



NOTICE OF THE CITY OF BRECKENRIDGE

**REGULAR MEETING OF THE BRECKENRIDGE CITY  
COMMISSION**

February 06, 2024 at 5:30 PM

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**AGENDA**

Notice is hereby given as required by Title 5, Chapter 551.041 of the Government Code that the City Commission will meet in a Regular Meeting of the Breckenridge City Commission on February 06, 2024 at 5:30 PM at the Breckenridge City Offices, 105 N. Rose Avenue, Breckenridge, Texas.

**CALL TO ORDER**

**INVOCATION**

**PLEDGE OF ALLEGIANCE led by Trey McDuff of New Destination Church**

**American Flag**

**OPEN FORUM**

*This is an opportunity for the public to address the City Commission on any matter of public business, except public hearings. Comments related to public hearings will be heard when the specific hearing begins.*

**STAFF REPORT**

*(Staff Reports are for discussion only. No action may be taken on items listed under this portion of the agenda, other than to provide general direction to staff or to direct staff to place such items of a future agenda for action.)*

**City Manager**

1. Employee of the Month Presentation

2. City Business

Department Head Reports

Bulk Water

Open House Recap

3. Upcoming Events

February 12-16 Cemetery Cleanup

February 15      Bulk Pickup

February 19      City Offices Closed for Presidents Day

**Public Works Director**

4.      Update on water leaks

**CONSENT AGENDA**

*Any commission member may request an item on the Consent Agenda to be taken up for individual consideration.*

- [5.](#)      Consider approval of the January 9, 2024, Regular Commission Meeting minutes as recorded.
- [6.](#)      Discussion and any necessary action regarding approval of the 2023 annual Police Department Racial Profiling Report.
- [7.](#)      Discussion and any necessary action approving Resolution 2024-04 continuing membership in the Steering Committee of Cities Served by Oncor and the 2024 assessment.

**ACTION ITEMS**

- [8.](#)      Discussion and any necessary action regarding annual audit for FY 2022/2023.
- [9.](#)      Discussion and any necessary action regarding approval of Ordinance 2024-03 ordering a Municipal General Election to be held on May 4, 2024, for the purpose of electing the offices of Mayor and Commissioner Place 1 and Commissioner Place 2.
- [10.](#)      Discussion and any necessary action regarding approval of Ordinance 2024-04 ordering a Special Election to be held on May 4, 2024, for the reauthorization of the local sales tax in the City of Breckenridge at a rate of a quarter percent (.25%) to continue providing revenue for maintenance and repair of municipal streets.
- [11.](#)      Discussion and any necessary action regarding an encroachment agreement with New Destination Church for parking on a portion of what is formerly Dyer Street in the Original Town of Breckenridge.
- [12.](#)      Discussion and any necessary action regarding updating Optimum Contract
- [13.](#)      Discussion and any necessary action approving an agreement for a third-party independent background investigation on an incoming Police Chief
- [14.](#)      Discussion and any necessary action regarding approval of BEDC recommendation for Elite Submersible Pump incentive



- [15.](#) Discussion and any necessary action regarding approval of Resolution 2024-02 appointing Kevin Kutnink to serve on the board of Adjustments for a term set to expire November 20, 2025.
- [16.](#) Discussion and any necessary action regarding consideration of updating Planning and Zoning membership requirements
- [17.](#) Discussion and any necessary action considering an Interlocal with Stephens County for Law Enforcement Services

## **EXECUTIVE SESSION**

*Pursuant to Texas Government Code, Annotated, Chapter 551, Subchapter D, Texas Open Meetings Act (the "Act"), City Commission will recess into Executive Session (closed meeting) to discuss the following:*

### **Consultation with Attorney**

*§551.071(1),(2): Consultation with attorney regarding pending or anticipated litigation, or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter:*

18. Citizen complaint

### **Personnel Matters**

*§551.074: Personnel matters (to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee):*

19. City Manager

## **RECONVENE INTO OPEN SESSION**

*In accordance with Texas Government Code, Section 551, the City Commission will reconvene into Open Session and consider action, if any, on matters discussed in Executive Session.*

## **RECEIVE REQUESTS FROM COMMISSION MEMBERS/STAFF FOR ITEMS TO BE PLACED ON NEXT MEETING AGENDA**

*Discussion under this section must be limited to whether or not the Commission wishes to include a potential item on a future agenda.*

## **ADJOURN**

## **CERTIFICATION**

I hereby certify that the above notice was posted in the bulletin board at Breckenridge City Hall, 105 North Rose Avenue, Breckenridge, Texas , by **5:00PM** on the **3rd day of February 2024**.

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City Secretary



***Persons with disabilities who plan to attend this public meeting and who may need auxiliary aid or services are requested to contact the Breckenridge City Hall 48 hours in advance, at 254-559-8287, and reasonable accommodations will be made for assistance.***



# DEPARTMENTAL REPORTS

**December 2023**

105 N. Rose Ave.  
Breckenridge, TX 76424  
254.559.8287  
[www.breckenridgetx.gov](http://www.breckenridgetx.gov)

# Finance

## Bank

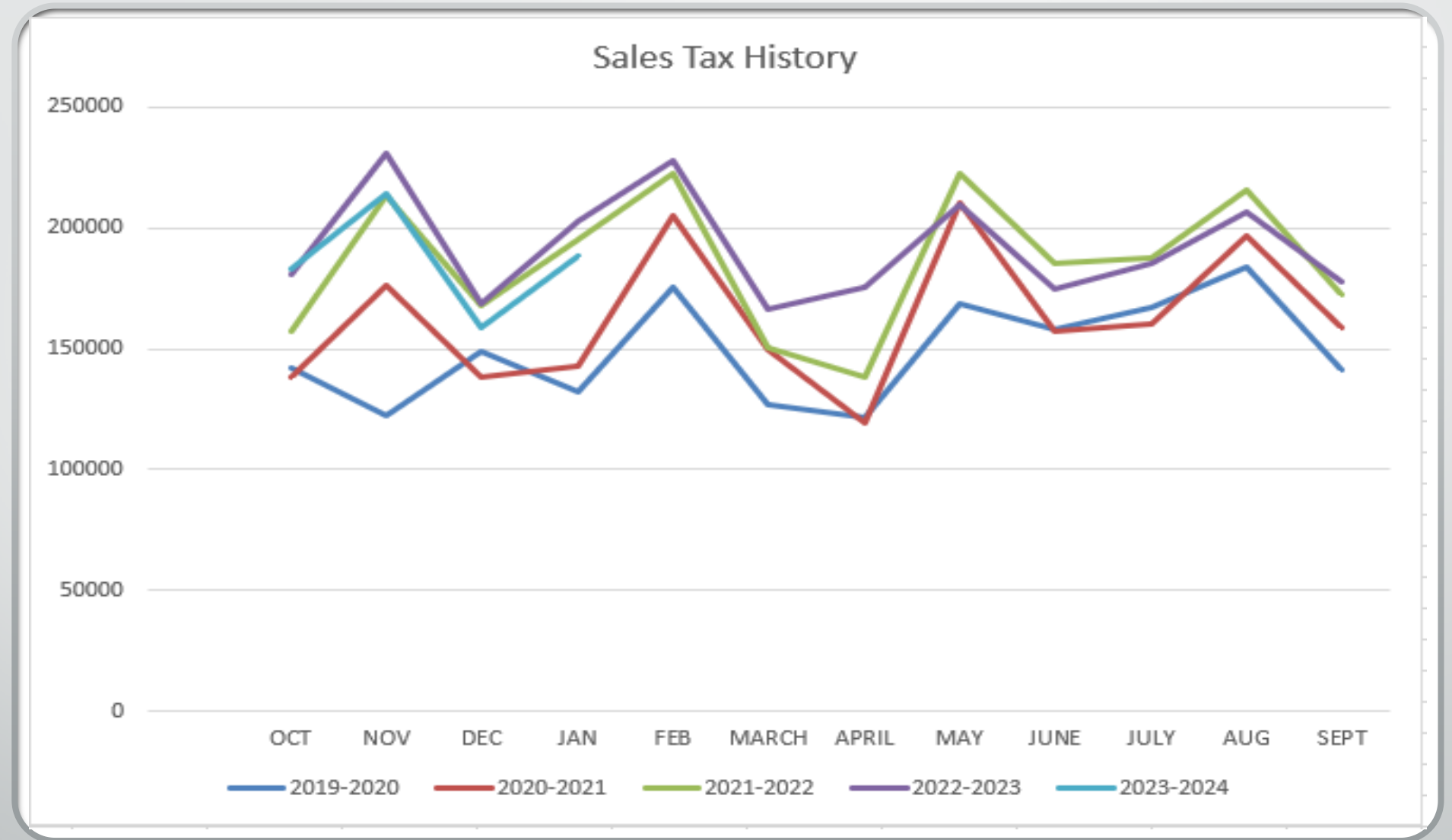
### Statement

### Balances

	Account Name	Balances as of December 2022	Balances as of December 2021	Item 2.
1001	GENERAL FUND	\$ 748,864.69	\$ 1,460,654.05	
1013	ARSON FUND	\$ 509.89	\$ 509.89	
1014	FEDERAL TAX & LOAN	\$ 79.92	\$ 81.09	
1001	WATER FUND	\$ 1,303,548.23	\$ 1,642,224.43	
1001	WASTEWATER FUND	\$ 749,458.33	\$ 1,023,000.26	
1001	SANITATION	\$ 40,321.98	\$ 9,821.82	
1001	FIRE DEPT. SPECIAL	\$ 12,606.30	\$ 10,835.10	
1001	FORFEITED PROPERTY	\$ 1,251.96	\$ 1,478.78	
1002	PAYROLL FUND	\$ 33,333.54	\$ 33,064.01	
1001	EQUIP. REPLACEMENT FUND	\$ 286,183.45	\$ 442,047.64	
1001	STREET MAINTENANCE	\$ 748,771.06	\$ 115,481.95	
1001	BRECKENRIDGE PARK FUND	\$ 9,229.79	\$ 9,618.24	
1001	POLICE DEPT. SPECIAL	\$ 13,588.32	\$ 13,622.83	
1001	Excess Sales Tax Revenue	\$ 17,599.63	\$ 17,644.30	
1001	Breck Trade Days	\$ 39,351.04	\$ 39,450.96	
1051	CO 2017 A&B Sinking /Rd	\$ 426,697.44	\$ -	
1001	Capital Improvement Project	\$ 453,382.03	\$ 235,192.91	
1058	GENERAL DEBT SERVICE FUND	\$ 1,193,152.99	\$ -	
1001	General Debt Service Fund P/C	\$ -	\$ 270,017.17	
1001	REVENUE DEBT SERVICE FUND	\$ -	\$ 312,054.48	
1025	Rescue Boat Donation	\$ 1,809.65	\$ 1,814.18	
1073	CWSRF LF1001492	\$ 1.30	\$ 3.02	
1076	CWSRF LF1001492 ESCROW	\$ 1,216,593.46	\$ 1,216,274.81	
1056	CWSRF CO 2022A L1001491	\$ 1.00	\$ 1.00	
1074	CWSRF CO 2022A L1001491 ESCROW	\$ 911,596.46	\$ 905,894.28	
1072	CWSRF CO 2022A L1001426	\$ 1.00	\$ 1.00	
1075	CWSRF CO 2022A L1001426 ESCROW	\$ 1,930,659.39	\$ 2,016,072.79	
1071	DWSRF LF1001495	\$ 1.00	\$ 2.10	
1079	DWSRF LF1001495 ESCROW	\$ 1,323,544.12	\$ 1,314,809.65	
1070	DWSRF CO 2022B L1001493	\$ 1.00	\$ 1.00	
1078	DWSRF CO 2022B L1001493 ESCROW	\$ 1,315,671.27	\$ 1,373,877.29	
1057	DWSRF CO 2022B L1001494	\$ 1.00	\$ 1.00	
1077	DWSRF CO 2022B L1001494 ESCROW	\$ 922,226.33	\$ 963,026.11	
1010	LOGIC CO 2023	\$ -	\$ 8,361,632.37	
	<b>TOTAL - ALL FUNDS</b>	<b>\$ 13,700,037.57</b>		6

# Fiscal Year Sales Tax Revenue Received

MONTH RECEIVED	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
OCT	142,235	138,040	157,493	180,530	182,914
NOV	122,415	176,091	213,510	230,739	214,002
DEC	149,000	138,215	167,667	169,037	158,898
JAN	132,144	142,770	195,423	203,137	188,303
FEB	175,232	204,822	222,525	228,165	
MARCH	127,285	149,849	150,395	166,133	
APRIL	121,607	119,118	138,407	175,456	
MAY	168,693	210,823	222,804	210,071	
JUNE	158,145	157,037	185,695	175,128	
JULY	167,474	160,631	187,757	185,736	
AUG	183,855	196,582	215,658	206,710	
SEPT	141,151	158,558	172,552	177,704	
TOTAL	1,789,236	1,952,536	2,229,886	2,308,546	



# BUILDING & DEVELOPMENT

Item 2.

DECEMBER 2023		FY 2023-2024
Permits Issued:		
Building	7	20
Roof	0	1
Fence, windows, siding, etc.	1	2
Sign	0	2
Mobile home	0	0
Certificate of Occupancy	1	2
Electrical	5	16
Plumbing	3	9
Gas line	3	14
Irrigation	0	1
HVAC	3	4
Moving	0	0
Demolition	0	0
Zone change/street closure	2	2
Variance	0	0
Prelim/final plat	0	0
Solicitor/vendor	0	4
Beer/wine/liquor license	1	3
Gaming machine license	3	3
Food Mobile Unit	0	2
Fire alarm	0	0
Fire sprinkler	0	0

# CODE ENFORCEMENT

Item 2.

Violations reported to Code Enforcement via email – 0

Violations reported to Code Enforcement via phone – 1

**New violations cases opened – 1**

Substandard structure – 612 George



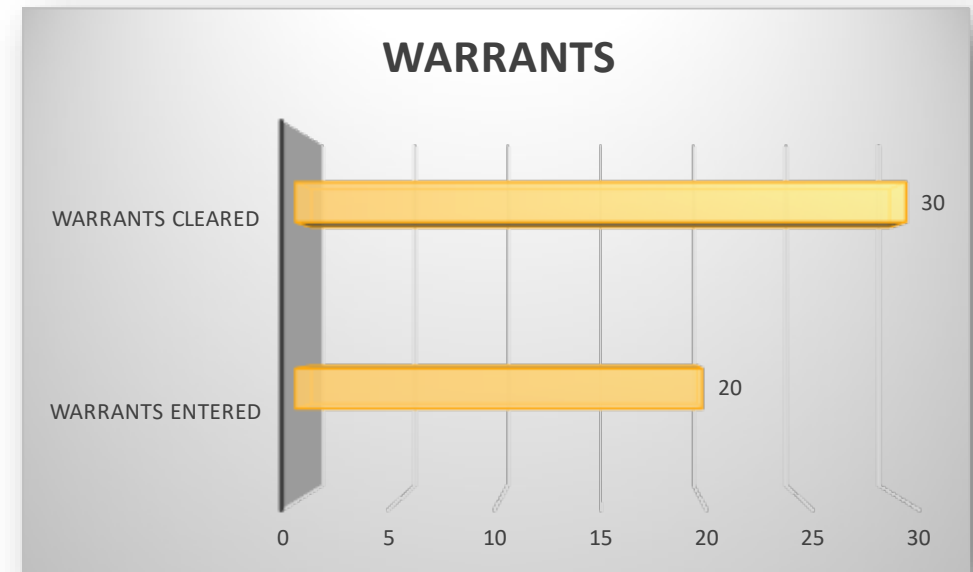
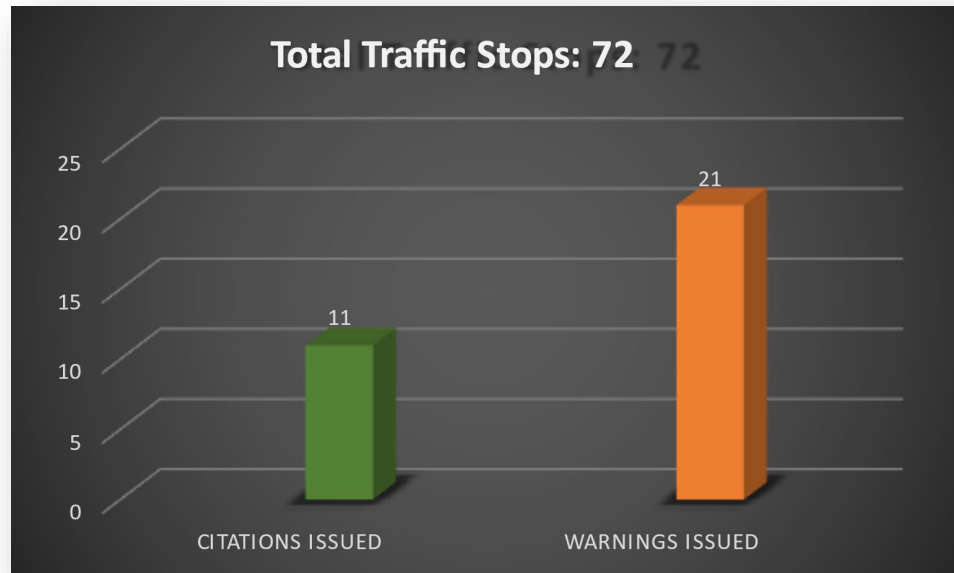
# CODE ENFORCEMENT

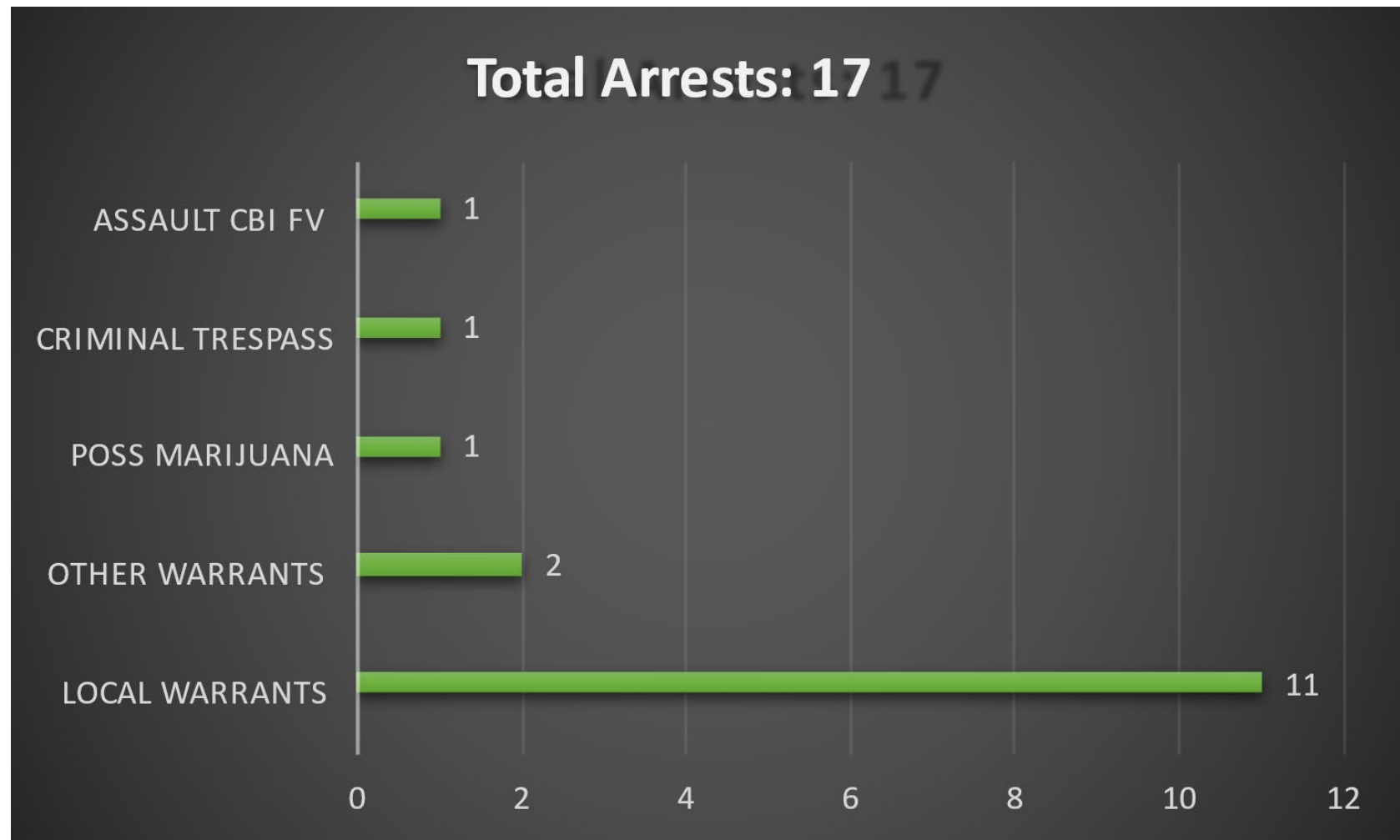
## Violations closed due to compliance – 0

Several follow-up inspections were conducted during the month.

