publicly accessible without the need for a formal request, consistent with state law. This includes:

- Capital project dashboards showing scope, budget, and timeline updates;
- Summaries of active procurements and awarded contracts; and
- Links to relevant funding resolutions, agreements, and reports.

10.7.2 Data Publication

The City Manager's Office, in coordination with Finance and Engineering, shall maintain an Open Data and Contracts Portal.

This portal will display up-to-date project and contract data, including:

- Vendor names and contract amounts;
- Project completion percentages and key milestones;
- Amendments and change orders approved to date; and
- Funding sources (City, HEDC, grant, or combination).

All published data shall be reviewed by Legal Counsel prior to release to ensure compliance with confidentiality and security standards.

10.8 Ethical Standards in Transparency

10.8.1 Accuracy and Integrity

All data, reports, and disclosures shall reflect factual, verifiable information drawn from official

records.

Staff may not manipulate or withhold data to influence perception or outcome.

Falsification or misrepresentation of information constitutes misconduct and may result in disciplinary action.

10.8.2 Public Communications

All public-facing reports or summaries must:

- Clearly identify their data source and effective date;
- Use language that is accurate, neutral, and free of bias; and
- Avoid speculative statements or interpretations not supported by official documentation.

The City Manager's Office shall review all significant public-facing reports prior to publication.

10.8.3 Coordination Between Entities

Since both the City and HEDC may publish overlapping project information, they must coordinate to ensure consistent data representation.

Discrepancies between datasets shall be reconciled within 10 business days of discovery.

10.9 Continuous Improvement in Transparency

10.9.1 Annual Review

The City Manager's Office shall conduct an annual review of transparency practices to identify opportunities for improvement.

The review will consider:

- Stakeholder feedback;
- Technological advances in data management; and
- Changes in statutory or regulatory requirements.

10.9.2 Public Feedback Mechanisms

The City will maintain a dedicated feedback form or email address for the public to provide input on transparency initiatives or request enhancements to published data.

All feedback will be reviewed quarterly by the City Manager's Office and summarized for Council and HEDC Board consideration.

10.9.3 Staff Training

Procurement, Finance, and Engineering personnel involved in transparency functions shall complete periodic training on:

- Open data standards and best practices;
- Public information compliance; and
- Ethical communication of performance and financial data.

Training records shall be maintained in accordance with Chapter 10.3.

Appendix A - Acronyms & Definitions

A.1 Purpose

This appendix provides a single reference for terms, acronyms, and abbreviations used throughout the Hutto / HEDC Procurement and Capital Project Manual.

These definitions are intended to promote consistency and shared understanding among staff, vendors, consultants, and the public.

Where a term is defined in state or federal law, that legal definition prevails.

A.2 Acronyms

ADA – Americans with Disabilities Act
A/E – Architect / Engineer
AIA – American Institute of Architects
AG – Attorney General (State of Texas)
CAD – Computer-Aided Design
CIP – Capital Improvement Program
CM – City Manager
CO – Change Order
EDC / HEDC – Hutto Economic Development Corporation
EEO – Equal Employment Opportunity
FY – Fiscal Year
HUB – Historically Underutilized Business
IDIQ – Indefinite Delivery / Indefinite Quantity
IFB – Invitation for Bids
LGC – Local Government Corporation
MBE – Minority Business Enterprise
NTP – Notice to Proceed
O&M – Operations and Maintenance
PFA – Project Funding Agreement
PM – Project Manager
PO – Purchase Order
PPE – Personal Protective Equipment
QA/QC – Quality Assurance / Quality Control
RFQ – Request for Qualifications
RFP – Request for Proposals
ROI – Return on Investment
TPIA – Texas Public Information Act
TSLAC – Texas State Library and Archives Commission
TxDOT – Texas Department of Transportation
W/MBE – Women- and Minority-Owned Business Enterprise

Commented [AG42]: Several of these abbreviations are not used in this document.

A.3 Definitions

Award – The formal decision to accept a vendor’s offer and enter into contract.

Bid – A complete, written offer submitted in response to an Invitation for Bids.

Change Order (CO) – A written modification to a contract altering cost, scope, schedule, or terms after execution.

City – The City of Hutto, Texas.

Claim – A written demand seeking payment or other relief under the contract.

Contractor – Any person, firm, or entity entering into an agreement with the City or HEDC to furnish goods, services, or construction.

Council – The Hutto City Council, which establishes policy direction and approves contracts exceeding the City Manager’s authority.

~~EDC Board – The governing board of the Hutto Economic Development Corporation.~~

Evaluation Committee – A panel of City and/or HEDC staff convened to score proposals or qualifications.

Funding Resolution – Formal action by City Council authorizing the transfer of funds to the HEDC for a specified project.

HEDC Board – The governing board of the Hutto Economic Development Corporation.

~~Joint Resolution – Coordinated approval by both City Council and HEDC Board establishing project funding, contracting, or other shared actions.~~

Joint CIP Project – a capital improvement project solicited and administered by the HEDC, but which is funding by the City through a PFA.

Legal Counsel – The City Attorney’s Office and/or HEDC legal counsel providing review and approval of contracts and procurement actions.

Procurement – The process of acquiring goods or services, from planning through contract close-out.

Professional Services – Work requiring specialized education or licensing such as engineering, architecture, surveying, or consulting.

Project Funding Agreement (PFA) – legal contract between the City and HEDC establishing project funding approval, project details, authority delegation, and other project specific items.