601 S. Stoker – city provided roll off for owner to demolish substandard structure, owner will now rebuild on this property.







# ANIMAL CONTROL

## TOTAL CALLS FOR SERVICE

### 51

CALL TYPES		
Aggressive		0
Bite		0
Carcass		1
Injured / Sick		2
Returned To Owner <u>In</u> Field		5
Running At Large		26
Nuisance / Complaint		8
Welfare Check		0
Other		15
SHELTER INTAKE		
	City	County / H.S.
Stray / Running At Large	1	0
Seized By Law	0	0
Owner Surrender	0	0
Rabies Quarantine Observation	0	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

# ANIMAL CONTROL

TOTAL CALLS  
FOR SERVICE

51

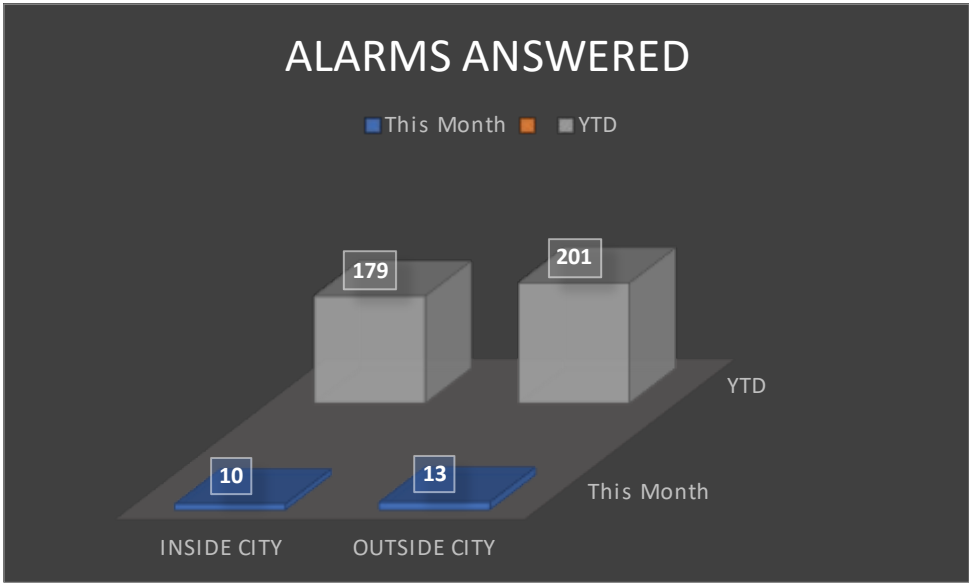
LEFT THE SHELTER		City	County
Adopted From <u>The</u> Shelter		2	
Reclaimed By Owner		0	0
Returned To Owner After Quarantine		0	0
Transferred To Rescue Partner		0	
TOTAL		2	0

RABIES QUARANTINE OBSERVATION		City	County
Home Quarantine		0	
Shelter Quarantine		0	0
TOTAL		0	0

HUMANE EUTHANASIA		Dogs	Cats	Other
Behavioral		0	0	0
Medical		0	0	0
Owner Surrender <u>For</u> Euthanasia		0	0	0
TOTAL		0	0	0

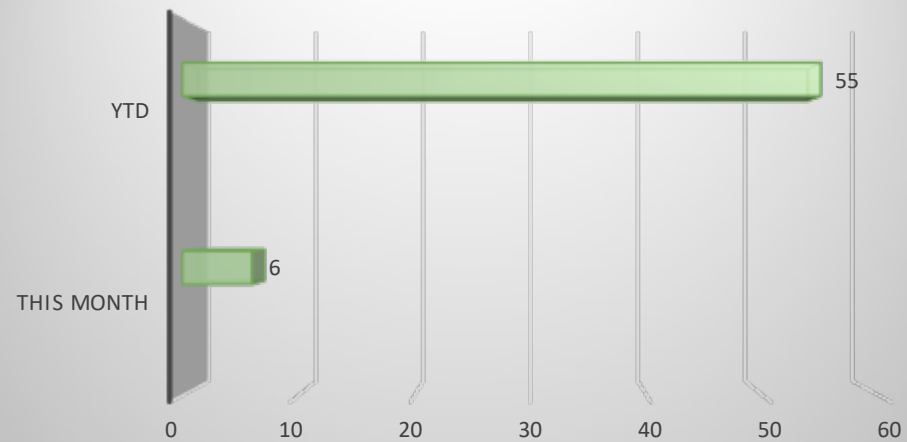




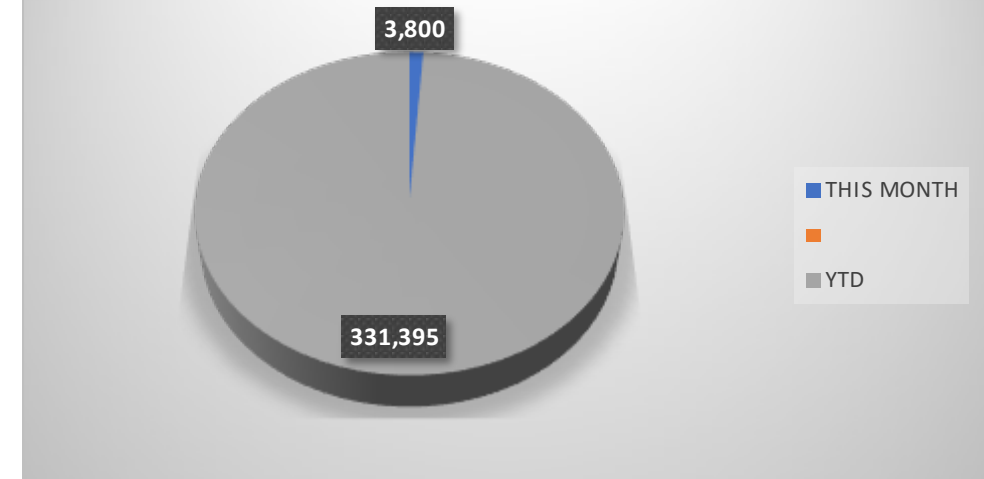




### Vehicle Accidents



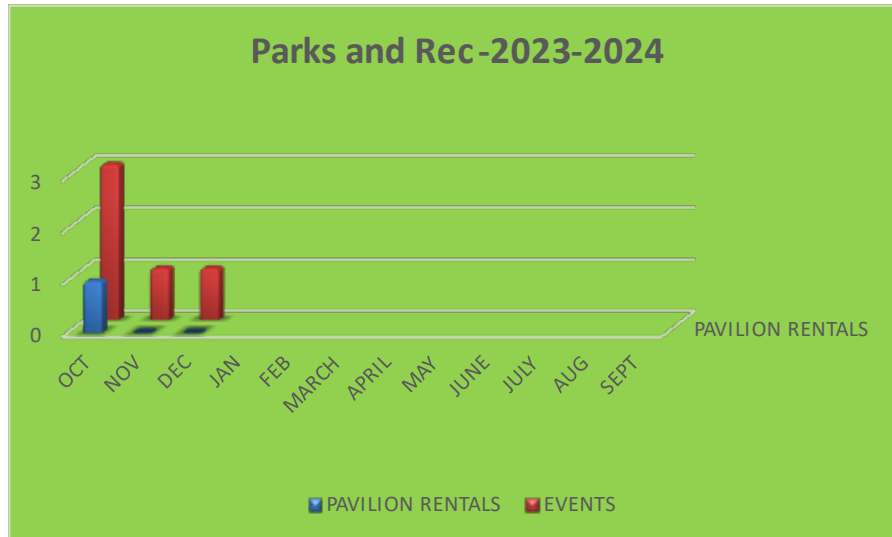
### WATER USAGE (gallon)



# PARKS & CEMETERY



### Parks and Rec-2023-2024



Parks: 0 pavilion rental

1 event: Human Society Fun Run

Maintaining all parks

Taking down Christmas Tree

Downtown putting up Shop Breckenridge banner

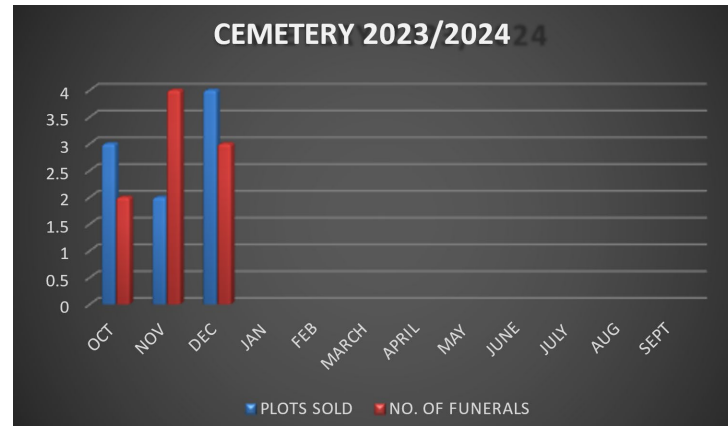
Put all Christmas Decorations up till next year

Tree Trimming in all park areas

Preparing foundation park for new improvement(turf)

Maintaining Pool





3 funerals to report

Sold 4 lot spaces for a total of \$ 3800.00

Mowing, weed eating, and filling graves

Leveling footstones

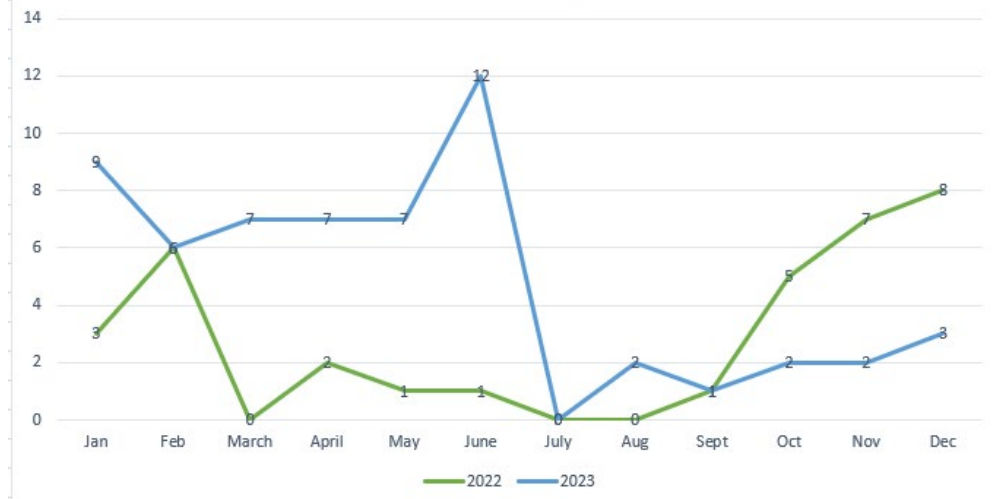
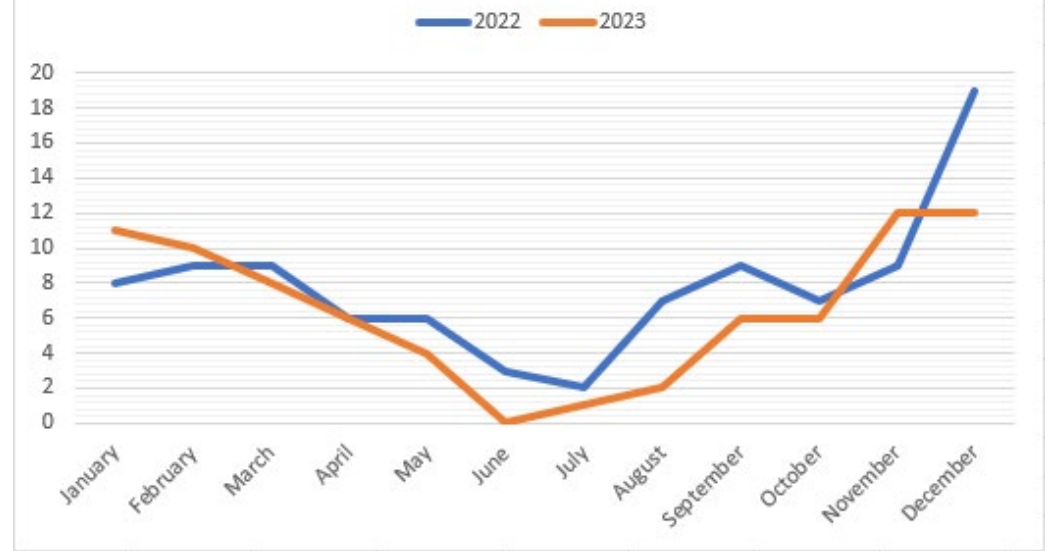
Helping in Park

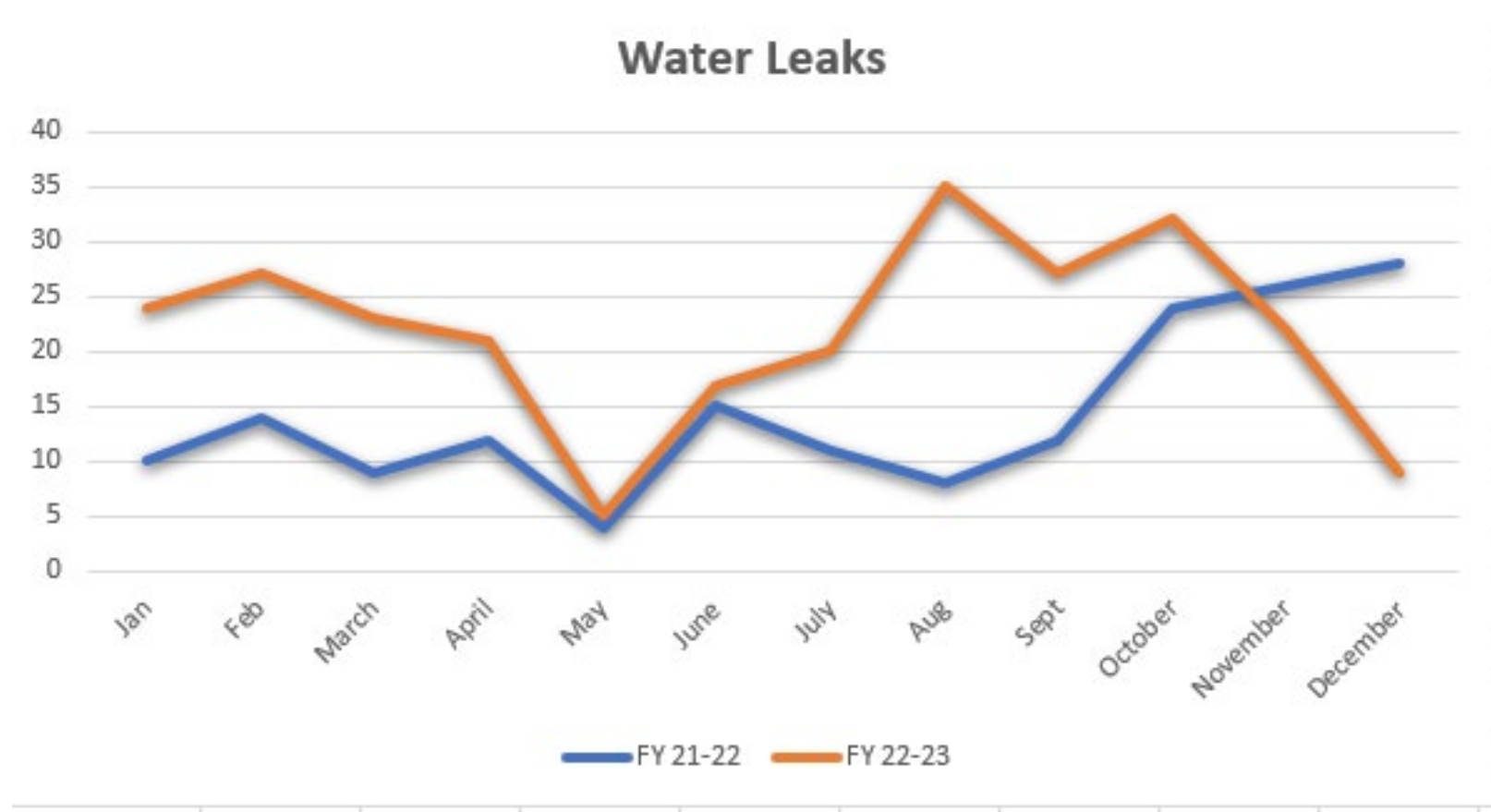
# CEMETERY

PUBLIC WORKS



DEPARTMENT

**Meter Leak Report****SEWER STOPPAGES**





## COMMUNITY INFORMATION

DATE: January 31, 2024

RE: CEMETERY CLEAN UP PROGRAM

Cemetery personnel will begin cleaning the Cemetery on Monday, February 12, 2024. This is a semi-annual procedure to clean the Cemetery in preparation for the grass and flower season.

The following portions of the new rules regarding the Cemetery must be observed:

**Rule 18** - No gravel, stone, brick, cement, or artificial walks will be allowed upon the lots. No boxes, shells, toys, glassware, trinkets, or similar items (other than sleeved vases), except they being attached to the base of an upright monument will be permitted to be placed on any space or lot.

**Rule 19** – No fencing, coping, or enclosure of any nature whatever will be allowed upon lots or graves, except cornerstones for lots which must be level with the ground and made of unpolished granite or bronze to replace markers placed by the City. Initials are allowed on only one corner.

**Rule 21** – Solar lights are not permitted.

**Rule 22.** – Flower saddles are allowed on upright stones only.

**Rule 23** – No benches, chairs, or like items shall be permitted on any space or lot. The placing of flowers on a space or lot shall be in a sleeve-type metal container or hanging from a “shepherd’s hook” type hanger. Only one flower arrangement per space will be permitted. The planting of trees, shrubs, and bushes will not be permitted without prior approval.

**Rule 24** – For the following special dates, floral arrangements consisting of blankets (maximum size 4’x6’), easels, and potted plants may be placed on grave sites three (3) days before through three (3) days after the date, except for Thanksgiving Day and Christmas Day, which will be five (5) days before and five (5) days after:

Easter Sunday  
Mother’s Day  
Memorial Day

Father’s Day  
Fourth of July  
Veterans Day

Thanksgiving Day  
Christmas Day



At the expiration of the third day after the special date, if the individuals involved have not removed the decorations, the cemetery personnel have been instructed to remove the decorations. The City reserves the right to remove any plant, tree or shrub should the same become detrimental or unsightly.

**Rule 29(c)** – Any temporary marker that has been in place longer than 90 days will be removed.

Please Note: The City will not be responsible for storing any items removed during the Cemetery Clean-up that takes place twice a year.

Anyone having questions concerning the cemetery can contact City Offices at 254-559-8287.



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Jessica Sutter  
City Secretary



BRECKENRIDGE CITY COMMISSION  
AGENDA SUMMARY FORM

**Subject:** Consider approval of the January 9, 2024, Regular Commission Meeting minutes as recorded.

**Department:** Administration

**Staff Contact:** Jessica Sutter

**Title:** City Secretary

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**BACKGROUND INFORMATION:**  
Meeting minutes for the Regular Commission meeting on January 9, 2024.

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**  
Move to approve meeting minutes as presented.

January 9, 2024

REGULAR CITY COMMISSION MEETING OF THE CITY OF BRECKENRIDGE, TEXAS, HELD ON THIS DATE  
WITH THE FOLLOWING MEMBERS’ PRESENT.

PRESENT

MAYOR  
COMMISSIONER, PLACE 1  
COMMISSIONER, PLACE 3  
MAYOR PRO TEM, PLACE 4

BOB SIMS  
BLAKE HAMILTON  
VINCE MOORE  
GARY MERCER

CITY MANAGER  
CITY SECRETARY  
CITY ATTORNEY  
FINANCE DIRECTOR  
PUBLIC SERVICES DIRECTOR  
CODE ENFORCEMENT/FIRE CHIEF  
PUBLIC WORKS DIRECTOR

CYNTHIA NORTHROP  
JESSICA SUTTER  
EILEEN HAYMAN  
DIANE LATHAM  
STACY HARRISON  
MALCOLM BUFKIN  
TODD HENDERSON

NOT PRESENT

COMMISSIONER, PLACE 2

ROB DURHAM

CALL TO ORDER

Mayor Sims called the meeting to order at 5:30 p.m.

**Invocation** led by Stacy Harrison

PLEDGE OF ALLEGIANCE

OPEN FORUM

Jay Marcom-2217 Sha Lane, Breckenridge, TX

No Action Taken

STAFF REPORT

City Manager

- 1. Upcoming Events

01/15/2024 City Office Closed in observance of Martin Luther King Jr. Day

## 2. City Business

Departmental Reports

Bad Elf

### Public Works Director

## 3. Employee of the Month Presentation – Shelby Buckhalter

Public Works Director presented Shelby Buckhalter with the employee of the month certificate and gift card. No Action Taken.

### CONSENT AGENDA

4. Consider approval of the December 5, 2023, Regular Commission Meeting minutes as recorded.
5. Request approval of Interlocal agreement with Young County, Texas for the purpose of funding a bond supervision officer

Commissioner Hamilton made a motion to approve consent agenda items 4- 5 as presented. Mayor Pro Tem Mercer seconded the motion. The motion passed 4-0

### ACTION ITEMS

6. Discussion and any necessary action regarding Ordinance 2024-01 closing remainder of E. Williams

City Manager Northrop explained that Ordinance 91-13 closed portions of Butte and Williams on the East and South sides of the American Legion Building. We recently sold the American Legion Building and obtained a survey. It was discovered that a portion of the right-of-way was inadvertently left out of the legal description. The proposed ordinance will close the remaining portion that was intended be closed by Ordinance 91-13.

Commissioner Moore made a motion to approve Ordinance 2024-01 as presented. Commissioner Hamilton seconded the motion. The motion passed 4-0.

7. Discussion and any necessary action regarding Ordinance 2024-02 adopting Ch. 21, “Water and Sewers”, Article IV “Cross Connection Control” to establish cross connection control measures”.

City manager Northrop stated that the city does not currently have an ordinance for cross-connection and backflow. TCEQ requires all backflow devices to be checked and tested by a licensed individual on an annual basis. The ordinance will require residents to have all backflow devices inspected on an annual basis and provide documentation so that compliance can be tracked to ensure a safe water supply.

Commissioner Hamilton made a motion to approve ordinance 2024-02 as presented. Mayor Pro Tem Mercer seconded the motion. The motion passed 4-0

8. Discussion and any necessary action regarding updates to the Personnel Policy - On Call Policy (4.09) and Call Back (4.10)

City manager Northrop explained that this update to the personnel policy is to provide clarity to the policy. There are no changes in the current application of the policy.

Mayor Pro Tem Mercer made a motion to approve updates to personnel policy -On-call policy and call-back provisions as presented. Commissioner Moore seconded the motion. The motion passed 4-0.

9. Discussion and any necessary action regarding the lease purchase of two backhoes for Public Works.

Northrop stated that the purchase of two backhoes was included in the FY 2023-2024 budget. Pricing was provided by three providers including Warren Cat, John Deer, and Case for purchase options and lease-to-own, all of which are on Buy Board and meet city purchasing requirements. Staff selected Case lease-to-purchase option. The lease purchase gives the option to purchase at the end of trade back in and initiate a new lease-purchase agreement. This will also minimize ongoing maintenance and repair costs. They both have full warranty and service agreements.

Commissioner Hamilton made a motion to approve the lease/purchase agreement as presented and authorize the City Manager to execute the documents. Commissioner Moore seconded the motion. The motion passed 4-0.

10. Discussion and any necessary action ratifying the lease-purchase agreement with Elite Financing for the purchase of a Vactor Truck through Kinlock and related agreements with Kinlock

City Manager Northrop stated that the city uses a Vactor truck on an almost daily basis for sewer line maintenance and sewer stoppages. The last Kinloch Vactor truck was purchased in 2011. The city is spending an increasing amount of time and money on repairs to keep it in working order. The estimate to repair this truck is approximately \$175,000.00. Staff researched options to purchase a new Vactor truck with three different companies on Buy Board and have chosen the lowest and best cost from Kinloch for \$353,880.00. Staff is requesting ratification of the processed agreement and will be including this as a budget amendment in Spring when we bring budget amendments for Commission approval.

Commissioner Hamilton approved ratification of the agreement with Elite Financing for the Purchase of a vactor truck through Kinloch and related agreements with Kinlock. Mayor Pro Tem Mercer seconded the motion. The motion passed 4-0.

## EXECUTIVE SESSION

### Consultation with Attorney

*§551.071(1), (2): Consultation with attorney regarding pending or anticipated litigation, or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter:*

11. Law Enforcement Services

### Personnel Matters

*§551.074: Personnel matters (to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee):*

12. Police Chief recruitment
13. Interim Police Chief

## RECONVENE INTO OPEN SESSION

Mayor Sims reconvened into open session at 6:22 P.M.

Commissioner Moore made a motion to allow the City Manager to enter a contract with SGR Services for Interim Police Chief services and execute the necessary documents. Mayor Pro Tem Mercer seconded the motion. The motion passed 4-0.

## RECEIVE REQUESTS FROM COMMISSION MEMBERS/STAFF FOR ITEMS TO BE PLACED ON NEXT MEETING AGENDA

There were no requests.

## ADJOURN

There being no further business, Mayor Sims adjourned the regular session at 6:23 p.m.

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Bob Sims, Mayor

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Jessica Sutter, City Secretary



## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding approval of the 2023 annual Police Department Racial Profiling Report.

**Department:** Police Department

**Staff Contact:** Jay Walker

**Title:** Captain

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**BACKGROUND INFORMATION:**

Texas Code of Criminal Procedure, Article 2.134, requires that a local law enforcement agency shall compile and analyze racial profiling data and submit a report to the Texas Commission on Law Enforcement (TCOLE) and to the governing body of the municipality served by the agency. The Breckenridge Police Department has submitted its racial profiling report to TCOLE and is now presenting that report to City Commission.

**FINANCIAL IMPACT:**

NA

**STAFF RECOMMENDATION:**

Consider approval of the 2023 annual Police Department Racial Profiling Report as presented.

# Racial Profiling Report | Full

Agency Name: BRECKENRIDGE POLICE DEPT.

Reporting Date: 01/25/2024

TCOLE Agency Number: 429201

Chief Administrator: BACEL N. CANTRELL

Agency Contact Information:

Phone: (254) 559-2211

Email: bcantrell@breckenridgetx.gov

Mailing Address:

210 East Dyer Street

BRECKENRIDGE, TX 76424

This Agency filed a full report

BRECKENRIDGE POLICE DEPT. has adopted a detailed written policy on racial profiling. Our policy:

- 1) clearly defines acts constituting racial profiling;
- 2) strictly prohibits peace officers employed by the BRECKENRIDGE POLICE DEPT. from engaging in racial profiling;
- 3) implements a process by which an individual may file a complaint with the BRECKENRIDGE POLICE DEPT. if the individual believes that a peace officer employed by the BRECKENRIDGE POLICE DEPT. has engaged in racial profiling with respect to the individual;
- 4) provides public education relating to the agency's complaint process;
- 5) requires appropriate corrective action to be taken against a peace officer employed by the BRECKENRIDGE POLICE DEPT. who, after an investigation, is shown to have engaged in racial profiling in violation of the BRECKENRIDGE POLICE DEPT. policy;
- 6) requires collection of information relating to motor vehicle stops in which a warning or citation is issued and to arrests made as a result of those stops, including information relating to:
  - a. the race or ethnicity of the individual detained;
  - b. whether a search was conducted and, if so, whether the individual detained consented to the search;
  - c. whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
  - d. whether the peace officer used physical force that resulted in bodily injury during the stop;
  - e. the location of the stop;
  - f. the reason for the stop.
- 7) requires the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
  - a. the Commission on Law Enforcement; and
  - b. the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

The BRECKENRIDGE POLICE DEPT. has satisfied the statutory data audit requirements as prescribed in Article



2.133(c), Code of Criminal Procedure during the reporting period.

Item 6.

Executed by: BACEL N. CANTRELL  
Chief of Police 

Date: 01/25/2024

# Total stops: 1039

## Street address or approximate location of the stop

City street	989
US highway	25
County road	0
State highway	0
Private property or other	25

## Was race or ethnicity known prior to stop?

Yes	21
No	1018

## Race / Ethnicity

Alaska Native / American Indian	2
Asian / Pacific Islander	4
Black	50
White	772
Hispanic / Latino	211

## Gender

<b>Female</b>	<b>369</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	1
Black	12
White	289
Hispanic / Latino	66
<b>Male</b>	<b>670</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	3
Black	38
White	483
Hispanic / Latino	145

## Reason for stop?

<b>Violation of law</b>	<b>88</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	3
White	69

Hispanic / Latino	15
<b>Preexisting knowledge</b>	<b>17</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	13
Hispanic / Latino	2
<b>Moving traffic violation</b>	<b>593</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	2
Black	16
White	444
Hispanic / Latino	130
<b>Vehicle traffic violation</b>	<b>341</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	1
Black	29
White	246
Hispanic / Latino	64
<b>Was a search conducted?</b>	
<b>Yes</b>	<b>130</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	13
White	88
Hispanic / Latino	29
<b>No</b>	<b>909</b>
Alaska Native / American Indian	2
Asian / Pacific Islander	4
Black	37
White	684
Hispanic / Latino	182
<b>Reason for Search?</b>	
<b>Consent</b>	<b>27</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	15

Hispanic / Latino	12
<b>Contraband</b>	<b>13</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	12
Hispanic / Latino	0
<b>Probable</b>	<b>45</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	3
White	34
Hispanic / Latino	8
<b>Inventory</b>	<b>6</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	5
Hispanic / Latino	0
<b>Incident to arrest</b>	<b>39</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	8
White	22
Hispanic / Latino	9
<b>Was Contraband discovered?</b>	
<b>Yes</b>	<b>71</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	9
White	51
Hispanic / Latino	11
<b>No</b>	<b>59</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	4
White	37
Hispanic / Latino	18

Did the finding result in arrest?

(total should equal previous column)

Yes	0	No	0
Yes	0	No	0
Yes	5	No	4
Yes	28	No	23
Yes	3	No	8

**Description of contraband**

<b>Drugs</b>	<b>49</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	9
White	33
Hispanic / Latino	7
<b>Weapons</b>	<b>1</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	1
Hispanic / Latino	0
<b>Currency</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Alcohol</b>	<b>19</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	15
Hispanic / Latino	4
<b>Stolen property</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Other</b>	<b>2</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	2
Hispanic / Latino	0
<b>Result of the stop</b>	
Verbal warning	<b>27</b>

Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	21
Hispanic / Latino	6
<b>Written warning</b>	<b>643</b>
Alaska Native / American Indian	2
Asian / Pacific Islander	4
Black	23
White	491
Hispanic / Latino	123
<b>Citation</b>	<b>288</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	13
White	207
Hispanic / Latino	68
<b>Written warning and arrest</b>	<b>6</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	4
Hispanic / Latino	1
<b>Citation and arrest</b>	<b>56</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	11
White	33
Hispanic / Latino	12
<b>Arrest</b>	<b>19</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	16
Hispanic / Latino	1
<b>Arrest based on</b>	
<b>Violation of Penal Code</b>	<b>28</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0

Black	1
White	25
Hispanic / Latino	2
<b>Violation of Traffic Law</b>	<b>4</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	3
Hispanic / Latino	1
<b>Violation of City Ordinance</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Outstanding Warrant</b>	<b>49</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	13
White	25
Hispanic / Latino	11

**Was physical force resulting in bodily injury used during stop?**

<b>Yes</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Resulting in Bodily Injury To:</b>	
Suspect	0
Officer	0
Both	0
<b>No</b>	<b>1039</b>
Alaska Native / American Indian	2
Asian / Pacific Islander	4
Black	50
White	772
Hispanic / Latino	211

**Number of complaints of racial profiling**

Total	0
Resulted in disciplinary action	0
Did not result in disciplinary action	0

**Comparative Analysis**

- Use TCOLE's auto generated analysis ☒
- Use Department's submitted analysis ☐

**Optional Narrative**

N/A

Submitted electronically to the



The Texas Commission on Law Enforcement



# Racial Profiling Analysis Report

## BRECKENRIDGE POLICE DEPT.

01. Total Traffic Stops:	1039	
02. Location of Stop:		
a. City Street	989	95.19%
b. US Highway	25	2.41%
c. County Road	0	0.00%
d. State Highway	0	0.00%
e. Private Property or Other	25	2.41%
03. Was Race known prior to Stop:		
a. NO	1018	97.98%
b. YES	21	2.02%
04. Race or Ethnicity:		
a. Alaska/ Native American/ Indian	2	0.19%
b. Asian/ Pacific Islander	4	0.38%
c. Black	50	4.81%
d. White	772	74.30%
e. Hispanic/ Latino	211	20.31%
05. Gender:		
a. Female	369	35.51%
i. Alaska/ Native American/ Indian	1	0.10%
ii. Asian/ Pacific Islander	1	0.10%
iii. Black	12	1.15%
iv. White	289	27.82%
v. Hispanic/ Latino	66	6.35%
b. Male	670	64.49%
i. Alaska/ Native American/ Indian	1	0.10%
ii. Asian/ Pacific Islander	3	0.29%
iii. Black	38	3.66%
iv. White	483	46.49%
v. Hispanic/ Latino	145	13.96%
06. Reason for Stop:		
a. Violation of Law	88	8.47%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	1	1.14%

# Racial Profiling Analysis Report

iii. Black	3	3.41%
iv. White	69	78.41%
v. Hispanic/ Latino	15	17.05%
b. Pre-Existing Knowledge	17	1.64%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	2	11.76%
iv. White	13	76.47%
v. Hispanic/ Latino	2	11.76%
c. Moving Traffic Violation	593	57.07%
i. Alaska/ Native American/ Indian	1	0.17%
ii. Asian/ Pacific Islander	2	0.34%
iii. Black	16	2.70%
iv. White	444	74.87%
v. Hispanic/ Latino	130	21.92%
d. Vehicle Traffic Violation	341	32.82%
i. Alaska/ Native American/ Indian	1	0.29%
ii. Asian/ Pacific Islander	1	0.29%
iii. Black	29	8.50%
iv. White	246	72.14%
v. Hispanic/ Latino	64	18.77%
07. Was a Search Conducted:		
a. NO	909	87.49%
i. Alaska/ Native American/ Indian	2	0.22%
ii. Asian/ Pacific Islander	4	0.44%
iii. Black	37	4.07%
iv. White	684	75.25%
v. Hispanic/ Latino	182	20.02%
b. YES	130	12.51%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	13	10.00%
iv. White	88	67.69%
v. Hispanic/ Latino	29	22.31%
08. Reason for Search:		
a. Consent	27	2.60%

# Racial Profiling Analysis Report

i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	0	0.00%
iv. White	15	55.56%
v. Hispanic/ Latino	12	44.44%
b. Contraband in Plain View	13	1.25%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	1	7.69%
iv. White	12	92.31%
v. Hispanic/ Latino	0	0.00%
c. Probable Cause	45	4.33%
ii. Alaska/ Native American/ Indian	0	0.00%
i. Asian/ Pacific Islander	0	0.00%
iii. Black	3	6.67%
iv. White	34	75.56%
v. Hispanic/ Latino	8	17.78%
d. Inventory	6	0.58%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	1	16.67%
iv. White	5	83.33%
v. Hispanic/ Latino	0	0.00%
e. Incident to Arrest	39	3.75%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	8	20.51%
iv. White	22	56.41%
v. Hispanic/ Latino	9	23.08%
09. Was Contraband Discovered:		
YES	71	6.83%
i. Alaska/ Native American/ Indian	0	0.00%
Finding resulted in arrest - YES	0	
Finding resulted in arrest - NO	0	
ii. Asian/ Pacific Islander	0	0.00%
Finding resulted in arrest - YES	0	
Finding resulted in arrest - NO	0	
iii. Black	9	12.68%

# Racial Profiling Analysis Report

Finding resulted in arrest - YES	5	
Finding resulted in arrest - NO	4	
iv. White	51	71.83%
Finding resulted in arrest - YES	28	
Finding resulted in arrest - NO	23	
v. Hispanic/ Latino	11	15.49%
Finding resulted in arrest - YES	3	
Finding resulted in arrest - NO	8	
b. NO	59	5.68%
i. Alaska/ Native American/ Indian	0	0.00%
i. Asian/ Pacific Islander	0	0.00%
iii. Black	4	6.78%
iv. White	37	62.71%
v. Hispanic/ Latino	18	30.51%
10. Description of Contraband:		
a. Drugs	49	4.72%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	9	18.37%
iv. White	33	67.35%
v. Hispanic/ Latino	7	14.29%
b. Currency	0	0.00%
i. Alaska/ Native American/ Indian	0	
ii. Asian/ Pacific Islander	0	
iii. Black	0	
iv. White	0	
v. Hispanic/ Latino	0	
c. Weapons	1	0.10%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	0	0.00%
iv. White	1	100.00%
v. Hispanic/ Latino	0	0.00%
d. Alcohol	19	1.83%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	0	0.00%
iv. White	15	78.95%



# Racial Profiling Analysis Report

v. Hispanic/ Latino	4	21.05%
e. Stolen Property	0	0.00%
i. Alaska/ Native American/ Indian	0	
ii. Asian/ Pacific Islander	0	
iii. Black	0	
iv. White	0	
v. Hispanic/ Latino	0	
f. Other	2	0.19%
i. Alaska/ Native American/ Indian	0	0.00%
i. Asian/ Pacific Islander	0	0.00%
iii. Black	0	0.00%
iv. White	2	100.00%
v. Hispanic/ Latino	0	0.00%
11. Result of Stop:		
a. Verbal Warning	27	2.60%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	0	0.00%
iv. White	21	77.78%
v. Hispanic/ Latino	6	22.22%
b. Written Warning	643	61.89%
i. Alaska/ Native American/ Indian	2	0.31%
ii. Asian/ Pacific Islander	4	0.62%
iii. Black	23	3.58%
iv. White	491	76.36%
v. Hispanic/ Latino	123	19.13%
c. Citation	288	27.72%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	13	4.51%
iv. White	207	71.88%
v. Hispanic/ Latino	68	23.61%
d. Written Warning and Arrest	6	0.58%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	1	16.67%
iv. White	4	66.67%
v. Hispanic/ Latino	1	16.67%

# Racial Profiling Analysis Report

e. Citation and Arrest	56	5.39%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	11	19.64%
iv. White	33	58.93%
v. Hispanic/ Latino	12	21.43%
f. Arrest	19	1.83%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	2	10.53%
iv. White	16	84.21%
v. Hispanic/ Latino	1	5.26%
12. Arrest Based On:		
a. Violation of Penal Code	28	2.69%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	1	3.57%
iv. White	25	89.29%
v. Hispanic/ Latino	2	7.14%
b. Violation of Traffic Law	4	0.38%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	0	0.00%
iv. White	3	75.00%
v. Hispanic/ Latino	1	25.00%
c. Violation of City Ordinance	0	0.00%
i. Alaska/ Native American/ Indian	0	
ii. Asian/ Pacific Islander	0	
iii. Black	0	
iv. White	0	
v. Hispanic/ Latino	0	
d. Outstanding Warrant	49	4.72%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	13	26.53%
iv. White	25	51.02%
v. Hispanic/ Latino	11	22.45%

# Racial Profiling Analysis Report

## 13. Was Physical Force Used:

a. NO	1039	100.00%
i. Alaska/ Native American/ Indian	2	0.19%
ii. Asian/ Pacific Islander	4	0.38%
iii. Black	50	4.81%
iv. White	772	74.30%
v. Hispanic/ Latino	211	20.31%
b. YES	0	0.00%
i. Alaska/ Native American/ Indian	0	
ii. Asian/ Pacific Islander	0	
iii. Black	0	
iv. White	0	
v. Hispanic/ Latino	0	
b 1. YES: Physical Force Resulting in Bodily Injury to Suspect	0	
b 2. YES: Physical Force Resulting in Bodily Injury to Officer	0	
b 3. YES: Physical Force Resulting in Bodily Injury to Both	0	

## 14. Total Number of Racial Profiling Complaints Received:

0

REPORT DATE COMPILED 01/25/2024



BRECKENRIDGE CITY COMMISSION  
AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action approving Resolution 2024-04 continuing membership in the Steering Committee of Cities Served by Oncor and the 2024 assessment.