Project Manager (PM) – The individual designated to oversee day-to-day project execution, documentation, and compliance.

Purchase Order (PO) – Official authorization issued by the City to a vendor confirming purchase terms.

Vendor – A supplier, contractor, or consultant providing goods or services under agreement with the City or HEDC.

Work Authorization – A written notice authorizing commencement of specific tasks under a master or continuing-services contract.

Appendix B - Roles & Responsibilities Matrix

B.1 Purpose

This appendix clarifies the division of roles and responsibilities between the City of Hutto and the Hutto Economic Development Corporation (HEDC) in implementing ~~capital and procurement projects~~.Joint CIP Projects

It ensures that each function—policy, funding, execution, and oversight—is handled by the appropriate authority while maintaining alignment, accountability, and transparency.

B.2 Governance Principles

1. City Council establishes procurement policy and authorizes City funding allocations to the HEDC.
2. City Manager executes policy through administration of procurement, contracting, and financial oversight.
3. HEDC Board governs ~~HEDC-led~~ projects and authorizes contracts or expenditures within its adopted budget and by City-approved funding resolutions.
4. City and HEDC Legal Counsel jointly ensure all documents, solicitations, and agreements meet statutory and contractual requirements.
5. Shared Staffing Model: City Engineering, Procurement, and Finance personnel administer project and contract execution for both entities under City management.

FUNCTION / ACTIVITY	CITY COUNCIL	CITY MANAGER	CITY ENGINEER / PROJECT MANAGER	PROCUREMENT OFFICER	FINANCE DIRECTOR	LEGAL COUNSEL (CITY / HEDC)	HEDC BOARD	HEDC EXECUTIVE DIRECTOR
Policy Adoption	Adopts procurement and contracting policies applicable to City and HEDC-funded projects	Implements Council policy	—	—	—	Reviews for compliance with law	Concurs via Board policy alignment	Advises Board on compliance
Funding Authorization	Approves funding via joint resolution or budget action	Prepares funding resolutions; ensures budget compliance	Provides project cost estimates	—	Confirms funding availability	Reviews funding agreements	Approves receipt and use of funds	Executes Board action per resolution
Solicitation Preparation	—	Oversees staff development of RFQ/RFP documents	Drafts technical specifications, scope of work	Manages RFQ/RFP issue and receipt process	Verifies financial controls	Reviews legal terms and forms	—	—
Evaluation & Selection	Ratifies awards over CM authority limit (\$50k and above)	Chairs Evaluation Committee and approves recommendations under authority limit	Participates in evaluation and scoring	Facilitates evaluation process and records documentation	—	Ensures selection complies with law and policy	Approves awards of HEDC contracts per policy	Provides liaison to Board
Contract Execution	Authorizes execution above CM limit and funding resolutions	Executes contracts ≤ \$49,999 and administers performance	Monitors deliverables and schedule	Processes contract and PO documents	Validates funding availability and encumbrance	Approves to form and legal sufficiency	Executes Board-approved contracts	Signs contracts per Board direction
Change Orders & Amendments	Approves > \$50,000 or > 25% of original contract	Approves ≤ \$49,999 cumulative and within authority threshold	Recommends COs and maintains documentation	—	Verifies budget impact	Reviews legal form and authorization	Ratifies EDC project COs per policy	Presents COs to Board for approval
Payments & Invoices	—	Approves pay applications and certifies compliance with contract	Reviews work completion and submittals	—	Processes payment and reconciliation	Reviews contract compliance issues	Ratifies payment actions funded by HEDC	Reviews payment summaries
Auditing & Oversight	Receives reports and audit summaries	Ensures internal control and response to audit findings	Provides records for audit and review	Maintains procurement records	Coordinates audit responses	Advises on legal findings	Receives audit reports for HEDC actions	Coordinates Board responses
Records & Transparency	Oversees policy for public disclosure	Directs staff to maintain records and reporting standards	Ensures technical documentation accuracy	Retains solicitation and award records	Maintains financial records and reports	Reviews compliance with TPIA	Publishes Board records per law	Serves as custodian of HEDC records

Commented [AG43]: This is not editable but needs to be modified to be consistent with changes.

B.34 Key Observations

- The City Manager functions as the operational head for all contracting processes, regardless of whether the project is a City project of Joint CIP Project, City or HEDC-funded.
- The HEDC Board maintains independent authority ~~to approve contracts funded by its budget, subject to Council-approved funding resolutions.~~ to approve all contracts to which it is a party unless such authority has been delegated in the PFA or other project contract document.
- Engineering serves as project lead, ensuring technical compliance and performance verification.
- Finance and Legal maintain dual oversight to ensure fiscal responsibility and legal compliance.

Appendix C - Procurement Thresholds & Method Matrix

C.1 Purpose and Overview

This appendix establishes the dollar thresholds and corresponding procurement methods for contracts administered by the City of Hutto and the Hutto Economic Development Corporation (HEDC) or for Joint CIP Projects in which certain authorities have been delegated by the HEDC. It provides a concise reference for staff to determine when informal quotations, formal sealed solicitations, professional services selection, or negotiated procurement methods apply.

- These thresholds align with:
- Texas Local Government Code Chapter 252 (Purchasing and Contracting)
 - Texas Government Code Chapter 2254 (Professional Services Procurement Act)
 - City of Hutto Purchasing Policy (2025 edition)
 - HEDC flexibility provisions approved by City Council resolution

The HEDC is not subject to the same procurement requirements and may deviate as allowed by law and pursuant to the PFA and other project contracts may deviate from strict statutory processes when authorized by Council through a joint funding resolution; however, such deviations must remain documented and consistent with principles of fair competition, transparency, and best value.