**Department:** Administration

**Staff Contact:** Cynthia Northrop

**Title:** City Manager

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**BACKGROUND INFORMATION:**

The City of Breckenridge has been participating in this Steering Committee of Cities served by Oncor for several years.

The Steering Committee is the most active consumer group advocating the interests of cities and residential and small commercial customers within the cities to keep electric transmission and distribution (i.e., wires) rates reasonable. Steering Committee activities protect the authority of municipalities over the regulated wires service and rates charged by Oncor Electric Delivery Company, LLC (“Oncor”).

The work undertaken by the Steering Committee has saved cities and ratepayers millions of dollars in unreasonable charges. To continue to be an effective voice before the Public Utility Commission of Texas (“Commission” or “PUC”), ERCOT, the Legislature, and in the courts, the Steering Committee must have your support. The membership assessment is deposited in an account which funds Steering Committee activities.

Currently, the Steering Committee is involved in numerous rulemakings and projects at the PUC. The Steering Committee expects to participate in Oncor’s Rate Case and Energy Efficiency Cost Recovery Factor (“EECRF”) proceedings later this year.

On December 7, 2023, the Steering Committee approved the 2024 assessment for Steering Committee membership. Based upon the population-based assessment protocol previously adopted by the Steering Committee, the assessment for 2024 is a per capita fee of \$0.10 based on the population figures for each city shown in the latest TML Directory of City Officials. This expenditure was included in the budget.

**FINANCIAL IMPACT:**

The annual assessment is \$586.80.

**STAFF RECOMMENDATION:**

Consider approval of Resolution 2024-24 as presented.



## OCSC Master List of Members (169 Total)

1. Addison	49. Edgecliff Village	97. Lamesa	145. Snyder
2. Allen	50. Ennis	98. Lancaster	146. Southlake
3. Alvarado	51. Eules	99. Lavon	147. Springtown
4. Andrews	52. Everman	100. Lewisville	148. Stephenville
5. Anna	53. Fairview	101. Lindale	149. Sulphur Springs
6. Archer City	54. Farmers Branch	102. Lindsay	150. Sunnyvale
7. Argyle	55. Fate	103. Little River Academy	151. Sweetwater
8. Arlington	56. Flower Mound	104. Malakoff	152. Temple
9. Azle	57. Forest Hill	105. Mansfield	153. Terrell
10. Bedford	58. Forney	106. McKinney	154. The Colony
11. Bellmead	59. Fort Worth	107. Mesquite	155. Trophy Club
12. Belton	60. Frisco	108. Midland	156. Tyler
13. Benbrook	61. Frost	109. Midlothian	157. University Park
14. Beverly Hills	62. Gainesville	110. Murchison	158. Venus
15. Big Spring	63. Garland	111. Murphy	159. Waco
16. Breckenridge	64. Garrett	112. New Chapel Hill	160. Watauga
17. Bridgeport	65. Glenn Heights	113. North Richland Hills	161. Waxahachie
18. Brownwood	66. Grand Prairie	114. Northlake	162. Westover Hills
19. Buffalo	67. Granger	115. O'Donnell	163. Westworth Village
20. Burkburnett	68. Grapevine	116. Oak Leaf	164. White Settlement
21. Burleson	69. Gunter	117. Oak Point	165. Wichita Falls
22. Caddo Mills	70. Haltom City	118. Odessa	166. Willow Park
23. Cameron	71. Harker Heights	119. Ovilla	167. Wilmer
24. Canton	72. Haslet	120. Palestine	168. Woodway
25. Carrollton	73. Henrietta	121. Pantego	169. Wylie
26. Cedar Hill	74. Hewitt	122. Paris	
27. Celina	75. Highland Park	123. Parker	
28. Centerville	76. Honey Grove	124. Plano	
29. Cleburne	77. Howe	125. Pottsboro	
30. Coahoma	78. Hudson Oaks	126. Prosper	
31. Colleyville	79. Hurst	127. Ranger	
32. Collinsville	80. Hutchins	128. Red Oak	
33. Colorado City	81. Hutto	129. Rhome	
34. Comanche	82. Iowa Park	130. Richardson	
35. Commerce	83. Irving	131. Richland Hills	
36. Coppell	84. Jolly	132. River Oaks	
37. Copperas Cove	85. Josephine	133. Roanoke	
38. Corinth	86. Justin	134. Robinson	
39. Cross Roads	87. Kaufman	135. Rockwall	
40. Crowley	88. Keene	136. Rosser	
41. Dallas	89. Keller	137. Rowlett	
42. Dalworthington Gardens	90. Kemp	138. Royse City	
43. De Soto	91. Kennedale	139. Sachse	
44. DeLeon	92. Kerens	140. Saginaw	
45. Denison	93. Killeen	141. Sansom Park	
46. Duncanville	94. Krum	142. Seagoville	
47. Early	95. Lake Worth	143. Seymour	
48. Eastland	96. Lakeside	144. Sherman	

# 2023 OCSC Newsletter

Steering Committee of  
Cities Served by  
**Oncor**

## 2023 YEAR IN REVIEW ISSUE

This past year was an active one for the Steering Committee of Cities Served by Oncor. This Year in Review edition of the OCSC newsletter highlights significant 2023 events and looks ahead to 2024.



## 2023 RATE CASE NEWS

### **Oncor Rate Request Cut by Quarter Billion Dollars** ***OCSC Represents Consumer Interests in Rate Case***

An order cutting Oncor's annual revenues by \$13 million — or .2 percent — received final Public Utility Commission authorization on August 24, 2023.

In a rate case filed in May 2022, the Dallas-based utility initially sought a \$251 million revenue increase, or 4.5 percent over its 2021 test year revenues of \$5,560,081,218. The administrative law judge hearing the case rejected that proposal with an initial Proposal for Decision ("PFD") adopted on April 6 and then the Commission reversed several findings in its Order on Rehearing adopted on June 30. In an August 24 vote, the Commission declined to extend the timeline for further consideration of the case.

As a result of the PUC's decision, Oncor has had its initial rate request slashed by more than a quarter-billion dollars. The PUC's decision will also lead to smaller bill increases for customers than they otherwise would have experienced under the company's initial proposal. The Steering Committee of Cities Served by Oncor ("OCSC") participated in the rate case on behalf of the cities in its coalition and their citizens.

#### **Details**

Oncor in a May 13, 2022, rate-case filing initially

sought a \$5,810,772,332 revenue requirement based on a 7.05 percent overall rate of return. The administrative law judge's PFD from April 6 would have decreased the utility's revenues by \$247 million, or by 4.4 percent.

However, the PUC's June 30 Order on Rehearing modifies that earlier PFD and will award the company a 6.65 percent rate of return on a \$5,547,515,324 revenue requirement. The approved revenue requirement represents a .2 percent reduction from the company's 2021 test year revenues of \$5,560,081,218.

Despite the utility's revenues remaining nearly unchanged under the order, residential customers nonetheless will see a bill increase because of the approved class cost-allocation methodology.

More specifically, an average residential customer would have experienced a \$7.22 monthly increase under the company's filed rate case, and Oncor would have benefited from an 11.2 percent increase in residential class revenues. Under the adopted Order on Rehearing, an average residential customer will experience a \$3.10 increase in monthly bills, and the company will benefit from a 6.1 percent increase in residential class revenues, according to an analysis by OCSC.

The Commission in its June 30 Order also agreed with an earlier recommendation by an administrative law judge that disallowed the utility's requested recovery of \$23.5 million from rate base. The PUC likewise agreed with the administrative law judge disallowing Oncor's requested annual amortization of \$851,000 for costs associated with an acquisition adjustment.

However, the PUC reversed an administrative law judge's determination that Oncor should not recover any costs associated with its investments in temporary emergency electric energy facilities. The administrative law judge previously concluded that Oncor did not comply with the competitive bidding requirements and that its use of mobile-generation units exceeded the limited purposes permitted under law. The PUC disagreed with both conclusions.

Oncor provides transmission and distribution services to approximately 13 million customers and interconnects approximately 3.8 million homes and businesses in Texas. Its service area covers more than 54,000 square miles, extending from the Red River to just north of Austin, and includes much of east Texas, west Texas, and parts of the Panhandle. Oncor owns, operates, and maintains more than 140,000 circuit miles of transmission and distribution lines and more than 1,100 substations and switching stations.

More information concerning this rate case can be found on the PUC website, under Docket No. 53601. Oncor's previous base-rate case was filed on March 17, 2017, in Docket No. 46957.

## Other 2023 Oncor Rate Filings and Regulatory News

### **Energy Efficient Cost Recovery Factor Filing (55074)**

On May 31, 2023, Oncor filed an application to establish its Energy Efficiency Cost Recovery Factor (EECRF) for the upcoming 2024 year. OCSC intervened in the case and identified aspects of the requested increase that were unreasonable based on Oncor's previous use of its EECRF budget.

In its original filing, Oncor sought a 2024 EECRF of \$72,399,769. After settlement negotiations, Oncor agreed to reduce its request by \$125,000.

The PUC approved the settlement on Sept. 14, 2023. More information can be found on the PUC website under Docket No. 55074.

### **Oncor Files Two 2023 DCRFs; PUC Rejects Hearings (55190, 55525)**

On June 29, 2023, Oncor Electric Delivery Company filed a Distribution Cost Recovery Factor ("DCRF") application to increase its distribution revenues by \$152,777,465. The PUC approved the application on November 3, but with \$268,528 transmission expenses removed. With that modification, Oncor's authorized DCRF application will allow the utility to recover an additional \$152,508,937 from customers on an annual basis. The DCRF charge on residential bills associated with this DCRF filing will be .002847 per kilowatt hour, or about \$3.70 monthly for a customer using 1,300 kilowatt hours. More information can be found about the DCRF in PUC Docket 55190.

On September 15, Oncor submitted a second DCRF application for 2023. Under it, the utility seeks to increase its distribution revenues by another \$56,536,428. However, under a settlement agreement with the Oncor Cities Steering Committee and others, the utility agreed to reduce its recovery by \$3 million. The DCRF charge on residential bills under the revised agreement will be .002491 per kilowatt hour, or about \$3.24 monthly for a customer using 1,300 kWh monthly.

On Dec. 14, 2023, the PUC approved the settlement in the second DCRF, which can be found under PUC Docket 55525. The combined new DCRF charge (with changes from both 55190 and 55525) will be .005338, or about \$6.94 for a customer using 1,300 kWh monthly.

### **PUC Commissioner: No Right to Hearings in DCRF Cases**

In a discussion of the second DCRF on Nov. 30, PUC commissioners agreed unanimously that parties have no right to hearings in DCRF proceedings. Chair Kathleen Jackson said she came to this conclusion because of the Legislature's adoption of Senate Bill 1015 in 2023 that includes a 60-day deadline for consideration of DCRF cases. Jackson further explained that since DCRF proceedings are interim rate adjustments, the opportunity for a hearing will occur in the next base rate proceeding. More information can be found in Docket 55525.

### **Oncor to Pay Penalty for Reliability Violations (55804)**

Oncor will pay \$322,000 in penalties for repeated service and quality violations, under a 2023 settlement agreement.

The agreement, which Public Utility Commission staff posted on November 30, still requires approval by agency commissioners. Under it, Oncor agrees that it committed multiple violations of the PUC's service and quality standards during 2020 and 2021. Each of the violations pertained to the agency's System Average Interruption Duration and System Average Interruption Frequency Indexes, or "SAIDI" and "SAIFI," respectively.

By way of background, SAIFI measures the average number of service interruptions per customer — a figure calculated by summing the number of customers interrupted for each event and dividing that figure by the total number of customers. SAIDI, meanwhile, measures the average interruption time on a per-customer basis, and is expressed in minutes. All else equal, lower SAIDI and lower SAIFI scores represent better reliability.

However, according to the Nov. 30 proposed settlement agreement, Oncor exceeded average SAIDI and SAIFI scores by more than 300 percent on multiple occasions and on multiple feeders. Oncor gave varied reasons for the violations — on some occasions, the company blamed high-wind events and lightning strikes. On others, the company cited incidents involving public vehicles, such as trucks striking overhead lines.

Meanwhile, PUC staff, said that "Oncor's failure to maintain reliable electric distribution service presents a hazard to the health and safety of its customers.

"The most immediate health and safety risk is borne by customers who rely on electricity-dependent medical equipment, such as breathing machines and battery-powered mobility devices," the staff continued in its Nov. 30 PUC filing. "However, extended service interruptions during periods of extreme temperatures pose a risk to the health of all customers, especially those who may be elderly, sick, or otherwise vulnerable to prolonged exposure to hot or cold temperatures."

More information can be found on the PUC website, under Docket No. 55804.

## **2023 ERCOT NEWS**

### **ERCOT Approves Fee Increase**

ERCOT's budget will grow 40 percent in 2024 — adding nearly \$119 million to its current \$287 million budget, under newly authorized spending projections.

Much of the increase will come from a 13.5 percent increase in the System Administration Fee on wholesale energy — or from 55 cents per megawatt hour to 63 cents. The PUC approved the change on Nov. 2 on a 4-0 vote, after two hours of deliberation.

The grid operator initially sought a 71-cent fee, and then revised its request downward to 69 cents per mWh. But even that revised request received pushback from commissioners. "I asked (ERCOT) the question, 'Is there anything on your wish list that you didn't put in here?' And the answer was no... That tells me there's not a lot of budget scrutiny," Commissioner Jimmy Glotfelty said at the Nov. 2 meeting.

ERCOT will begin collecting the higher fee in January, and it will remain in effect through at least 2025. ERCOT CEO Pablo Vegas has said the organization likely will not seek another increase prior to 2028.

ERCOT, also known as the Electric Reliability Council of Texas, does not charge the System Administration Fee directly to end-user bills, but to middlemen in the

wholesale electricity market. Even still, a typical residential customer could expect to pay about \$1.20 per month downstream because of the ERCOT charge and the proposed increase.

The System Administration Fee finances most ERCOT operations, and, with the adoption of proposed adjustments, will account for \$330 million of the organization's \$424 million in 2024 revenue, according to

## ERCOT Board Members Pay Nearly Doubles

ERCOT board members had their pay nearly doubled under a PUC order that becomes effective in July 2023.

Approved by the PUC during the previous month, the change increased base compensation for ERCOT board members from \$87,000 per year to \$160,000. In addition, the PUC approved increases in supplementary compensation for the board chair, board vice chair and for ERCOT committee chairs. Under the changes, the board chair's supplementary pay goes from \$12,800 to \$35,000; the vice chairs' supplemental pay goes from \$7,500 to \$15,000; and the supplemental pay for ERCOT committee chairs goes from \$5,600 to \$25,000.

ERCOT, in requesting the increases, said that compensation levels for board members have remained unchanged for almost 11 years.

## Heat Wave Prompts Record Demand on ERCOT Grid

Power demand hit record highs inside ERCOT on at least a dozen occasions during the summer of 2023, with residential consumers and businesses cranking up their air conditioners for hours on end.

However, ERCOT, also known as the Electric Reliability Council of Texas, maintained sufficient resources to meet demand. ERCOT manages the electricity grid for about 90 percent of the state's power load.

In descending order, some of the peak usage records broken include the 85,435 megawatts consumed on August 10; the 83,961 MW consumed on August 9; the 82,539 megawatts consumed on July 18; the 81,911 megawatts on July 17; the 81,406 megawatts on July 13; and the 81,351 megawatts on July 12. One megawatt can power around 200 U.S. homes on a hot summer day.

Last summer, ERCOT consumers set 11 peak demand records.





## Texas Gets Federal Money for ERCOT Grid

In 2023, the federal government allocated \$60.6 million to be directed to electric utilities in Texas to strengthen power grid infrastructure.

The U.S. Department of Energy announced the grant awards on July 6, explaining that the funding is intended to help the state's power grid withstand extreme weather events.

"These grants will help modernize the electric grid to reduce impacts of extreme weather and natural disasters while enhancing power sector reliability," U.S. Secretary of Energy Jennifer Granholm said in a statement.

State emergency officials will develop parameters for how to use the money, according to media reports. *The Texas Tribune* reports that the funding could go toward programs such as trimming trees around power lines or improving how equipment functions in extreme heat or cold.

Texas policymakers have focused various legislative and regulatory initiatives on grid dependability ever since the winter outages of 2021 that led to several hundred deaths.

## PUC Commissioner, ERCOT Market Monitor Resign

Two key figures overseeing the state's power grid — Public Utility Commissioner Will McAdams and ERCOT Independent Market Monitor Carrie Bivens — submitted their resignations in 2023.

McAdams was first appointed to the PUC after Winter Storm Uri that left millions without power. He resigned from the commission effective in December.

The PUC on Nov. 9 also confirmed that Carrie Bivens, the independent market monitor for the Texas grid,

would be resigning. Her departure came shortly after she raised questions about the potential billion-dollar-plus cost of a new ancillary service — the ERCOT Contingency Reserve Service — approved by the Public Utility Commission.

Ms. Bivens is an employee of Virginia-based Potomac Economics, which currently holds the Independent Market Monitor contract for Texas. However, that contract is set to expire soon, and the PUC recently has issued a Request for Proposal for a new contract term.

## 88th Texas Legislature Recap: Electric Legislation

Before adjourning *sine die* on May 29, 2023, lawmakers of the 88<sup>th</sup> Regular Session of the Texas Legislature considered hundreds of bills that relate to electric and gas issues — including many filed in response to the devastating winter storm of 2021. Below we describe the final outcomes of some of the major bills relating to electricity issues, with descriptions of bills that passed and those that didn't.

### Adopted Legislation

Bills relating to significant electricity issues that **received approval** during the 88<sup>th</sup> Regular Session include:

- **HB 1500**, by Rep. Justin Holland and Sen. Charles Schwertner, is the PUC, OPUC and ERCOT "Sunset" bill. **Many recommendations submitted by city groups such as the Steering Committee of Cities Served by Oncor ("OCSC") in advance of this year's session and prior ones were included in the final, adopted version of HB 1500.** These include requirements for a more deliberative process by the PUC for issuing directives to ERCOT; the creation of a cost cap on the expensive and unproven Performance Credit Mechanism market overhaul endorsed by the PUC; protections against the potential misuse by generators of Voluntary Mitigation Plans; and an increased penalty cap for market manipulation violations. The contents of several Senate bills that otherwise failed during the 88<sup>th</sup> Texas Legislature likewise made it into the final, adopted version of HB 1500. This included language from Senate Bill 1287, by Sen. Phil King, to cap ERCOT system interconnection costs,



with costs over the cap borne by the interconnecting generator and not ratepayers; and language from SB 7, by Sen. Charles Schwertner, that (among other things) establishes a new Ancillary Service for dispatchable generation resources that can remain operational for at least four hours.

- **SB 2627**, by Sen. Schwertner and Rep. Carol Alvarado, will allocate \$5 billion in tax dollars to create a low-interest loan program to incentivize building new generation facilities. The legislation likewise finances construction completion bonuses for and provides funding for system hardening in non-ERCOT areas.
- **SB 1015**, by Sen. Phil King and Rep. David Spiller, allows electric utilities to make Distribution Cost Recovery Factor (DCRF) filings twice per year (as opposed to current law that limits filings to once a year). **At the urging OCSC and the Texas Coalition for Affordable Power (“TCAP”), a separate city group, lawmakers removed a provision that would have limited city regulatory oversight over DCRF proceedings and made other improvements to this legislation.**
- **SB 1016**, by Sen. King and Rep. Jay Dean, creates a presumption in a utility rate proceeding that employee salaries and benefits are reasonable if based on a compensation study no more than three years old.
- **SB 2011**, by Sen. Schwertner and Rep. Shelby Slawson, raises the cap on enforcement penalties on ERCOT market manipulation violations from \$25,000 per violation per day to \$1 million per violation per day. It also requires more frequent updating of voluntary mitigation plans.

### Failed Legislation

Bills relating to significant electricity issues from the 88<sup>th</sup> Regular Session that failed to become law include:

- **HB 3042**, by Rep. David Spiller, and **SB 1889**, by Drew Springer, relate “to the consideration of the proportion of long-term debt and equity capitalization in establishing the rates of electric utilities.” These companion bills would have modified rules for the calculation of debt and equity ratios for electricity ratemaking purposes — but to the detriment of ratepayers. **TCAP, OCSC and another city group, the Atmos Cities Steering Committee (“ACSC”), opposed this legislation.**
- **SB 1291**, by Sen. King, would have undermined the ability of municipalities to receive reimbursement for participating in electric utility rate cases. **TCAP, OCSC and ACSC opposed this legislation.**
- **SB 6**, by Sen. Schwertner, called for the creation of a multi-billion-dollar taxpayer-funded program to finance the construction of backup generation. A similar bill, **SB 1377** by Sen. Tan Parker, also failed to win approval.
- **SB 2010**, by Sens. Charles Schwertner and Phil King, related “to required reporting by the wholesale electric market monitor for the ERCOT region.” The Legislature adopted it on May 18. The governor vetoed it a month later. Had **SB 2010** taken effect, it would have required the PUC to submit to the Legislature an annual report describing incidences of ERCOT market abuse during the previous 12 months. According to media reports, the bill was among dozens that the governor axed as part of his strategy to break an impasse over property tax legislation.

#### 2024 OCSC Meetings

March 5  
June 6—Virtual  
September 12  
December 12—Virtual

#### OCSC Officers

Chair—Paige Mims  
Vice Chair—Don Knight  
Secretary—Lupe Orozco  
Treasurer—David Johnson

For more questions or concerns regarding any ACSC matter or communication, please contact the following representative, who will be happy to provide assistance:



Thomas L. Brocato  
(512) 322-5857  
tbrocato@lglawfirm.com

Jamie Mauldin  
(512) 322-5890  
jmauldin@lglawfirm.com

City of Arlington, c/o Oncor Cities  
Steering Committee  
Attn: Brandi Stigler  
101 S. Mesquite St., Ste. 300  
MS # 63-0300  
Arlington, TX 76010

# Invoice

Date	Invoice #
1/8/2024	24-14

Bill To
City of Breckenridge

Item	Population	Per Capita	Amount
2024 Membership Assessment	5,868	0.10	586.80
Please make check payable to: Oncor Cities Steering Committee and mail to Oncor Cities Steering Committee, Attn: Brandi Stigler, Arlington City Attorney's Office, 101 S. Mesquite St., Ste. 300, MS #63-0300, Arlington, Texas 76010		<b>Total</b>	\$586.80

RESOLUTION NO. 2024-04

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF SIX CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC.

- WHEREAS, the City of Breckenridge is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the city; and
- WHEREAS, the Steering Committee of Cities Served By Oncor (Steering Committee) has historically intervened in Oncor rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and
- WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, and legislative activity, affecting transmission and distribution utility rates; and
- WHEREAS, the City is a member of the Steering Committee; and
- WHEREAS, the Steering Committee functions under the direction of an Executive Committee which sets an annual budget and directs interventions before state and federal agencies, courts and legislatures, subject to the right of any member to request and cause its party status to be withdrawn from such activities; and
- WHEREAS, the Steering Committee at its December 2023 meeting set a budget for 2024 that compels an assessment of ten cents (\$0.10) per capita; and
- WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRECKENRIDGE, TEXAS:

## I.

That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City of Breckenridge and protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the City limits.

## II.

The City is further authorized to pay its assessment to the Steering Committee of ten cents (\$0.10) per capita based on the population figures for the City shown in the latest TML Directory of City Officials.

## III.

A copy of this Resolution and the assessment payment check made payable to "*Steering Committee of Cities Served by Oncor*" shall be sent to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

PRESENTED AND PASSED on this the 6th day of February 2024, by a vote of \_\_\_\_\_ ayes and \_\_\_\_\_ nays at a regular meeting of the City Council of the City of Breckenridge, Texas.

\_\_\_\_\_  
Bob Sims  
Mayor

ATTEST:

\_\_\_\_\_  
Jessica Sutter  
City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Eileen Hayman  
City Attorney



## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding annual audit for FY 2022/2023.

**Department:** Administration

**Staff Contact:** Cynthia Northrop

**Title:** City Manager

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**BACKGROUND INFORMATION:**

Our Auditors have completed the annual audit for FY 2021/22 and will make a presentation.

**FINANCIAL IMPACT:**

NA

**STAFF RECOMMENDATION:**

Consider acceptance of the annual audit 2022/2023.



February 1, 2024

Honorable Mayor and City Commission Members  
City of Breckenridge

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Breckenridge, Texas for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 27, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Breckenridge, Texas are described in Note 1 to the financial statements. As described in the notes to the financial statements, the City changed accounting policies related to Subscription-Based Information Technology Arrangements by adopting Governmental Accounting Standards (GASB) Statement No. 96 in 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated key factors and assumptions used to develop estimates in determining it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.



### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements. The attached list of misstatements detected as a result of audit procedures were corrected by management.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the City's financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 1, 2024.

### *Management Consultation with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the Management’s Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, Schedule of Changes in Net Pension Liability and Related ratios – Texas Municipal Retirement System, Schedule of Contributions – Texas Municipal Retirement System, and Schedule of Changes in Total OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

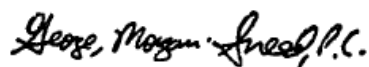
We were engaged to report on the combining fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other supplementary information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### Restriction on Use

This information is intended solely for the use of the City Commission and management of the City of Breckenridge, Texas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



GEORGE, MORGAN & SNEED, P.C.

**Client:** CITY OF BRECKENRIDGE  
**Engagement:** City of Breckenridge 2023  
**Current Period:** 09/30/2023  
**Workpaper:** proposed audit adjustments

Account	Description	Debit	Credit	Net Income Effect
<b>GMS01</b>				
To reverse prior year accounts payable accruals in construction fund.				
197-2-00-2005	Accounts Payable	206,537.40	0.00	
197-5-74-7245	METER REPLACEMENT PROJECT	0.00	13,000.00	
197-5-90-9012	Operating Transfer Out	0.00	193,537.40	
103-1-00-1517	Construction in Progress	0.00	20,810.01	
103-5-76-5544	Contractual Services	0.00	5,720.00	
103-4-00-4915	Operating Transfers In	26,530.01	0.00	
102-1-00-1507	Water System	0.00	167,007.39	
102-4-00-4915	Operating Transfers In	167,007.39	0.00	
197-4-00-4650	CAPITAL GRANTS & CONTRIBUTION	20,810.01	0.00	
197-2-00-2073	Deferred CO 2022A LF CWSRF	0.00	20,810.01	
<b>Total</b>		<b>420,884.81</b>	<b>420,884.81</b>	<b>(2,090.01)</b>
<b>GMS02</b>				
To adjust allowances for doubtful accounts				
102-1-00-1290	Allowance for Doubtful Account	0.00	16,688.61	
102-4-00-4201	Water Sales - Metered	16,688.61	0.00	
103-1-00-1290	Allowance for Doubtful Account	0.00	11,920.43	
103-4-00-4209	Waste Water Services	11,920.43	0.00	
104-1-00-1290	Allowance for Doubtful Account	0.00	5,460.91	
104-4-00-4215	Residential/Poly Cart	5,460.91	0.00	
<b>Total</b>		<b>34,069.95</b>	<b>34,069.95</b>	<b>(34,069.95)</b>
<b>GMS03</b>				
To recognize the balance of ARP funds because the project is complete.				
197-2-00-2070	Unearned Grant Revenue	193,816.83	0.00	
197-4-00-4650	CAPITAL GRANTS & CONTRIBUTION	0.00	193,816.83	
<b>Total</b>		<b>193,816.83</b>	<b>193,816.83</b>	<b>193,816.83</b>
<b>GMS04</b>				
To adjust accounts payable (Reverse 10/1/23)				
103-5-77-5333	Minor Equip	12,375.13	0.00	
197-5-33-7233	Parks Improvements Purchase	12,750.00	0.00	
101-5-90-5567	Attorney	2,348.00	0.00	
101-5-90-5567	Attorney	1,960.20	0.00	
101-5-90-5567	Attorney	259.00	0.00	
102-5-72-5701	Electricity	27.20	0.00	
102-5-73-5701	Electricity	4,291.40	0.00	
102-5-74-5701	Electricity	417.80	0.00	
102-5-74-5711	TDCJ Booster Pump - Electricit	133.56	0.00	
102-5-74-5712	TDCJ Water Tower - Electricity	9.13	0.00	
103-5-76-5701	Electricity	636.92	0.00	
103-5-76-5713	TDCJ Lift Station - Electricit	400.67	0.00	

103-5-77-5701	Electricity	5,575.11	0.00	
104-5-42-5701	Electricity	48.69	0.00	
101-2-00-2069	BYFC ELECTRICITY	6.95	0.00	
101-5-18-5701	Electricity	688.79	0.00	
101-5-19-5701	Electricity	862.79	0.00	
101-5-21-5701	Electricity	506.61	0.00	
101-5-20-5701	Electricity	32.06	0.00	
101-5-31-5701	Electricity	48.66	0.00	
101-5-32-5701	Electricity	47.97	0.00	
101-5-33-5702	Miller Park Electricity	841.09	0.00	
101-5-33-5703	Park Guard Lights	72.83	0.00	
101-5-33-5706	Ball Park Lights	1,046.45	0.00	
101-5-43-5708	Street Lights	6,050.24	0.00	
101-5-43-5709	Welcome to Breck Signs - Elect	68.71	0.00	
101-5-43-5710	Post Office Lights	10.96	0.00	
101-5-44-5701	Electricity	820.09	0.00	
101-5-90-5714	BEDC-Chamber Bldg.-Electric	480.68	0.00	
101-2-00-2005	ACCOUNTS PAYABLE	0.00	16,152.08	
102-2-00-2005	Accounts Payable	0.00	4,879.09	
103-2-00-2005	Accounts Payable	0.00	18,987.83	
104-2-00-2005	Accounts Payable	0.00	48.69	
197-2-00-2005	Accounts Payable	0.00	12,750.00	
<b>Total</b>		<b>52,817.69</b>	<b>52,817.69</b>	<b>(52,810.74)</b>

**GMS05**

Adjust enterprise lease transactions for GASB lease accounting and recognize asset and liabilities.

125-1-00-1520	Right-of-Use Asset	89,666.78	0.00	
125-1-00-1560	Accum Amort:Right-of-Use Asset	0.00	2,793.50	
125-3-00-3111	Investment in GFA General Fund	0.00	86,873.28	
112-2-00-2137	Lease Financing Liability	0.00	15,440.60	
112-2-00-2138	Long Term Lease Financing Liab	0.00	71,915.90	
112-1-00-1350	Amts to be Provided for Capita	87,356.50	0.00	
111-4-00-4909	Transfer from Water Fund	2,662.44	0.00	
111-5-90-7201	Enterprise Lease Payments	0.00	6,035.55	
111-5-20-7135	Lease Financing Interest	338.39	0.00	
111-5-20-7145	Lease Financing Principal	689.77	0.00	
102-1-00-1520	Right-of-Use Asset	33,415.23	0.00	
102-2-00-2137	Lease Financing Liability	0.00	5,893.59	
102-2-00-2138	Long Term Lease Financing Liab	0.00	25,649.89	
102-1-00-1560	Accum Amort:Right-of-Use Asset	0.00	2,227.68	
102-5-73-7606	Amort Exp: Right-of-Use Asset	2,227.68	0.00	
102-5-73-7135	Lease Financing Interest	790.69	0.00	
102-5-90-9004	Transfer to Equip. Replacement	0.00	2,662.44	
111-5-21-7135	Lease Financing Interest	724.44	0.00	
111-5-21-7145	Lease Financing Principal	1,620.51	0.00	
111-5-20-7220	Motor Vehicle Purchase	89,666.78	0.00	
111-4-00-4600	Other Resources Capital Lease	0.00	89,666.78	
<b>Total</b>		<b>309,159.21</b>	<b>309,159.21</b>	<b>(355.93)</b>

**GMS06**

Adjust copier lease transactions for GASB lease accounting.

125-1-00-1560	Accum Amort:Right-of-Use Asset	0.00	13,611.00	
125-3-00-3111	Investment in GFA General Fund	13,611.00	0.00	
112-2-00-2137	Lease Financing Liability	0.00	416.72	
112-2-00-2138	Long Term Lease Financing Liab	13,669.90	0.00	
112-1-00-1350	Amts to be Provided for Capita	0.00	13,253.18	
102-5-73-7105	Rentals	0.00	823.08	
102-2-00-2137	Lease Financing Liability	0.00	23.44	
102-2-00-2138	Long Term Lease Financing Liab	768.72	0.00	
102-1-00-1560	Accum Amort:Right-of-Use Asset	0.00	765.00	
102-5-73-7606	Amort Exp: Right-of-Use Asset	765.00	0.00	
103-1-00-1560	Accum Amort:Right-of-Use Asset	0.00	765.00	
103-5-77-7606	Amort Exp: Right-of-Use Asset	765.00	0.00	
103-5-77-7105	Rentals	0.00	823.08	
103-2-00-2137	Lease Financing Liability	0.00	23.44	
103-2-00-2138	Long Term Lease Financing Liab	768.72	0.00	
101-5-18-7145	Lease Financing Principal	5,879.90	0.00	
101-5-20-7145	Lease Financing Principal	4,806.03	0.00	
101-5-24-7145	Lease Financing Principal	2,567.25	0.00	
101-5-18-7135	Lease Financing Interest	613.78	0.00	
101-5-20-7135	Lease Financing Interest	501.69	0.00	
101-5-24-7135	Lease Financing Interest	267.99	0.00	
101-5-18-7105	Rentals	0.00	6,493.68	
101-5-20-7105	Rentals	0.00	5,307.72	
101-5-24-7105	Rentals	0.00	2,835.24	
102-5-73-7135	Lease Financing Interest	77.80	0.00	
103-5-77-7135	Lease Financing Interest	77.80	0.00	
<b>Total</b>		<b>45,140.58</b>	<b>45,140.58</b>	<b>(39.44)</b>

**GMS07**

To adjust franchise tax receivable to current year amount.

101-4-00-4402	Franchise Fee Garbage	0.00	186.90	
101-4-00-4403	Gross Receipts Gas Franchise	11.51	0.00	
101-4-00-4404	Telecommunications Franchise F	212.71	0.00	
101-4-00-4405	Gross Receipts TV Cable Co. 5%	0.00	52.21	
101-1-00-1210	FRANCHISE TAX RECEIVABLE	6,614.52	0.00	
101-2-00-2066	DEFERRED FRANCHISE TAX REVENUE	0.00	6,599.63	
<b>Total</b>		<b>6,838.74</b>	<b>6,838.74</b>	<b>14.89</b>

**GMS08**

To accrue accounts payable and retainage payable. (Reverse 10/1/23)

197-5-73-7242	WTP-DWSRF Improvement	19,600.00	0.00	
197-5-74-7244	TxDOT-HWY 183 & 3099	23,522.80	0.00	
197-2-00-2005	Accounts Payable	0.00	43,122.80	
197-2-00-2071	Deferred CO 2022B LF DWSRF	19,600.00	0.00	
197-4-00-4650	CAPITAL GRANTS & CONTRIBUTION	0.00	19,600.00	
<b>Total</b>		<b>62,722.80</b>	<b>62,722.80</b>	<b>(23,522.80)</b>

**GMS09**

To capitalize construction projects.

125-1-00-1517	Construction in Progress	1,034,150.00	0.00	
125-3-00-3111	Investment in GFA General Fund	0.00	1,034,150.00	
102-1-00-1517	Construction in Progress	538,536.01	0.00	
102-4-00-4915	Operating Transfers In	0.00	538,536.01	
197-5-90-9012	Operating Transfer Out	538,536.01	0.00	
197-5-74-7244	TxDOT-HWY 183 & 3099	0.00	518,936.01	
197-5-73-7242	WTP-DWSRF Improvement	0.00	19,600.00	
<b>Total</b>		<b>2,111,222.02</b>	<b>2,111,222.02</b>	<b>538,536.01</b>

**GMS10**

To adjust allowance for doubtful accounts and deferred tax revenue to correct values.

101-2-00-2051	ALLOW.- UNCOLLECTABLE PROP.	0.00	7,123.89	
101-2-00-2055	DEFERRED TAX REVENUE	7,123.89	0.00	
198-2-00-2051	Allow. for Uncollectable Prope	0.00	854.15	
198-2-00-2055	Deferred Tax Revenue	854.15	0.00	
<b>Total</b>		<b>7,978.04</b>	<b>7,978.04</b>	<b>0.00</b>

**GMS11**

To adjust earned but unbilled revenue to current year accrual.

102-4-00-4201	Water Sales - Metered	22,605.98	0.00	
102-4-00-4206	Water Sales - TDCJ	2,072.92	0.00	
102-4-00-4212	Water Sales High Mesa	112.63	0.00	
102-4-00-4202	Water Sales - Raw - at Plant	0.00	2,630.50	
102-1-00-1220	Unbilled Water/WasteWater Rece	0.00	22,161.03	
103-4-00-4209	Waste Water Services	7,986.62	0.00	
103-4-00-4207	Waste Water Services - TDCJ	1,217.24	0.00	
103-1-00-1220	Unbilled Water/WasteWater Rece	0.00	9,203.86	
<b>Total</b>		<b>33,995.39</b>	<b>33,995.39</b>	<b>(31,364.89)</b>

**GMS12**

To adjust OPEB balances to current year amounts.

102-1-00-1914	DEFFERED OUTFLOW-TMRS OPEB	0.00	2,036.00	
102-2-00-2083	Deferred Inflow-TMRS OPEB	0.00	10,643.00	
102-2-00-2082	TMRS OPEB LIABILITY	11,367.00	0.00	
102-5-70-5210	Retirement	178.00	0.00	
102-5-71-5210	Retirement	178.00	0.00	
102-5-73-5210	Retirement	635.00	0.00	
102-5-74-5210	Retirement	321.00	0.00	
103-1-00-1914	DEFFERED OUTFLOW-TMRS OPEB	0.00	1,486.00	
103-2-00-2083	Deferred Inflow-TMRS OPEB	0.00	3,582.00	
103-2-00-2082	TMRS OPEB LIABILITY	6,332.00	0.00	
103-5-76-5210	Retirement	0.00	632.00	
103-5-77-5210	Retirement	0.00	632.00	
<b>Total</b>		<b>19,011.00</b>	<b>19,011.00</b>	<b>(48.00)</b>

**GMS13**

To adjust TMRS balances.

102-1-00-1913	Deferred Outflow-Investment Ex	104,912.00	0.00	
102-2-00-2080	Deferred Inflow-Actual Experi	100,243.00	0.00	
102-2-00-2081	Net Pension Liability	0.00	207,609.00	



102-5-70-5210	Retirement	334.00	0.00	
102-5-71-5210	Retirement	334.00	0.00	
102-5-73-5210	Retirement	1,186.00	0.00	
102-5-74-5210	Retirement	600.00	0.00	
103-1-00-1913	Deferred Outflow-Investment Ex	37,409.00	0.00	
103-2-00-2080	Deferred Inflow-Actual Experi	41,248.00	0.00	
103-2-00-2081	Net Pension Liability	0.00	77,350.00	
103-5-76-5210	Retirement	0.00	664.00	
103-5-77-5210	Retirement	0.00	643.00	
102-1-00-1912	Deferred Outflow of ResoucesCo	48.00	0.00	
102-5-70-5210	Retirement	0.00	7.00	
102-5-71-5210	Retirement	0.00	7.00	
102-5-73-5210	Retirement	0.00	23.00	
102-5-74-5210	Retirement	0.00	11.00	
103-1-00-1912	Deferred Outflow of ResoucesCo	3,642.00	0.00	
103-5-76-5210	Retirement	0.00	1,851.00	
103-5-77-5210	Retirement	0.00	1,791.00	
<b>Total</b>		<b>289,956.00</b>	<b>289,956.00</b>	<b>2,543.00</b>

**GMS14**

To adjust sales tax revenue and receivable balances.