C.2 Procurement Threshold Table

Category / Type	City of Hutto Threshold & Method	HEDC Threshold & Method (Flexible Model)
Goods & Non-Professional Services	≤ \$3,000 – Direct purchase by department with PO authorization \$3,001–\$50,000 – Obtain ≥ 3 written quotes >\$50,000 – Formal competitive sealed bid or proposal per LGC §252.021	≤ \$10,000 – Direct purchase with documented justification \$10,001–\$100,000 – ≥ 3 quotes or simplified RFP >\$100,000 – Formal RFP or negotiated award with board approval
Professional Services (engineering, architectural, surveying, etc.)	Qualification-based selection per Gov’t Code §2254 (QBS); no price competition until negotiation with top-ranked firm	May use QBS model or competitive negotiation including price when authorized by Board; documentation of selection rationale required

Construction Services	Informal quotes allowed ≤ \$50,000; Formal sealed bid >\$50,000; award to lowest responsible bidder unless Council approves alternative criteria	≤ \$100,000 – informal quotes or limited proposal >\$100,000 – formal bid or proposal selection based on best value (including schedule and quality)
Change Orders	≤ \$49,999 or ≤ 25% of original contract – City Manager approval ≥ \$50,000 – Council approval	Same thresholds apply if City-funded; HEDC-funded only may use Board approval ≤ \$100,000 with City Manager concurrence
Emergency Purchases	Allowed per LGC §252.022 with City Manager declaration and post-action report to Council	Same criteria apply; HEDC Board chair and City Manager must jointly authorize if City funds involved

C.3 Informal Procurement Use

Informal procurement may be used for projects under the formal threshold when justified by timeline, scope, or urgency. All informal procurements for City ~~projects and Joint CIP Projects-funded HEDC-projects~~ must be ratified by City Council through a funding resolution prior to contract execution.

Documentation must include:

- Basis for method selection
- Number and names of firms contacted
- Summary of quotes or proposals received
- Determination of best value and award recommendation

C.4 Approval Matrix

Approval Level	Dollar Range (City)	Dollar Range (HEDC)	Authority to Approve
Project Manager / Engineer	≤ \$10,000	≤ \$25,000	Departmental authorization with procurement documentation
City Manager	≤ \$49,999 (cumulative)	≤ \$100,000 if City funds involved and within approved budget	Executes contracts and change orders within authority

City Council	≥ \$50,000 or > 25% of original contract value	Ratifies funding agreements and contracts using City funds	Approves joint resolutions, funding, and major awards
HEDC Board	All HEDC-funded contracts	All HEDC contracts using non-City funds	Approves contracts, change orders, and amendments per policy

C.5 Flexibility and Documentation Standards

HEDC retains discretion to evaluate and select bidders or proposers based on best value, not solely on lowest price. Factors may include:

- Technical competence and experience
- Ability to meet schedule requirements
- Past performance with City or EDC
- Financial stability
- Proposed innovations or risk mitigation

All deviations from standard City procurement requirements must be:

1. Documented beforehand by staff
2. Approved in writing by the City Manager
3. Maintained in the project's procurement file

Appendix D - Solicitation & Evaluation Templates

D.1 Purpose

Provides standardized templates and guidance for solicitation and evaluation materials used in City and HEDC procurement processes. Templates ensure consistency, compliance with statutory requirements, and transparency in evaluation documentation.

D.2 Solicitation Templates

Included Template Types:

1. Request for Qualifications (RFQ) – For professional services (engineering, architecture, surveying, etc.) using qualifications-based selection.
2. Request for Proposals (RFP) – For goods, services, and construction projects evaluated on best value.
3. Invitation for Bids (IFB) – For formal sealed bid procurements awarded to the lowest responsible bidder.
4. Request for Quotes (RFQ-lite) – Informal process used for small-dollar procurements.

Each template includes:

- Standard header language (City/HEDC branding, contact info, project name, solicitation number, date issued)
- Clear scope of work
- Submission requirements
- Evaluation criteria (scored or ranked)
- Timeline and deadlines
- Terms and conditions consistent with City legal forms

Template documents are maintained separately by the City Procurement Officer, under version control.

D.3 Evaluation Documentation

All solicitations require a standardized evaluation form to record:

- Committee member names and titles
- Criteria weights (as approved before solicitation)
- Individual and consensus scores
- Narrative justifications for rankings
- Conflict of interest confirmations
- Signatures of all evaluators and approving officials

Evaluation forms must be retained in the procurement file for no less than five years or the duration of the contract, whichever is longer.

D.4 Sample Evaluation Scoring Format

Criterion	Weight (%)	Evaluator 1	Evaluator 2	Evaluator 3	Consensus Score	Comments
Experience / Qualifications	30	28	29	30	29	Demonstrated strong municipal background
Project Approach / Methodology	25	22	23	24	23	Clear understanding of project scope
Schedule / Availability	20	19	20	20	20	Meets or exceeds requested timeline
References / Past Performance	15	14	15	15	15	Positive feedback from peer agencies
Local / Regional Benefit	10	9	8	9	9	Local presence noted

D.5 Version Control

Each solicitation or evaluation template version must include:

- Effective date
- Revision number
- Summary of changes
- Approval signature (Procurement Officer and Legal Counsel)

All templates are maintained in a shared digital repository accessible to both City and HEDC staff. Any modification to template language must be approved jointly by City Legal Counsel and HEDC Legal Counsel before issuance.