101-4-00-4029	City Sales Tax	7,300.36	0.00	
101-4-00-4034	Property Tax Reduced by Sales	1,669.58	0.00	
101-1-00-1206	DUE FROM OTHER GOVERNMENTS	0.00	8,969.94	
113-1-00-1206	DUE FROM OTHER GOVERNMENTS	0.00	1,793.99	
113-4-00-4030	1/4% Street Maint. Sales Tax	1,793.99	0.00	
<b>Total</b>		<b>10,763.93</b>	<b>10,763.93</b>	<b>(10,763.93)</b>

**GMS15**

To reclassify governmental bond proceeds.

197-2-00-2076	2023 Bond CO Payable	8,385,000.00	0.00	
197-2-00-2077	2023 Bond CO Premiums	393,536.59	0.00	
197-4-00-4707	Bond Proceeds	0.00	8,385,000.00	
197-4-00-4708	Bond Premium	0.00	447,007.30	
197-5-90-7612	Other Public Administration Co	53,470.71	0.00	
<b>Total</b>		<b>8,832,007.30</b>	<b>8,832,007.30</b>	<b>8,778,536.59</b>

**GMS16**

To reclassify bond payments.

102-2-00-2022	Current 2017A & B Payable	0.00	70,000.00	
102-2-00-2036	CO Series 2017 A & B	42,330.00	0.00	
102-2-00-2038	CO Series 2022B	65,000.00	0.00	
102-2-00-2062	2012 DWSRF CO Payable	775,000.00	0.00	
102-2-00-2065	2014 DWSRF CO Payable	60,000.00	0.00	
102-5-90-7610	Interest Expense	153,404.78	0.00	
102-4-00-4914	Transfer In From General Debt	0.00	1,025,734.78	
103-2-00-2022	Current 2017A & B Payable	0.00	80,000.00	
103-2-00-2036	CO Series 2017 A & B	40,670.00	0.00	
103-2-00-2038	CO Series 2022A	80,000.00	0.00	
103-2-00-2063	2013 CWSRF CO Payable	25,000.00	0.00	

103-5-90-7614	Interest Expense	73,959.25	0.00	
103-4-00-4914	Transfer In From General Debt	0.00	139,629.25	
198-5-90-9012	Operating Transfer Out	1,165,364.03	0.00	
198-5-68-7301	Bond Retirement	0.00	938,000.00	
198-5-68-7610	Interest Expense	0.00	227,364.03	
<b>Total</b>		<b>2,480,728.06</b>	<b>2,480,728.06</b>	<b>938,000.00</b>

**GMS17**

To adjust accrued interest to current year amount.

102-2-00-2029	Accrued Interest Payable Bond	6,021.47	0.00	
102-5-90-7610	Interest Expense	0.00	6,021.47	
103-2-00-2029	Accrued Interest Payable Bond	7,411.72	0.00	
103-5-90-7614	Interest Expense	0.00	7,411.72	
102-2-00-2029	Accrued Interest Payable Bond	0.00	310.85	
102-5-71-7115	Interest/L-P Equipment	310.85	0.00	
<b>Total</b>		<b>13,744.04</b>	<b>13,744.04</b>	<b>13,122.34</b>

**GMS18**

To adjust capital leases.

102-2-00-2127	Capital Leases Payable	0.00	322.72	
102-2-00-2152	Long Term Debt Payable	9,961.91	0.00	
102-4-00-4915	Operating Transfers In	0.00	10,640.13	
102-5-71-7115	Interest/L-P Equipment	1,000.94	0.00	
111-5-32-7115	Interest/L-P Equipment	860.50	0.00	
111-5-32-7125	Lease Purchase Equipment	8,286.79	0.00	
111-5-33-7115	Interest/L-P Equipment	1,050.55	0.00	
111-5-33-7125	Lease Purchase Equipment	10,116.84	0.00	
111-5-43-7115	Interest/L-P Equipment	1,830.54	0.00	
111-5-43-7125	Lease Purchase Equipment	17,628.43	0.00	
111-5-90-9012	Operating Transfer Out	10,640.13	0.00	
111-5-32-7223	Motor Vehicle Purchase	0.00	8,571.00	
111-5-33-7220	Motor Vehicle Purchase	0.00	12,099.00	
111-5-43-7220	Motor Vehicle Purchase	0.00	17,645.00	
111-5-71-7220	Motor Vehicle Purchase	0.00	12,098.78	
112-1-00-1350	Amts to be Provided for Capita	0.00	57,587.69	
112-2-00-2127	Capital Leases Payable	0.00	1,904.77	
112-2-00-2128	Long Term Capital Lease Payabl	59,492.46	0.00	
<b>Total</b>		<b>120,869.09</b>	<b>120,869.09</b>	<b>9,639.19</b>

**GMS19**

Adjust inventory to revised inventory listing. Several items did not have cost on original inventory listing.

102-1-00-1405	Supplies - Inventory	32,476.94	0.00	
102-5-74-5329	Utility Repair Supplies	0.00	32,476.94	
<b>Total</b>		<b>32,476.94</b>	<b>32,476.94</b>	<b>32,476.94</b>

**GMS20**

To adjust fixed assets for additional disposals and to schedule

104-1-00-1554	AccDep-Vehicles & Equipment	0.00	2,550.00	
104-5-90-7605	Depreciation Expense	2,550.00	0.00	
132-1-00-1505	Buildings	2,259.12	0.00	

132-1-00-1552	AccDep-Buildings	0.00	2,259.12	
103-1-00-1554	AccDep-Vehicles & Equipment	0.00	6,834.45	
103-1-00-1556	AccDep-Collection & Distributi	0.00	185.66	
103-5-90-7605	Depreciation Expense	7,020.11	0.00	
102-1-00-1511	Vehicles & Equipment	0.00	7,507.73	
102-1-00-1553	AccDep-Buildings Improvement	0.00	18,699.90	
102-1-00-1554	AccDep-Vehicles & Equipment	11,066.88	0.00	
102-1-00-1556	AccDep-Collection & Distributi	10,617.40	0.00	
102-5-90-7605	Depreciation Expense	3,904.90	0.00	
125-1-00-1505	Buildings	3,888.12	0.00	
125-1-00-1511	Vehicles & Equipment	0.00	8,386.77	
125-1-00-1550	AccDep-Land Improvements	443.22	0.00	
125-1-00-1551	AccDep-Infrastructure	0.00	443.22	
125-1-00-1552	AccDep-Buildings	0.00	3,888.12	
125-1-00-1554	AccDep-Vehicles & Equipment	38,813.86	0.00	
125-3-00-3111	Investment in GFA General Fund	0.00	29,429.29	
102-1-00-1507	Water System	618.45	0.00	
125-1-00-1502	INFRASTRUCTURE	0.00	997.80	
<b>Total</b>		<b>81,182.06</b>	<b>81,182.06</b>	<b>(13,475.01)</b>

**GMS21**

Adjust employee portion of health insurance with only credits to liability accounts.

101-2-00-2068	HEALTH INS. - EMPLOYEE	18,763.30	0.00	
101-5-12-5205	Health Insurance	0.00	989.86	
101-5-13-5205	Health Insurance	0.00	649.59	
101-5-14-5205	Health Insurance	0.00	270.68	
101-5-15-5205	Health Insurance	0.00	1,290.35	
101-5-20-5205	Health Insurance	0.00	7,052.17	
101-5-24-5205	Health Insurance	0.00	357.79	
101-5-25-5205	Health Insurance	0.00	5,317.19	
101-5-32-5205	Health Insurance	0.00	407.34	
101-5-33-5205	Health Insurance	0.00	926.52	
101-5-43-5205	Health Insurance	0.00	1,281.53	
101-5-44-5205	Health Insurance	0.00	220.28	
102-2-00-2068	Health Ins. - Employee	7,775.25	0.00	
102-5-70-5205	Health Ins-City Portion	0.00	2,552.91	
102-5-71-5205	Health Ins-City Portion	0.00	944.86	
102-5-73-5205	Health Ins-City Portion	0.00	2,838.55	
102-5-74-5205	Health Ins-City Portion	0.00	1,438.93	
103-2-00-2068	Health Ins. - Employee	547.53	0.00	
103-5-76-5205	Health Ins-City Portion	0.00	287.34	
103-5-77-5205	Health Ins-City Portion	0.00	260.19	
<b>Total</b>		<b>27,086.08</b>	<b>27,086.08</b>	<b>27,086.08</b>

**GMS22**

To reverse legal fees accrued twice.

101-5-24-5568	Legal Fees	0.00	1,123.65	
101-5-90-5567	Attorney	0.00	6,362.10	
101-2-00-2005	ACCOUNTS PAYABLE	7,485.75	0.00	
<b>Total</b>		<b>7,485.75</b>	<b>7,485.75</b>	<b>7,485.75</b>

GRAND TOTAL	<u>15,193,956.31</u>	<u>15,193,956.31</u>	<u>10,372,716.92</u>
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**CITY OF BRECKENRIDGE, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**CITY OF BRECKENRIDGE, TEXAS**

## Annual Financial Report

For the year ended September 30, 2023

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CITY OF BRECKENRIDGE, TEXAS

Annual Financial Report

For the year ended September 30, 2023

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Members of the City Commission  
City of Breckenridge, Texas

### Report on the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Breckenridge, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Breckenridge, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considering the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-15, budgetary comparison – general fund, schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of changes in total OPEB liability and related ratios on pages 52 - 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or

provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

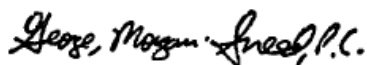
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprised the other supplementary information listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



George, Morgan & Sneed, P.C.  
Weatherford, Texas  
February 1, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of The City of Breckenridge, Texas, we offer readers of The City of Breckenridge's financial statements this narrative overview and analysis of the financial activities of The City of Breckenridge for the fiscal year ended September 30, 2023.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Breckenridge exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$26,056,787 (*net position*) compared to net position of \$24,154,901 for the prior year. Unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors was \$4,908,375 at year end.
- The City's total net position increased by \$1,901,886. The City's operations decreased the governmental activities net position by \$331,270 and increased the business-type activities net position by \$2,233,156.
- As of the close of the current fiscal year, the City of Breckenridge's governmental funds reported combined ending fund balances of \$11,129,231. This compares to an ending fund balance of \$4,118,055 in the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,546,443, or 37% of total general fund expenditures. This compares to an unassigned fund balance of \$1,077,816 in the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's annual financial report consists of three components 1) management's discussion and analysis, 2) the basic financial statements (government-wide financial statements, fund financial statements and notes to the financial statements) and 3) supplementary information.

#### **Government-wide financial statements.**

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position – the difference between the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the City's services are included here, such as general government, public works and safety, and community services in the governmental activities and water, wastewater, and sanitation in the business-type or proprietary activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate component unit: Breckenridge Economic Development Corporation ("BEDC") for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on Exhibits A-1 and B-1 of this report.

### **Fund financial statements.**

The fund financial statements provide more detailed information about the City's most significant funds-not the City as a whole. Funds are used by the City to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Commission establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide a reconciliation that explains the relationship (or differences) between them.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and general capital projects fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated



presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

**Proprietary funds.** Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The City maintains one type of proprietary funds. The City uses enterprise funds to account for its water, wastewater, sanitation services, and trade day events. The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

**Notes to the financial statements** provide additional information that is necessary for a complete understanding of the data provided in the government-wide and fund financial statements.

**Supplementary information** further explains and supports the information in the financial statements.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$26,056,787 as of September 30, 2023.

The largest portion of the City's net position (78%) reflects its investment in capital assets (e.g. land, buildings and improvements, vehicles and equipment, infrastructure and water and wastewater systems); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (3%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors was \$4,908,375 at the end of the year.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for its governmental and business-type activities and its component unit

Below is a summary of the City's Statement of Net Position.

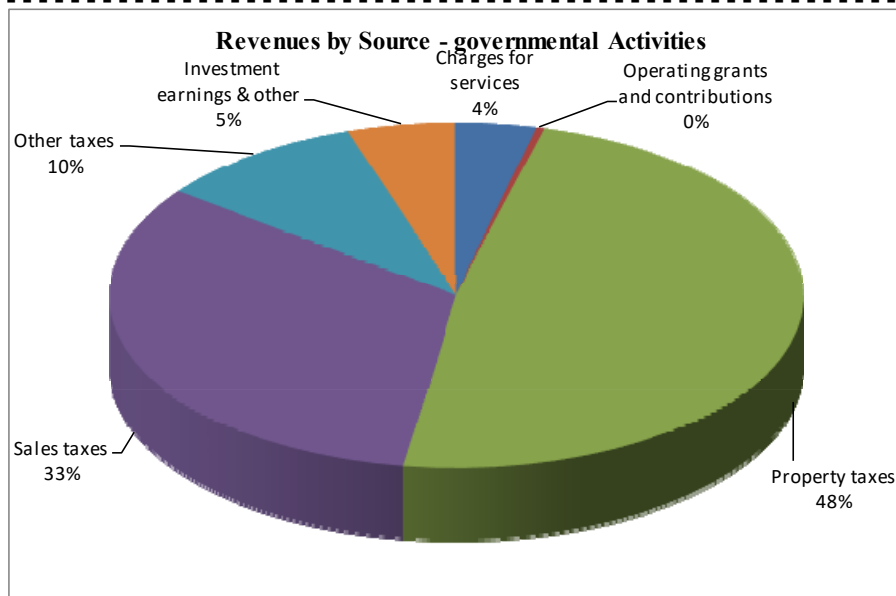
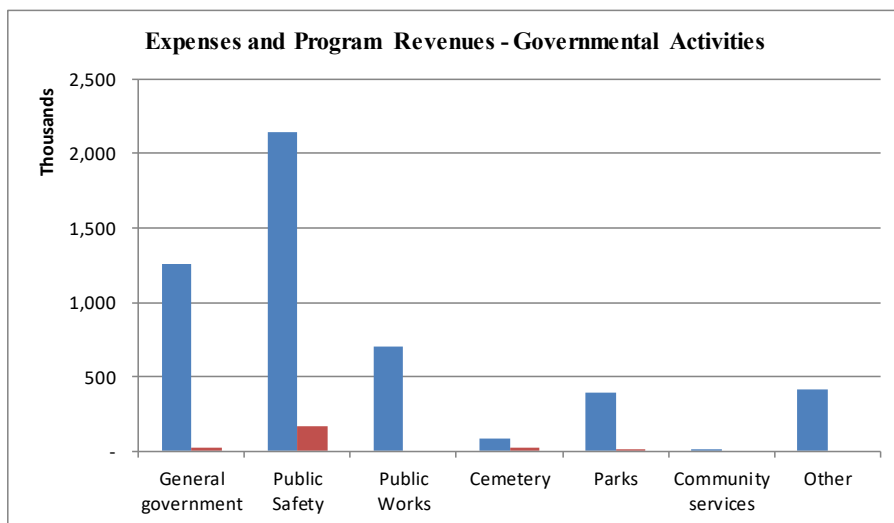
**Condensed Statement of Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 11,613,328	\$ 4,829,468	\$ 11,289,464	\$ 10,997,397	\$ 22,902,792	\$ 15,826,865
Capital assets	8,061,912	7,305,025	20,035,691	19,611,194	28,097,603	26,916,219
Total Assets	<u>19,675,240</u>	<u>12,134,493</u>	<u>31,325,155</u>	<u>30,608,591</u>	<u>51,000,395</u>	<u>42,743,084</u>
Deferred outflows of resources	<u>636,656</u>	<u>171,366</u>	<u>191,076</u>	<u>48,587</u>	<u>827,732</u>	<u>219,953</u>
Current liabilities	243,555	189,384	2,894,109	3,407,030	3,137,664	3,596,414
Long-term liabilities	13,152,282	4,436,451	9,386,591	10,120,507	22,538,873	14,556,958
Total liabilities	<u>13,395,837</u>	<u>4,625,835</u>	<u>12,280,700</u>	<u>13,527,537</u>	<u>25,676,537</u>	<u>18,153,372</u>
Deferred inflows of resources	<u>72,979</u>	<u>505,674</u>	<u>21,824</u>	<u>149,090</u>	<u>94,803</u>	<u>654,764</u>
Net Position:						
Net investment in capital assets	4,172,445	3,071,790	16,093,195	14,578,165	20,265,640	17,649,955
Restricted	882,772	2,918,471	-	-	882,772	2,918,471
Unrestricted	1,787,863	1,184,089	3,120,512	2,402,386	4,908,375	3,586,475
Total Net Position	<u>\$ 6,843,080</u>	<u>\$ 7,174,350</u>	<u>\$ 19,213,707</u>	<u>\$ 16,980,551</u>	<u>\$ 26,056,787</u>	<u>\$ 24,154,901</u>

Below is a summary of the City's Statement of Activities.

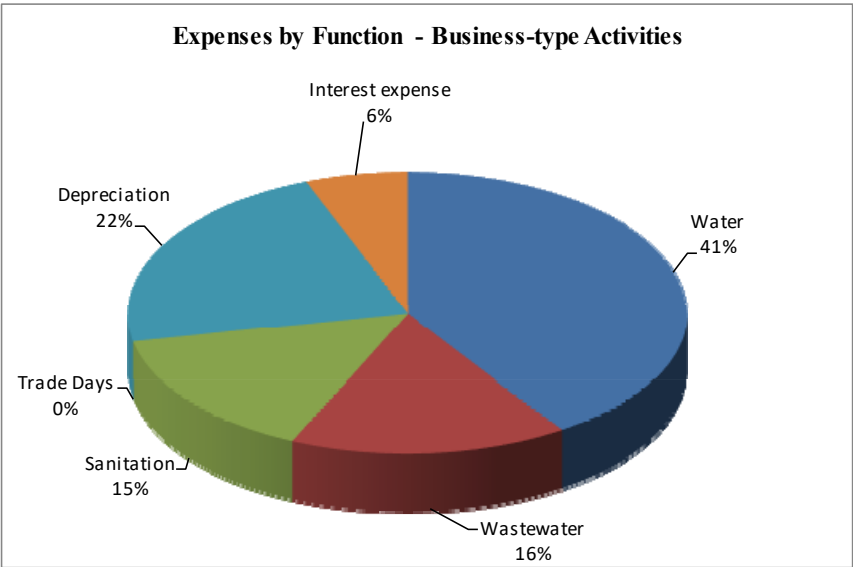
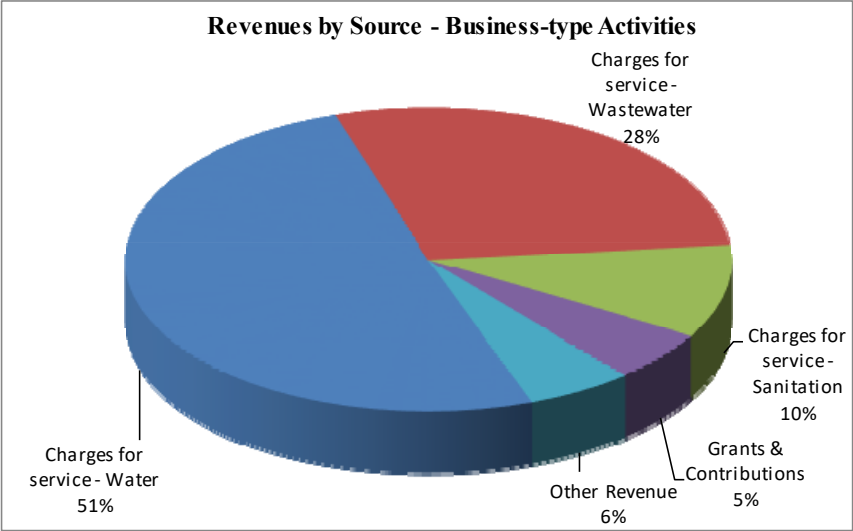
Statement of Activities							
	Governmental Activities		Business-type Activities		Total		
	2023	2022	2023	2022	2023	2022	
Revenues:							
Program revenues:							
Charges for services	\$ 199,094	\$ 219,177	\$ 4,718,800	\$ 4,469,098	\$ 4,917,894	\$ 4,688,275	
Operating grants and contributions	19,760	22,986	-	-	19,760	22,986	
Capital grants and contributions	-	-	290,457	1,173,392	290,457	1,173,392	
General revenues:					-	-	
Property taxes	2,552,845	2,161,734	-	-	2,552,845	2,161,734	
Sales and use taxes	1,731,027	1,715,876	-	-	1,731,027	1,715,876	
Franchise taxes	463,958	458,884	-	-	463,958	458,884	
Hotel motel taxes	51,221	72,339	-	-	51,221	72,339	
Investment earnings	85,551	(84,020)	299,594	19,462	385,145	(64,558)	
Other Revenue	181,835	82,900	-	-	181,835	82,900	
Total revenues	5,285,291	4,649,876	5,308,851	5,661,952	10,594,142	10,311,828	
Expenses							
General government	1,261,456	1,104,012	-	-	1,261,456	1,104,012	
Public Safety	2,146,909	1,734,148	-	-	2,146,909	1,734,148	
Public Works	702,407	832,734	-	-	702,407	832,734	
Health and sanitation	-	-	556,316	828,944	556,316	828,944	
Cemetery	82,830	84,947	-	-	82,830	84,947	
Parks	396,897	261,541	-	-	396,897	261,541	
Community services	16,560	15,569	-	-	16,560	15,569	
Tourism	84,684	43,962	-	-	84,684	43,962	
Interest on long-term	136,128	118,242	-	-	136,128	118,242	
Bond issuance costs	190,024	-	-	-	190,024	-	
Water and wastewater	-	-	3,113,019	2,935,739	3,113,019	2,935,739	
Trade Days	-	-	5,026	8,126	5,026	8,126	
Total expenses	5,017,895	4,195,155	3,674,361	3,772,809	8,692,256	7,967,964	
Increase (decrease) in net position							
before transfers	267,396	454,721	1,634,490	1,889,143	1,901,886	2,343,864	
Transfers	(598,666)	247,168	598,666	(247,168)	-	-	
Increase (decrease) in net position	(331,270)	701,889	2,233,156	1,641,975	1,901,886	2,343,864	
Net Position October 1 - Restated	7,174,350	6,472,461	16,980,551	15,338,576	24,154,901	21,811,037	
Net Position September 30	\$ 6,843,080	\$ 7,174,350	\$ 19,213,707	\$ 16,980,551	\$ 26,056,787	\$ 24,154,901	

**Governmental Activities.** Governmental activities decreased the City's net position by \$331,270 in the current year. Total governmental activities revenues increased by \$635,415. Property and sales taxes increased \$391,111 and \$15,151 respectively due to a \$57 million increase in property values and more local taxable sales. Total governmental activities expenses increased \$822,740 (20%). The largest increase was salaries and benefits in public safety due to being closer to full staff. Below are two graphs summarizing governmental revenue and expense:



**Business-type activities.** Business-type activities increased the City's net position by \$2,233,156. The business-type activities total revenues decreased \$353,101 and total expenses decreased \$98,448. Charges for service increased \$249,702 primarily because more gallons of water were sold and rate changes. Capital grants and contributions decreased \$882,935. The largest decrease in expenses was \$272,628 in health and sanitation expense due to the City no longer billing for any commercial trash service.

Below are two graphs summarizing business-type activities revenue and expense:



## Financial Analysis of the Government's Funds

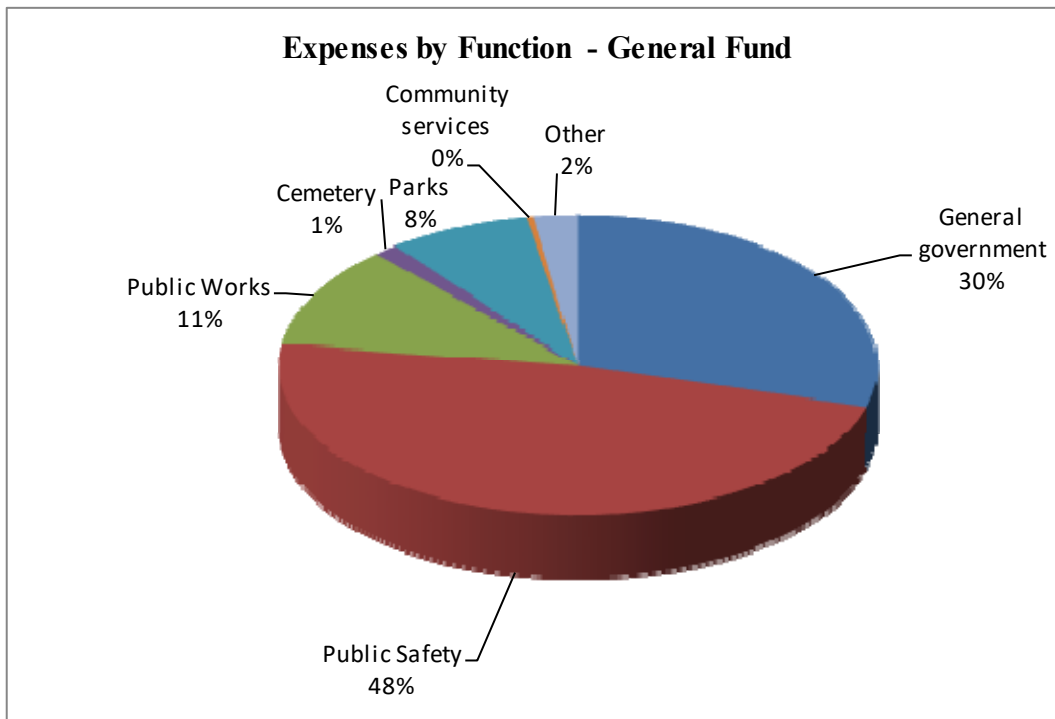
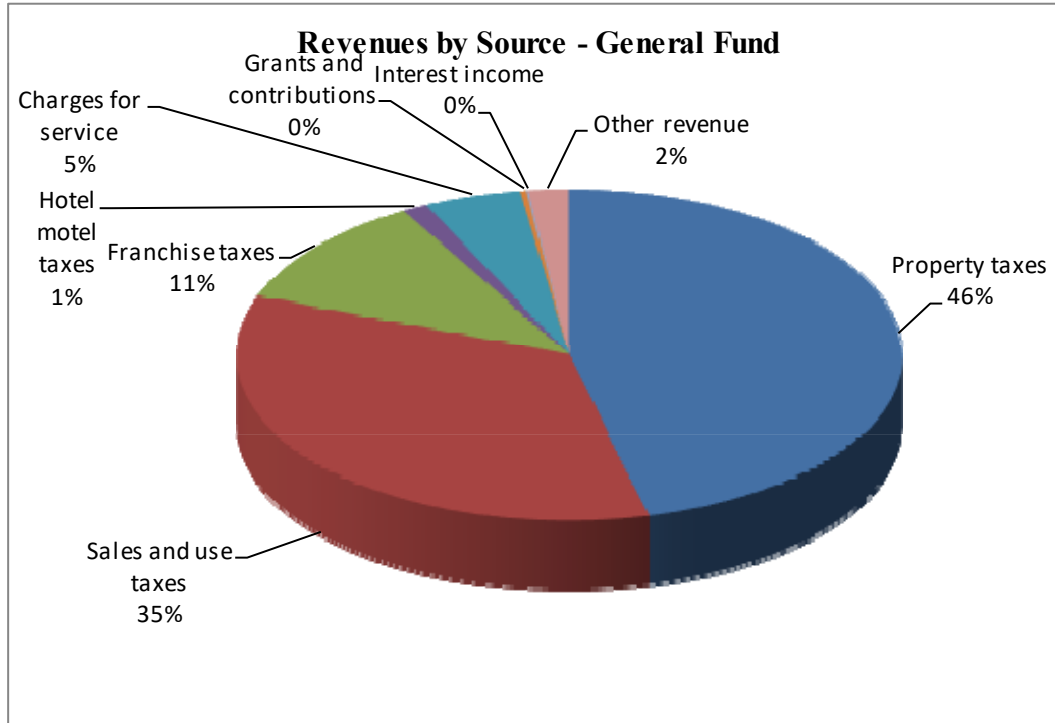
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At year end, the City's governmental funds reported combined ending fund balances of \$11,129,231. \$1,546,443 (14%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either restricted, committed or assigned. The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,546,443. Below is a comparison of the general fund's net change in fund balance for 2023 and 2022.

	2023	2022	Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Taxes:				
Property taxes	\$ 1,921,841	\$ 1,553,628	\$ 368,213	23.70%
Sales and use tax	1,443,302	1,430,749	12,553	0.88%
Franchise	457,358	459,682	(2,324)	-0.51%
Hotel motel taxes	51,221	72,339	(21,118)	-29.19%
Charges for service	196,765	215,040	(18,275)	-8.50%
Grants and contributions	12,300	8,113	4,187	51.61%
Interest income	3,901	2,365	1,536	64.95%
Other revenue	81,049	28,763	52,286	181.78%
Total revenues	<u>4,167,737</u>	<u>3,770,679</u>	<u>397,058</u>	<u>10.53%</u>
Expenditures:				
Current				
General government	1,231,872	1,093,393	138,479	12.67%
Public Safety	2,003,372	1,833,842	169,530	9.24%
Public Works	457,340	508,466	(51,126)	-10.05%
Cemetery	55,427	61,339	(5,912)	-9.64%
Parks	322,780	231,698	91,082	39.31%
Community services	15,668	14,677	991	6.75%
Tourism	84,684	43,962	40,722	92.63%
Debt service:				
Principal	13,253	12,850	403	3.14%
Interest and fiscal charges	1,384	1,787	(403)	-22.55%
Total expenditures	<u>4,185,780</u>	<u>3,802,014</u>	<u>383,766</u>	<u>10.09%</u>
Other financing sources (uses):				
Insurance recoveries	56,714	47,539	9,175	19.30%
Transfers in	505,000	479,500	25,500	5.32%
Transfers out	<u>(75,000)</u>	<u>-</u>	<u>(75,000)</u>	<u>-100.00%</u>
Net change in fund balances	<u>\$ 468,671</u>	<u>\$ 495,704</u>	<u>\$ (27,033)</u>	<u>\$ -5.45%</u>

Below are two graphs summarizing general fund revenue and expenditures.





**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund, Wastewater Fund, Sanitation Fund, and Trade Days Fund at the end of the year amounted to \$3,120,512. The total change in net position was \$2,233,156. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights

During the year the City amended its budget. General fund budgeted revenues increased \$49,166. Actual revenues were \$134,129 less than budgeted. Budget amendments increased expenditures \$99,562. Actual expenditures of the general fund were \$555,094 less than budgeted.

### Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2023, amounts to \$28,097,603 (net of accumulated depreciation). Major capital asset events during the current fiscal year included the following:

#### Governmental Activities:

- \$1,034,150 for street improvements
- \$89,667 for two public safety intangible right-to-use leased vehicles
- \$45,581 for a park generator

#### Business-type activities:

- \$901,752 for the meter replacement project and utility line relocation projects
- \$33,415 for a water treatment intangible right-to-use leased vehicle
- \$311,174 for WWTP improvements and the prison lift station

### The City of Breckenridge's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 194,785	\$ 194,785	\$ 193,297	\$ 193,297	\$ 388,082	\$ 388,082
Construction in progress	1,049,400	15,250	636,386	1,160,127	1,685,786	1,175,377
Land Improvements	-	-	29,658	30,581	29,658	30,581
Buildings and improvements	494,839	532,585	318,761	345,845	813,600	878,430
Water and sewer systems	-	-	18,616,976	17,624,579	18,616,976	17,624,579
Infrastructure	5,779,070	5,938,710	-	-	5,779,070	5,938,710
Vehicles and equipment	420,650	573,789	205,342	251,152	625,992	824,941
Intangible right-to-use equipment	123,168	49,906	35,271	5,614	158,439	55,520
Total	<u>\$ 8,061,912</u>	<u>\$ 7,305,025</u>	<u>\$ 20,035,691</u>	<u>\$ 19,611,195</u>	<u>\$ 28,097,603</u>	<u>\$ 26,916,220</u>

Additional information on the City's capital assets can be found in the notes to the financial statements.

## Long-Term Debt

### City of Breckenridge's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Financed Purchases	\$ 120,953	\$ 178,568	\$ 20,257	\$ 29,896	\$ 141,210	\$ 208,464
Lease Financing Payable	124,771	50,667	35,752	5,698	160,523	56,365
Certificates of Obligation	11,645,000	4,004,000	9,087,000	10,025,000	20,732,000	14,029,000
Total	<u>\$ 11,890,724</u>	<u>\$ 4,233,235</u>	<u>\$ 9,143,009</u>	<u>\$ 10,060,594</u>	<u>\$ 21,033,733</u>	<u>\$ 14,293,829</u>

During 2023 the City issued \$8,385,000 in Combination Tax and Surplus Revenue Certificates of Obligation.

No direct funded debt limitation is imposed on the City under current state law or the City's Home Rule Charter. More detailed information about the City's debt is presented in the notes to the Financial Statements.

### Economic factors and the Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2024 budget, tax rate, and fees that will be charged for the governmental and business-type activities. The major factor affecting all decisions is the changing economy within the framework of the national economic recovery. Along with the rest of the nation, Breckenridge only saw a minimal increase in sales and hotel occupancy taxes. In addition, the local oil and gas industry continues to struggle and remains very volatile. Based on these two factors, sales tax projections remained flat for the fiscal year 2024 budget.

The City prides itself on a quality school district and "hometown" atmosphere. The Breckenridge Economic Development Corporation (BEDC) works to attract businesses with relocation incentives as well as business retention incentives such as workforce training opportunities in coordination with the school district and Texas State Technical College. The BEDC receives one-fourth of the sales tax collected and remitted to the City to support these growth and development initiatives. The City of Breckenridge considered these factors when adopting the General Fund budget for fiscal year 2024. The budgeted revenues for fiscal year 2024 total \$4,917,969 for the General Fund, which is a \$160,269 or 3.37% increase from the previous fiscal year budget. Ad valorem tax revenue is determined by two factors – the total assessed value established by the Stephens County Appraisal District and the tax rate established by the Breckenridge City Commission. The property tax rate for the budgeted year increased by 0.03471 cents to \$1.05471 per hundred dollars of assessed value for 2023. Certified taxable property value is \$282,363,231. This is a 9.61% increase over the last year's values, or \$24.7 million.

**Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers and all investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, you may contact the City Offices at 105 North Rose Avenue or by telephone at 254-559-8287.

Readers can find separately issued financial statements for the Breckenridge Economic Development Corporation at the Chamber of Commerce, 100 East Elm Street, Breckenridge, Texas 76424.

## **BASIC FINANCIAL STATEMENTS**

## EXHIBIT A-1

CITY OF BRECKENRIDGE, TEXAS  
Statement of Net Position  
September 30, 2023

	Primary Government			Component Unit
	Governmental	Business-type		Breckenridge
	Activities	Activities	Total	Economic
				Development
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 2,008,648	\$ 2,490,472	\$ 4,499,120	\$ 1,425,069
Investments	8,990,868	-	8,990,868	
Receivables (Net of allowances for uncollectibles)				
Property taxes	173,329	-	173,329	-
Other taxes	408,277	-	408,277	99,229
Accounts	11,195	563,321	574,516	-
Miscellaneous	21,011	-	21,011	634,942
Supplies inventory	-	179,978	179,978	-
Restricted assets:				
Cash and cash equivalents	-	8,055,693	8,055,693	-
Notes receivable	-	-	-	174,666
Capital assets (net of accumulated depreciation):				
Non-depreciable assets	1,244,185	829,683	2,073,868	56,546
Depreciable assets	6,817,727	19,206,008	26,023,735	185,380
Land held for economic development, at cost				2,302,223
<b>Total Assets</b>	<b>19,675,240</b>	<b>31,325,155</b>	<b>51,000,395</b>	<b>4,878,055</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflow related to TMRS pension	611,290	183,952	795,242	-
Deferred outflow related to TMRS OPEB	25,366	7,124	32,490	-
<b>Total Deferred Outflows of Resources</b>	<b>636,656</b>	<b>191,076</b>	<b>827,732</b>	<b>-</b>
<b>LIABILITIES:</b>				
Accounts Payable	184,586	184,961	369,547	92,150
Accrued Payroll	27,219	10,105	37,324	894
Due to other governments	9,022	-	9,022	-
Unearned Revenue	-	2,422,779	2,422,779	-
Current Liabilities Payable from Restricted Assets:				
Interest payable	22,728	8,445	31,173	-
Customer deposits	-	267,819	267,819	-
Noncurrent liabilities:				
Due within one year	444,339	311,393	755,732	-
Due in more than one year	12,707,943	9,075,198	21,783,141	-
<b>Total Liabilities</b>	<b>13,395,837</b>	<b>12,280,700</b>	<b>25,676,537</b>	<b>93,044</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflow related to TMRS pension	5,932	1,774	7,706	-
Deferred inflow related to TMRS OPEB	67,047	20,050	87,097	-
Deferred inflows - leases	-	-	-	634,942
<b>Total Deferred Inflows of Resources</b>	<b>72,979</b>	<b>21,824</b>	<b>94,803</b>	<b>634,942</b>
<b>NET POSITION:</b>				
Net Investments in Capital Assets	4,172,445	16,093,195	20,265,640	241,926
Restricted Net Position (Expendable)				
Restricted for USDA loan program	-	-	-	484,572
Debt service	176,537	-	176,537	-
Property tax reduction	17,632	-	17,632	-
Public safety	23,006	-	23,006	-
Public works	100,062	-	100,062	-
Cemetery	555,923	-	555,923	-
Parks	9,612	-	9,612	-
Unrestricted Net Position	1,787,863	3,120,512	4,908,375	3,423,571
<b>Total Net Position</b>	<b>\$ 6,843,080</b>	<b>\$ 19,213,707</b>	<b>\$ 26,056,787</b>	<b>\$ 4,150,069</b>

The notes to the financial statements are an integral part of this statement.

CITY OF BRECKENRIDGE, TEXAS  
Statement of Activities  
For the Year Ended September 30, 2023

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 1,261,456	\$ 25,209	\$ -	\$ -
Public Safety	2,146,909	158,644	8,898	-
Public Works	702,407	-	-	-
Cemetery	82,830	14,141	10,497	-
Parks	396,897	1,100	365	-
Community services	16,560	-	-	-
Tourism	84,684	-	-	-
Interest on long-term debt	136,128	-	-	-
Bond Issuance Cost	190,024	-	-	-
Total governmental activities	<u>5,017,895</u>	<u>199,094</u>	<u>19,760</u>	<u>-</u>
Business-type activities:				
Water and wastewater	3,113,019	4,191,115	-	290,457
Sanitation	556,316	527,685	-	-
Trade Days	5,026	-	-	-
Total business-type activities	<u>3,674,361</u>	<u>4,718,800</u>	<u>-</u>	<u>290,457</u>
Total primary government	\$ <u>8,692,256</u>	\$ <u>4,917,894</u>	\$ <u>19,760</u>	\$ <u>290,457</u>
<b>Component Unit</b>				
Governmental activities:				
General administration	\$ 142,904	\$ -	\$ -	\$ -
Economic development	299,152	-	-	-
Community development	63,698	-	-	-
Interest on long-term debt	2,251	-	-	-
Total component unit	\$ <u>508,005</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

General Revenues:

Taxes:

Property Taxes, levied for general purposes

Property Taxes, levied for debt service

Sales and Use Taxes

Franchise Taxes

Hotel Motel Taxes

Investment Earnings

Other Revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position October 1, 2022

Net Position September 30, 2023

The notes to the financial statements are an integral part of this statement.