Appendix E - Contract Templates

E.1 Purpose

This appendix identifies the approved contract templates used by the City of Hutto and the Hutto Economic Development Corporation (HEDC) for capital, professional, and service procurements. It ensures every executed agreement follows consistent structure, legal review, and recordkeeping standards while allowing flexibility for project-specific terms.

E.2 Template Categories

All template contracts are pre-approved by joint legal counsel (City Legal and HEDC Legal). They are maintained under version control in the shared digital repository governed by the Procurement Officer and City Manager.

Template Type	Typical Use Case	Issuing Entity	Execution Authority
Professional Services Agreement (PSA)	Engineering, architectural, surveying, or consulting services procured under Gov't Code §2254 (QBS method)	City / HEDC	City Manager ≤ \$49,999 / Council ≥ \$50,000 / HEDC <u>Board as authorized for contracts to which HEDC is a party.</u>
Construction Contract (General Contractor)	Public works, utilities, roadway, or facility construction	City / HEDC	Same as above; award based on bid or proposal
Design-Build Agreement	Alternative delivery combining design and construction services	City / HEDC <u>authorized via Council resolution</u>	City Manager or Council per statutory thresholds/ <u>HEDC for contracts to which HEDC is a party.</u>
Interlocal Agreement (ILA)	Shared services or cost sharing between government entities	City / HEDC with partner entity	City Manager or Council approval required/ <u>HEDC for contract to which HEDC is a party.</u>
Vendor Services Contract	Maintenance services, minor purchases, and small projects	City / HEDC	Department Director ≤ \$10,000 / CM ≤ \$49,999 / Council ≥ \$50,000/ <u>HEDC for</u>

			<u>contracts to which HEDC is a party.</u>
Funding Agreement (PFA)	City-to-HEDC fund transfer for capital project delivery	City & HEDC jointly	Council and HEDC Board by joint resolution

E.3 Version Control and Numbering

Each template contract must display in the header or footer:

- Template ID number (e.g., PSA-2025-01)
- Effective date and revision number
- Last reviewed by Legal Counsel date
- Authorized approver signature block

Changes to templates require:

1. Draft revision prepared by Procurement Officer or Legal Counsel.
2. City Manager and both Legal Counsel sign-off before use.
3. Version log entry in Appendix J (Version Control & Revision Log).

E.4 Customization and Deviation

Minor edits such as inserting project-specific data, schedules, or attachments may be performed by staff. Substantive edits (e.g., altering terms of liability, payment, termination, or insurance) must be:

- Clearly identified by tracked changes; and
- Approved by both City and HEDC Legal Counsel before execution.

All final signed agreements are stored in the City's records management system and mirrored for HEDC access.

E.5 Approved Template Repository Structure

Shared Contracts Repository

YY.MM.DD PROJECT NAME

```

|— Professional Services (PSA)
|   |— PSA_Standard_Template.docx
|   |— PSA_Amendment_Form.docx

```

```

|— Construction Contracts
|   |— CIP_Standard_Contract.docx
|   |— Change_Order_Form.docx

```

```

|— Vendor & Maintenance Services
|   |— Vendor_Services_Template.docx

```

|— Funding Agreements
| — PFA_Template.docx

└— Interlocal Agreements
└ — ILA_Template.docx

Appendix F - Change Order Authorization Matrix

F.1 Purpose

This appendix establishes the authority levels and procedures for approving contract change orders (COs) or amendments for City and HEDC capital projects. It ensures that all modifications to scope, schedule, or price are properly reviewed, documented, and approved consistent with City Council policy and applicable state law.

F.2 Guiding Principles

Transparency and Accountability: Every change order must include written justification, supporting documentation, and a cost/schedule impact summary.

Fiscal Control: Cumulative changes to any contract must not exceed authorized thresholds without City Council approval.

Dual Oversight: For City-funded HEDC projects, both the City Manager and HEDC Board must concur before execution of the change.

Prompt Processing: Contractors and consultants should receive timely decisions to minimize project delays.

Documentation: Each change must be logged in the official project file and cross-referenced in financial records.

F.3 Standard Approval Thresholds

Cumulative Change Amount	Percent of Original Contract	Approval Authority	Additional Notes
≤ \$10,000	≤ 5%	Project Manager	Must document cause and update schedule baseline
\$10,001 – \$25,000	≤ 10%	Department Director / City Engineer	Review required from Finance for budget impact
\$25,001 – \$49,999	≤ 25%	City Manager	Written justification; notify Council via quarterly report
≥ \$50,000 OR > 25%	—	City Council & HEDC Board	Requires formal Council and Board approval prior to execution

F.4 HEDC-Funded Only Projects

For projects funded exclusively by the HEDC (no City transfer funds):

- The HEDC Board may approve change orders up to \$100,000 provided the cumulative total does not exceed 25% of the original contract.
- The City Manager must concur in writing prior to execution.
- All approvals must be reported to City Council for transparency and recordkeeping.

F.5 Documentation Requirements

Each change order file must include:

- Change order request form and description of change
- Cost breakdown with supporting estimates or invoices
- Schedule impact statement (number of days added or deducted)
- Revised total contract value
- Signatures from contractor, project manager, legal counsel, and approving authority

F.6 Coordination and Legal Review

- City Legal Counsel reviews all change orders affecting City contracts.
- HEDC Legal Counsel reviews all change orders affecting HEDC contracts.
- For joint projects, both must review prior to final approval.
- Legal sign-off confirms compliance with contract provisions and applicable procurement law.

F.7 Reporting

Change orders must be summarized in:

- The City Manager's quarterly capital projects report to City Council; and
- The HEDC's quarterly financial and project report to its Board.

Reports should identify:

- Contract number and description
- Change order amount and date approved
- Cumulative total and percent change
- Justification category (scope, unforeseen condition, owner request, etc.)

Appendix G - Funding Resolution Workflow

G.1 Purpose

This appendix defines the workflow for establishing and executing funding resolutions between the City of Hutto and the Hutto Economic Development Corporation (HEDC) for capital improvement projects (CIP). It ensures that all financial transfers, authorizations, and project responsibilities are properly documented and approved by both governing bodies.

G.2 Definition of Funding Resolution

A ~~Funding Resolution~~PFA (also referred to as a ~~Project Funding Agreement or Joint Resolution~~) is a formal action jointly adopted by the City Council and HEDC Board that:

1. Allocates City funds to the HEDC for execution of a defined capital project.
2. Identifies project scope, budget, and source of funds.
3. Authorizes contract execution under HEDC management with City oversight.
4. Establishes reporting and reimbursement procedures between the entities.

G.3 Workflow Overview

Step 1 — Project Identification

Project need identified by City Engineering or Capital Planning. Preliminary scope, cost estimate, and funding source developed. Internal review by City Manager and Finance Director to confirm eligibility and budget capacity.

Step 2 — ~~PFA~~Resolution Drafting

Draft ~~resolution~~PFA prepared jointly by City staff and HEDC staff. Reviewed by both Legal Counsel offices to ensure statutory compliance and clarity of responsibilities.

Step 3 — Council and Board Coordination

Draft ~~resolution~~PFA presented first to the HEDC Board for review and action. Upon approval, forwarded to the City Council for consideration and adoption. Both actions documented and cross-referenced in official meeting minutes.

Step 4 — Execution and Project Setup

Following Council adoption, the City Finance Department transfers funds to the designated HEDC account. Procurement and contracting proceed under HEDC management, following City-adopted procedures. City Project Manager assigned for oversight, milestone tracking, and approval of payments.

Step 5 — Reporting and Closeout

HEDC provides periodic project and financial reports to the City. Upon completion, HEDC submits final accounting, including all supporting invoices and change orders. City Council receives a final project closeout report for transparency and audit purposes.

G.4 Required Contents of ~~Funding Resolution~~ Project Funding Agreement

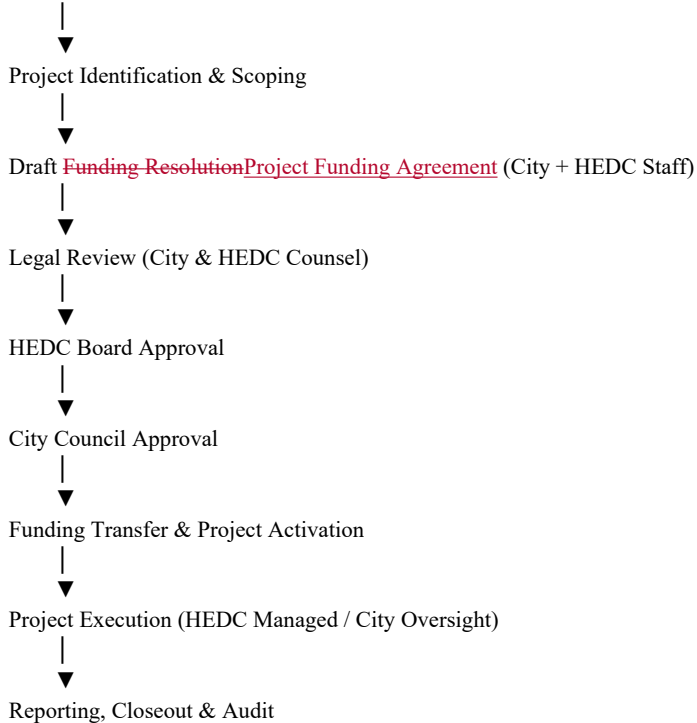
Each ~~resolution~~ PFA must contain the following minimum elements:

1. Project name, scope, and purpose.
2. Total project budget and funding source (e.g., general fund, bonds, reserves).
3. HEDC responsibilities for procurement and contract management.
4. City oversight requirements and reporting frequency.
5. Conditions for reimbursement or return of unspent funds.
6. Authorization of signatures (Mayor, City Manager, HEDC Board Chair, and HEDC Executive Director).

Commented [AG44]: This needs to align in all areas it is referenced.

G.5 Example Funding Resolution Workflow (Visual Outline)

[City Engineering / CMO]



Example ~~Funding Resolution~~ Project Funding Agreement Workflow

City Engineering / CMO
↓
Project Identification & Scoping
↓
Draft Funding Resolution Project Funding Agreement (City + HEDC Staff)
↓
Legal Review </br>(City & HEDC Counsel)
↓
HEDC Board Approval
↓
City Council Approval
↓
Funding Transfer & Project Activation
↓
Project Execution </br>(HEDC Managed / City Oversight)
↓
Reporting, Closeout & Audit

G.6 Reporting

Quarterly reports summarizing all active funding resolutions must be presented to both the City Council and HEDC Board.

Reports shall include:

- Resolution number ~~that approved PFA~~ and project name
- Date adopted and amount funded
- Percent completion and current expenditures
- Remaining balance and projected completion date

Appendix H - Project Funding Agreement (PFA) Placeholder

Commented [AG45]: See other comments. Not procedurally different. Combine requirements.

H.1 Purpose

This appendix serves as a placeholder for the formal Project Funding Agreement (PFA) template that governs the transfer and use of City funds by the Hutto Economic Development Corporation (HEDC) for capital improvement projects. The PFA functions as the binding document that operationalizes a Funding Resolution, detailing project scope, financial commitments, roles, and responsibilities between the City and HEDC.

H.2 Description

A Project Funding Agreement formalizes:

1. The total amount of funds transferred from the City to the HEDC.
2. The project name, description, and purpose.
3. The anticipated schedule for expenditure and completion.
4. Oversight and reporting requirements.
5. Procedures for change orders, reimbursements, and closeout.

Each executed PFA is adopted concurrently with or immediately following the joint Funding Resolution (see Appendix G).

H.3 Standard Elements of the PFA Template

The finalized PFA document (to be inserted here upon availability) will include the following core sections:

1. Parties and Recitals – Identifies the City and HEDC, references governing statutes, and defines the project authorization basis.
2. Scope of Work and Deliverables – Defines project scope, expected outcomes, and deliverable schedule.
3. Funding and Payment Terms – Specifies the total City funding amount, payment structure (lump-sum transfer or reimbursements), and accounting standards.
4. Procurement and Contracting – Confirms adherence to City procurement procedures and identifies which entity (City or HEDC) will execute contracts.
5. Change Management – Details procedures for approving amendments, cost increases, or scope modifications.
6. Reporting and Oversight – Sets reporting frequency, format, and content for progress and financial updates.
7. Audit and Record Retention – Establishes retention period and audit rights for both City and HEDC.

8. Termination and Remedies – Defines conditions for termination and remedies for breach or non-performance.

9. Signatures and Execution – Signature blocks for Mayor, City Manager, HEDC Board Chair, and HEDC Executive Director, along with attestation by Legal Counsel.

H.4 Implementation Notes

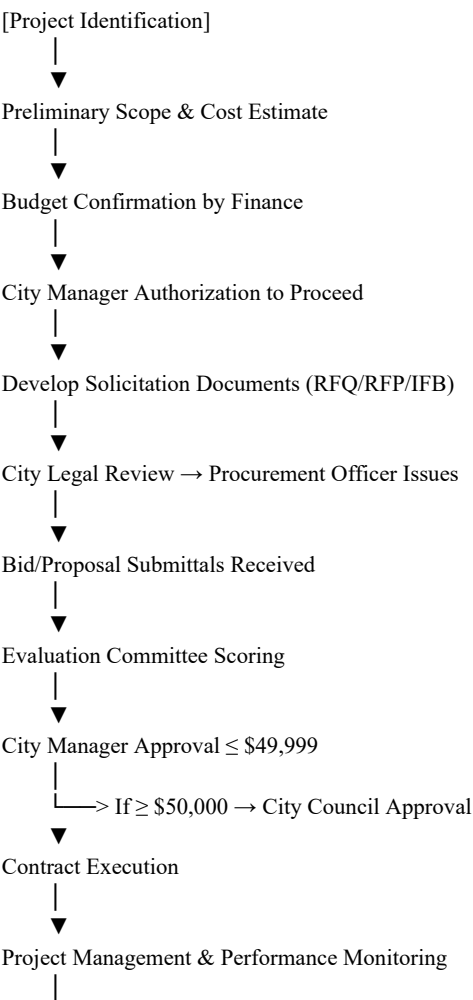
- The completed PFA template will be maintained in the same shared repository as contract templates (see Appendix E).
- Updates or revisions to the PFA must be approved jointly by the City Manager and both Legal Counsel offices prior to release.
- The PFA template version number and date will be logged in Appendix J (Version Control & Revision Log).

Appendix I - Procurement Flowcharts

I.1 Purpose

This appendix presents simplified visual workflows that illustrate the procurement and contracting process for both City and HEDC-led projects. The goal is to provide a quick-reference guide for staff to understand the sequential steps, decision points, and required approvals under different scenarios.

I.2 Flowchart A — City-Funded Project Procurement



▼
Final Acceptance & Closeout

I.3 Flowchart B — City-Funded HEDC-Managed Project

[City Council Identifies Capital Project]

▼
Project Scope & Funding Source Developed

▼
~~Joint Resolution / Funding Agreement~~ Project Funding Agreement Executed

▼
Funds Transferred to HEDC

▼
HEDC Procurement Initiated (City Process Applied)

▼
Solicitation Review (City & HEDC Legal)

▼
Evaluation Committee → Recommendation

▼
HEDC Board Award & City Manager Concurrence

▼
Contract Execution (HEDC)

▼
City Oversight & Progress Reporting

▼
Project Completion → Closeout Report to Council

Commented [CB46]: Funds being transferred is premature at this step. Contract price is still undetermined at this point. Finance believes that the best time for funds to be transferred is after each approved pay app. Also simplifies arbitrage calculations for City

Commented [KM47R46]: Wouldn't we need to have a PO opened once we have a contract signed?

I.4 Flowchart C — HEDC-Funded Independent Project

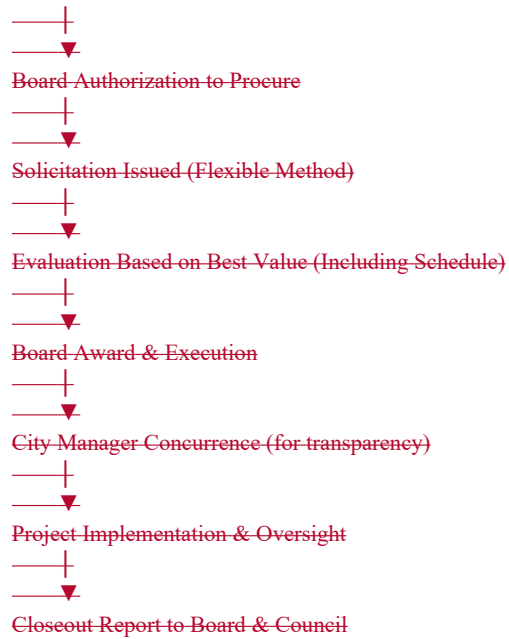
[HEDC Identifies Project or Opportunity]

—+
▼

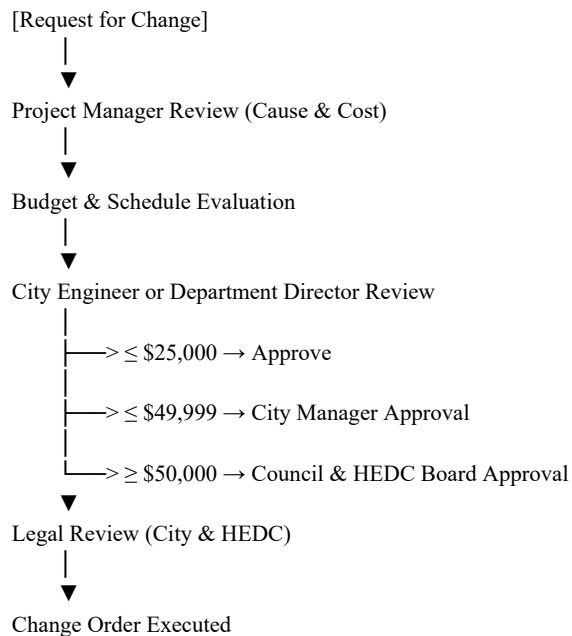
~~Preliminary Scope, Budget, & Timeline~~

—+
▼

~~HEDC Legal & Finance Review~~

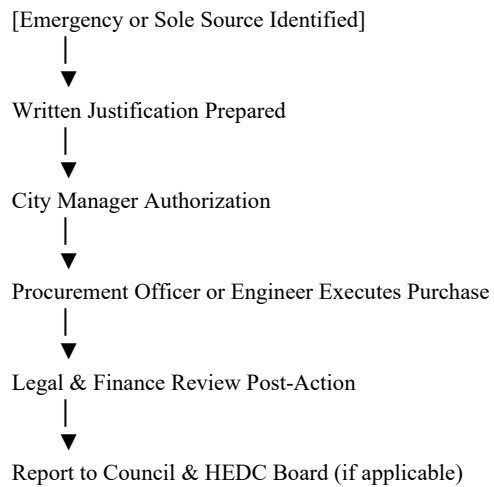


I.5 Flowchart D — Change Order / Amendment Process



↓
▼
Update Records & Reports

I.6 Flowchart E — Procurement Exceptions (Emergency / Sole Source)



I.7 Notes on Use

- These flowcharts summarize policy; detailed procedures remain in Chapters 2–8.
- Visual charts are for reference and staff training purposes only.
- Actual implementation may vary based on project type, funding source, and governing statutes.

Appendix J - Version Control & Revision Log

J.1 Purpose

This appendix establishes the version control and revision tracking process for the City of Hutto / ~~HEDC-Joint CIP Project~~ Procurement Manual. It ensures consistent documentation of updates, maintains transparency in authorship, and provides a permanent record of amendments, additions, and formatting changes to the manual.

J.2 Version Control Protocol

Element	Description
Document Title	City of Hutto / Joint CIP Project HEDC Procurement Manual
Maintained By	City Manager’s Office, with support from City Engineering and HEDC
Primary Authors	James R. Earp, CPM — City Manager • ChatGPT Atlas — Administrative Intelligence Partner
Storage Location	Hutto Sharepoint
Version Number Format	Major.Minor (e.g., 1.0, 1.1) — Major = policy update; Minor = clarification or formatting edit
Approval Path	Draft → City Manager Review → HEDC Legal → HEDC Board → City Council (for joint ratification)
Revision Log Updates	Logged within Appendix J and noted in digital metadata header of each distributed file
Record Retention	Maintain three previous versions and all related approval records for a minimum of 10 years

J.3 Revision Log

Version	Date	Prepared By	Approved By	Description of Change
1.0	Nov 2025	James R. Earp / Atlas	—	Initial release of Procurement Manual (Chs 1–10 + App. A–K). Establishes framework, dual City–HEDC workflow, and flexible EDC procedures.
1.1	TBD	City Manager’s Office	HEDC Board / City Council	Incorporation of City Council–ratified updates, policy clarifications, and formatting refinements.
1.2	TBD	City Manager’s Office	HEDC Board / City Council	Future revisions to appendices or flowchart updates.
2.0	TBD	City Manager’s Office	HEDC Board / City Council	Major overhaul or replacement of manual following state or local code revision.

J.4 Revision Review Frequency

- The manual shall undergo annual review by the City Manager’s Office and HEDC Executive Director to identify necessary updates.
- Interim revisions may be initiated when new laws, regulations, or procedural improvements arise.
- Any approved revision automatically supersedes prior versions but must retain the prior version in archive form.

J.5 Distribution

- The most current, approved version shall be available on the City of Hutto intranet and HEDC shared repository.
- Printed copies are considered uncontrolled documents unless stamped “Controlled Copy.”
- Department Directors and Project Managers are responsible for ensuring their teams reference only the latest version.

Appendix K 0- Acknowledgment of Receipt & Understanding

K.1 Purpose

This appendix establishes the official record that each City and HEDC employee, official, or contractor responsible for procurement activities has received, reviewed, and agreed to comply with the City of Hutto / [HEDC-Joint CIP Project](#) Procurement Manual. The acknowledgment ensures shared understanding of the manual’s expectations, the ethical obligations of public procurement, and each signatory’s responsibility to uphold transparency, accountability, and fairness in all purchasing activities.

K.2 Applicability

Completion of this acknowledgment form is required for:

1. All City employees with procurement or contract-management responsibilities.
2. HEDC staff involved in financial or contractual administration.
3. Members of evaluation committees.
4. Department directors, project managers, and designated approvers.
5. Any consultant or contractor acting on behalf of the City or HEDC in a procurement capacity.

K.3 Acknowledgment Statement

I acknowledge that I have received, read, and understand the City of Hutto / [HEDC-Joint CIP Project](#) Procurement Manual.

I understand that compliance with this manual is a condition of employment or participation in procurement activities. I agree to adhere to the procedures, ethical standards, and approval authorities defined herein.

I further understand that failure to comply may result in disciplinary action, loss of procurement privileges, or contract termination.

K.4 Signatures

Name (Print)	Title / Department	Signature	Date Signed
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K.5 Recordkeeping

- Completed acknowledgments must be submitted to the City Manager’s Office within five (5) business days of manual issuance or update.
- Copies shall be retained by both the City Human Resources Department and HEDC Administration.
- Electronic copies are acceptable when accompanied by verified digital signatures.

RESOLUTION NO. R-HEDC-2026-021

A RESOLUTION OF THE BOARDS OF DIRECTORS OF THE TYPE A and TYPE B HUTTO ECONOMIC DEVELOPMENT CORPORATIONS ENGAGING HYDE KELLEY LLP AS LITIGATION COUNSEL IN MIDWAY DEVELOPMENT GROUP, LLC. v. HUTTO ECONOMIC DEVELOPMENT CORPORATION, ET. AL; TO REPRESENT THE CITY AND THE CORPORATION JOINTLY; DESIGNATING AN ATTORNEY IN CHARGE; PROVIDING FOR REPEAL, PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Hutto established a Type A and Type B Texas Economic Development Corporations (“HEDC”) pursuant to Chapters 501-505 of the Texas Government Code; and

WHEREAS, the Boards of Directors (“the Boards”) find the “Hutto Economic Development Corporation” was sued by Midway Development Group, LLC. and anticipates service in the lawsuit soon; and,

WHEREAS, the Boards find it necessary and appropriate to engage legal counsel and desire to engage Hyde Kelley LLP to perform litigation counsel legal services as required by the Corporation and to provide legal advice to the Corporation, as necessary; and

WHEREAS, the Boards find that it and the City Council have determined that the law firm of Hyde Kelley LLP is composed of highly experienced attorneys who are merit certified in municipal law by the Texas City Attorneys Association and possess decades of experience serving as litigation counsel to Texas municipalities and Texas Economic Development Corporations throughout Texas; and

WHEREAS, the Boards find that joint representation of the City and Corporation by engaging Hyde Kelley LLP to represent their defendants, as necessary and appropriate, provides the City and the Corporation with the highest quality legal representation at the best value to serve the City’s and Corporation’s legal needs; and

WHEREAS, the Boards find good cause exists to appoint George Hyde, State Bar No. 45006157 as the Attorney-in-Charge of the representation; and

WHEREAS, the Boards finds the Chair of the Corporations should be authorized to execute the engagement agreement on behalf of HEDC.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARDS OF DIRECTORS OF THE HUTTO ECONOMIC DEVELOPMENT CORPORATION, TYPE A and TYPE B:

SECTION 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the Boards and made a part hereof for all purposes and findings of fact.

SECTION 2. Appointment. The Boards hereby appoints George Hyde, State Bar No. 45006157, as the Special Counsel and engages the law firm of Hyde Kelley LLP to provide legal services to HEDC as its litigation counsel.

SECTION 3. Agreement. The engagement agreement presented by Hyde Kelley LLP is approved by the Boards.

SECTION 4. Execution. The Chair of the Corporations is authorized and directed to execute the engagement agreement between Hyde Kelley LLP and HEDC.

SECTION 5. Repeal. This Resolution shall be and is hereby cumulative of all other resolutions of the Corporation and this Resolution shall not operate to repeal or affect any such other resolutions except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolution or resolutions are hereby repealed.

SECTION 6. Severability. If any section, subsection, sentence, clause, or phrase of this Resolution shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this resolution.

SECTION 7. Effective Date. This Resolution shall become effective and be in full force and effect from and after the date of passage and adoption by the Board of Directors, and the engagement agreement shall be binding on HEDC.

APPROVED AND ADOPTED THE ____ DAY OF MARCH 2026.

Caitlin Morales, Vice Chair

ATTEST:

Irma Gonzales, Secretary