## EXHIBIT B-1

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Breckenridge Economic Development
\$ (1,236,247)	\$ -	\$ (1,236,247)	\$ -
(1,979,367)	-	(1,979,367)	-
(702,407)	-	(702,407)	-
(58,192)	-	(58,192)	-
(395,432)	-	(395,432)	-
(16,560)	-	(16,560)	-
(84,684)	-	(84,684)	-
(136,128)	-	(136,128)	-
(190,024)	-	(190,024)	-
<u>(4,799,041)</u>	<u>-</u>	<u>(4,799,041)</u>	<u>-</u>
-	1,368,553	1,368,553	-
-	(28,631)	(28,631)	-
-	(5,026)	(5,026)	-
<u>-</u>	<u>1,334,896</u>	<u>1,334,896</u>	<u>-</u>
\$ <u>(4,799,041)</u>	\$ <u>1,334,896</u>	\$ <u>(3,464,145)</u>	\$ <u>-</u>
\$ -	\$ -	\$ -	\$ (142,904)
-	-	-	(299,152)
-	-	-	(63,698)
-	-	-	(2,251)
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(508,005)</u>
\$ 1,928,965	\$ -	\$ 1,928,965	\$ -
623,880	-	623,880	-
1,731,027	-	1,731,027	575,451
463,958	-	463,958	-
51,221	-	51,221	-
85,551	299,594	385,145	46,216
181,835	-	181,835	164,427
(598,666)	598,666	-	-
<u>4,467,771</u>	<u>898,260</u>	<u>5,366,031</u>	<u>786,094</u>
(331,270)	2,233,156	1,901,886	278,089
7,174,350	16,980,551	24,154,901	3,871,981
\$ <u>6,843,080</u>	\$ <u>19,213,707</u>	\$ <u>26,056,787</u>	\$ <u>4,150,070</u>



## EXHIBIT C-1

CITY OF BRECKENRIDGE, TEXAS  
Balance Sheet  
Governmental Funds  
September 30, 2023

	General Fund	General Debt Service Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Assets:					
Cash and cash equivalents	\$ 1,349,166	\$ 151,300	\$ 128,834	379,348	\$ 2,008,648
Investments	-	-	8,434,944	555,924	8,990,868
Receivables (Net of allowances)					
Property taxes	125,364	47,965	-	-	173,329
Other taxes	358,662	-	-	49,615	408,277
Accounts	11,195	-	-	-	11,195
Miscellaneous	21,011	-	-	-	21,011
Total assets	\$ <u>1,865,398</u>	\$ <u>199,265</u>	\$ <u>8,563,778</u>	<u>984,887</u>	\$ <u>11,613,328</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 49,777	\$ -	\$ 115,516	19,293	\$ 184,586
Accrued payroll	27,219	-	-	-	27,219
Due to other governments	9,022	-	-	-	9,022
Total liabilities	<u>86,018</u>	<u>-</u>	<u>115,516</u>	<u>19,293</u>	<u>220,827</u>
Deferred inflows of resources:					
Deferred property tax	125,364	47,965	-	-	173,329
Other deferred revenue	89,941	-	-	-	89,941
Total deferred inflows of resources	<u>215,305</u>	<u>47,965</u>	<u>-</u>	<u>-</u>	<u>263,270</u>
Fund Balances:					
Restricted fund balance	17,632	151,300	8,448,262	688,604	9,305,798
Committed fund balance	-	-	-	276,990	276,990
Unassigned Fund Balance	1,546,443	-	-	-	1,546,443
Total fund balances	<u>1,564,075</u>	<u>151,300</u>	<u>8,448,262</u>	<u>965,594</u>	<u>11,129,231</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>1,865,398</u>	\$ <u>199,265</u>	\$ <u>8,563,778</u>	<u>984,887</u>	\$ <u>11,613,328</u>

**EXHIBIT C-2**

CITY OF BRECKENRIDGE, TEXAS  
Reconciliation of the Governmental Funds Balance Sheet  
To the Statement of Net Position  
September 30, 2023

Total Fund Balances - Governmental Funds	11,129,231
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of these assets was \$13,229,568 and the accumulated depreciation was \$5,167,656.	8,061,912
Long-term liabilities, including \$120,952 financed purchases, \$124,771 lease financing payable and \$12,092,007 certificates of obligation bonds are not due and payable in the current period and, therefore are not reported as liabilities in the fund financial statements.	(12,337,731)
Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the statement of net position. Including interest payable results in a decrease to net position.	(22,728)
Property taxes, franchise taxes, and municipal court fines and fees are not available soon enough to pay for the current period's expenditures and therefore are deferred inflows of resources in the fund financial statements.	263,270
Included in the items related to noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$673,392 , a Deferred Resource Inflow related to pensions in the amount of \$5,932, and a Deferred Resource Outflow related to pensions in the amount of \$611,290. This results in a decrease in Net Position.	(68,034)
Included in the items related to noncurrent liabilities is the recognition of the City's total OPEB liability required by GASB 75 in the amount of \$141,160, Deferred Resource Inflow related to OPEB in the amount of \$67,047, and a Deferred Resource Outflow related to OPEB in the amount of \$25,367. This results in a decrease in Net Position.	(182,840)
Net Position of Governmental Activities	<hr/> 6,843,080 <hr/>

The notes to the financial statements are an integral part of this statement.

## EXHIBIT C-3

CITY OF BRECKENRIDGE, TEXAS  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the year ended September 30, 2023

	General Fund	General Debt Service Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property taxes	\$ 1,921,841	\$ 623,026	\$ -	-	\$ 2,544,867
Sales and use tax	1,443,302	-	-	287,725	1,731,027
Franchise	457,358	-	-	-	457,358
Hotel motel taxes	51,221	-	-	-	51,221
Charges for service	196,765	-	-	-	196,765
Grants and contributions	12,300	-	-	7,460	19,760
Investment earnings	3,901	4,189	42,959	34,502	85,551
Other revenue	81,049	-	-	3,152	84,201
Total revenues	<u>4,167,737</u>	<u>627,215</u>	<u>42,959</u>	<u>332,839</u>	<u>5,170,750</u>
Expenditures:					
Current					
General government	1,231,872	-	-	-	1,231,872
Public Safety	2,003,372	-	-	11,753	2,015,125
Public Works	457,340	-	-	55,195	512,535
Cemetery	55,427	-	-	21,924	77,351
Parks	322,780	-	-	-	322,780
Community services	15,668	-	-	-	15,668
Tourism	84,684	-	-	-	84,684
Capital Outlay	-	-	1,106,681	117,408	1,224,089
Debt service:					
Principal	13,253	744,000	-	59,899	817,152
Interest and fiscal charges	1,384	112,890	-	6,969	121,243
Bond issuance costs	-	-	190,023	-	190,023
Total expenditures	<u>4,185,780</u>	<u>856,890</u>	<u>1,296,704</u>	<u>273,148</u>	<u>6,612,522</u>
Excess (deficiency) of revenue over (under) expenditures)	\$ <u>(18,043)</u>	\$ <u>(229,675)</u>	\$ <u>(1,253,745)</u>	<u>59,691</u>	\$ <u>(1,441,772)</u>
Other financing sources (uses):					
Proceeds from Bonds	-	-	8,385,000	-	8,385,000
Bond Premium	-	-	447,007	-	447,007
Lease Financing	-	-	-	89,667	89,667
Insurance recoveries	56,714	-	-	-	56,714
Gain On Sale of Assets	-	-	-	73,226	73,226
Transfers in	505,000	-	870,000	147,338	1,522,338
Transfers out	<u>(75,000)</u>	<u>(1,165,364)</u>	<u>-</u>	<u>(880,640)</u>	<u>(2,121,004)</u>
Net change in fund balances	468,671	(1,395,039)	8,448,262	(510,718)	7,011,176
Fund balance, October 1, 2022	<u>1,095,404</u>	<u>1,546,339</u>	<u>-</u>	<u>1,476,312</u>	<u>4,118,055</u>
Fund balance, September 30, 2023	\$ <u><u>1,564,075</u></u>	\$ <u><u>151,300</u></u>	\$ <u><u>8,448,262</u></u>	<u><u>965,594</u></u>	\$ <u><u>11,129,231</u></u>

The notes to the financial statements are an integral part of this statement.

**EXHIBIT C-4**

CITY OF BRECKENRIDGE, TEXAS  
Reconciliation of Statement of Revenues,  
Expenditures and Changes in Fund Balances of  
The Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2023

Total Net Change in Fund Balances - Governmental Funds	7,011,176
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$1,169,398 of capital outlays and \$817,151 of debt principal payments is to increase net position.	1,986,549
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals and transfers between activities) is to decrease net position.	(32,306)
Depreciation and amortization is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation and amortization is to decrease net position.	(380,205)
Current year financed purchases are other financing sources in the fund financial statements. The increase in long-term debt is a decrease in net position.	(8,921,674)
Current year interest payable of the governmental funds is not due and payable in the current period and, therefore is not reported as a liability in the funds. The increase in interest payable decreases net position.	(14,885)
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.	16,935
GASB 68 required the City to recognize their net pension liability, deferred resource inflow related to pension, and deferred resource outflow related to pension. The changes in these balances decrease net pension.	(885)
GASB 75 requires the City to recognize their OPEB liability and deferred resource outflow related to OPEB. The changes in these balances decreased net pension.	4,025
Change in Net Position of Governmental Activities	<u>(331,270)</u>

The notes to the financial statements are an integral part of this statement.

## Exhibit D-1

CITY OF BRECKENRIDGE, TEXAS  
Statement of Net Position  
Proprietary Funds  
September 30, 2023

	Enterprise Funds				
	Water Fund	Wastewater Fund	Sanitation Fund	Trade Days Fund	Totals
<b>ASSETS:</b>					
Current Assets:					
Cash and cash equivalents	\$ 1,211,548	\$ 1,218,444	\$ 21,055	\$ 39,425	\$ 2,490,472
Receivables (Net of allowances):					
Accounts	340,011	180,637	42,673	-	563,321
Supplies inventory	179,978	-	-	-	179,978
Restricted Assets:					
Cash and cash equivalents	3,912,591	4,143,102	-	-	8,055,693
Total current assets	5,644,128	5,542,183	63,728	39,425	11,289,464
Noncurrent Assets:					
Capital assets, at cost:					
Land and land improvements	165,068	22,289	39,000	18,382	244,739
Construction in progress	569,436	66,950	-	-	636,386
Buildings and improvements	993,146	108,363	-	209,321	1,310,830
Water system	20,354,460	-	-	-	20,354,460
Wastewater system	-	10,079,274	-	-	10,079,274
Vehicles and equipment	458,809	441,426	-	-	900,235
Intangible Right-to-Use - Leased Equipment	36,987	3,572	-	-	40,559
Less: accumulated depreciation and amortization	(9,247,892)	(4,240,739)	-	(42,161)	(13,530,792)
Capital assets, net	13,330,014	6,481,135	39,000	185,542	20,035,691
Total noncurrent assets	13,330,014	6,481,135	39,000	185,542	20,035,691
Total assets	18,974,142	12,023,318	102,728	224,967	31,325,155
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflow related to TMRS pension	132,916	51,036	-	-	183,952
Deferred outflow related to TMRS OPEB	5,510	1,614	-	-	7,124
Total Deferred Outflows of Resources	138,426	52,650	-	-	191,076
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts payable	106,324	32,424	46,213	-	184,961
Accrued payroll	7,451	2,243	411	-	10,105
Unearned revenues	1,262,309	1,160,470	-	-	2,422,779
Current portion of long-term debt	198,764	112,629	-	-	311,393
Interest payable	5,722	2,723	-	-	8,445
Current Liabilities Payable from Restricted Assets:					
Customer deposits payable	267,819	-	-	-	267,819
Total current liabilities	1,848,389	1,310,489	46,624	-	3,205,502
Noncurrent Liabilities:					
Long-term portion of bonds payable	5,005,980	3,787,020	-	-	8,793,000
Long-term portion of financed purchases payable	10,295	-	-	-	10,295
Long-term portion of lease financing payable	26,985	1,335	-	-	28,320
Net pension liability	148,359	53,010	-	-	201,369
Total OPEB liability	31,101	11,113	-	-	42,214
Total noncurrent liabilities	5,222,720	3,852,478	-	-	9,075,198
Total liabilities	7,071,109	5,162,967	46,624	-	12,280,700
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflow related to TMRS	1,307	467	-	-	1,774
Deferred inflow related to OPEB	14,772	5,278	-	-	20,050
Total Deferred Inflows of Resources	16,079	5,745	-	-	21,824
<b>NET POSITION:</b>					
Net Investment in Capital Assets	10,354,781	5,513,872	39,000	185,542	16,093,195
Unrestricted	1,670,599	1,393,384	17,104	39,425	3,120,512
Total net position	\$ 12,025,380	\$ 6,907,256	\$ 56,104	\$ 224,967	\$ 19,213,707

The notes to the financial statements are an integral part of this statement.

## Exhibit D-2

CITY OF BRECKENRIDGE, TEXAS  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended September 30, 2023

	Enterprise Funds				
	Water Fund	Wastewater Fund	Sanitation Fund	Trade Days Fund	Totals
Operating revenues:					
Charges for sales and services	\$ 2,616,545	\$ 1,489,657	\$ 525,184	\$ -	\$ 4,631,386
Miscellaneous	68,676	16,237	2,501	-	87,414
Total operating revenue	<u>2,685,221</u>	<u>1,505,894</u>	<u>527,685</u>	<u>-</u>	<u>4,718,800</u>
Operating expenses:					
Water and sewer commercial	157,287	2,149	-	-	159,436
Water meters and readers	60,944	-	-	-	60,944
Lake Daniel	15,026	-	-	-	15,026
Water production	878,741	-	-	-	878,741
Water distribution	382,052	-	-	-	382,052
Sewer collection	-	260,394	-	-	260,394
Sewer treatment	-	327,620	-	-	327,620
Solid waste	-	-	552,116	-	552,116
Depreciation and amortization	577,299	235,318	4,200	5,026	821,843
Total operating expenses	<u>2,071,349</u>	<u>825,481</u>	<u>556,316</u>	<u>5,026</u>	<u>3,458,172</u>
Operating income (loss)	<u>613,872</u>	<u>680,413</u>	<u>(28,631)</u>	<u>(5,026)</u>	<u>1,260,628</u>
Nonoperating revenues (expenses):					
Interest revenue	141,089	158,174	106	225	299,594
Interest expense and fiscal charges	<u>(149,563)</u>	<u>(66,626)</u>	<u>-</u>	<u>-</u>	<u>(216,189)</u>
Total nonoperating revenues (expenses)	<u>(8,474)</u>	<u>91,548</u>	<u>106</u>	<u>225</u>	<u>83,405</u>
Income (loss) before contributions and transfers	<u>605,398</u>	<u>771,961</u>	<u>(28,525)</u>	<u>(4,801)</u>	<u>1,344,033</u>
Transfers (to) from other funds and contributions:					
Capital Grants & Contributions	244,317	46,140	-	-	290,457
Transfers in	1,036,375	139,629	-	-	1,176,004
Transfers out	<u>(402,338)</u>	<u>(175,000)</u>	<u>-</u>	<u>-</u>	<u>(577,338)</u>
Change in Net Position	1,483,752	782,730	(28,525)	(4,801)	2,233,156
Net Position, October 1, 2022	<u>10,541,628</u>	<u>6,124,526</u>	<u>84,629</u>	<u>229,768</u>	<u>16,980,551</u>
Net Position, September 30, 2023	<u>\$ 12,025,380</u>	<u>\$ 6,907,256</u>	<u>\$ 56,104</u>	<u>\$ 224,967</u>	<u>\$ 19,213,707</u>

## EXHIBIT D-3

CITY OF BRECKENRIDGE, TEXAS  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended September 30, 2023

	Enterprise Funds				
	Water Fund	Wastewater Fund	Sanitation Fund	Trade Days Fund	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 2,625,013	\$ 1,476,726	\$ 523,773	\$ -	\$ 4,625,512
Cash paid to suppliers	(1,249,974)	(442,819)	(524,243)	-	(2,217,036)
Cash paid to employees	(408,990)	(185,116)	(23,510)	-	(617,616)
Net cash provided (used) by operating activities	<u>966,049</u>	<u>848,791</u>	<u>(23,980)</u>	<u>-</u>	<u>1,790,860</u>
Cash flow from noncapital financing activities:					
Transfers in	1,036,375	139,629	-	-	1,176,004
Transfers out	(402,338)	(175,000)	-	-	(577,338)
Net cash provided (used) by noncapital financing activities	<u>634,037</u>	<u>(35,371)</u>	<u>-</u>	<u>-</u>	<u>598,666</u>
Cash flow from capital and related financing activities:					
Capital expenditures	(901,752)	(311,174)	-	-	(1,212,926)
Principal payments on long-term debt	(884,586)	(66,415)	-	-	(951,001)
Interest paid on bonds	(155,273)	(74,037)	-	-	(229,310)
Net cash (used) by capital and related financing activities	<u>(1,941,611)</u>	<u>(451,626)</u>	<u>-</u>	<u>-</u>	<u>(2,393,237)</u>
Cash flow from investing activities:					
Interest received	<u>141,089</u>	<u>158,174</u>	<u>106</u>	<u>225</u>	<u>299,594</u>
Net cash provided by investing activities	<u>141,089</u>	<u>158,174</u>	<u>106</u>	<u>225</u>	<u>299,594</u>
Net increase (decrease) in cash and cash equivalents	(200,436)	519,968	(23,874)	225	295,883
Cash and cash equivalents, October 1, 2022	<u>5,324,575</u>	<u>4,841,578</u>	<u>44,929</u>	<u>39,200</u>	<u>10,250,282</u>
Cash and cash equivalents, September 30, 2023	<u>\$ 5,124,139</u>	<u>\$ 5,361,546</u>	<u>\$ 21,055</u>	<u>\$ 39,425</u>	<u>\$ 10,546,165</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating income	\$ 613,872	\$ 680,413	\$ (28,631)	\$ (5,026)	\$ 1,260,628
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	577,299	235,318	4,200	5,026	821,843
(Increase) decrease in accounts receivable	(70,064)	(29,168)	(3,912)	-	(103,144)
(Increase) decrease in supplies inventory	23,370	-	-	-	23,370
Increase (decrease) in accounts payable	(194,924)	(31,938)	4,261	-	(222,601)
Increase (decrease) in accrued payroll	2,922	379	102	-	3,403
Increase (decrease) in customer meter deposits	9,856	-	-	-	9,856
Increase (decrease) in net pension balances	2,406	(4,949)	-	-	(2,543)
Increase (decrease) in total OPEB balances	1,312	(1,264)	-	-	48
Total adjustments	<u>352,177</u>	<u>168,378</u>	<u>4,651</u>	<u>5,026</u>	<u>530,232</u>
Net cash provided by operating activities	<u>\$ 966,049</u>	<u>\$ 848,791</u>	<u>\$ (23,980)</u>	<u>\$ -</u>	<u>\$ 1,790,860</u>
Noncash Investing, Capital and Financial Activities					
Vehicle acquired with lease financing	\$ 33,415	\$ -	\$ -	\$ -	\$ 33,415
	<u>\$ 33,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,415</u>



**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City operates under a Home Rule/Commission/Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highway and streets, sanitation, social services, public improvements, planning and zoning, parks and recreation, and general administration services. Other services include water production and distribution and sewer disposal.

The reporting entity consists of the City of Breckenridge, Texas ("City") and its component unit. Component unit are legally separate entities for which the City is financially accountable or other organizations whose nature and significant relationship with the City are such that the exclusion would cause the City's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either the City's ability to impose its will on the organization or there is potential for the organization to provide a financial benefit to or impose a financial burden on the City.

The financial statements include one discretely presented component unit which has a September 30 year-end. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

*Discretely Presented Component Unit*

The Breckenridge Economic Development Corporation (the "BEDC") was incorporated under the Development Corporation Act of 1979 (the "Act"), with the approval of the City. The purpose of the BEDC is to promote the economic development of the City of Breckenridge through the use of a ½% 4B sales tax approved by the voters of the City. The BEDC receives its authority from the City of Breckenridge. While legally separate from the City, it is reported as part of the reporting entity under the discretely presented method because the City's elected officials are financially accountable for the BEDC. The City has the authority to appoint board members and approve budgets and contracts. The City is the sole beneficiary of the BEDC and will receive the remaining assets and assume the remaining liabilities upon termination. Readers can find separately issued financial statements for the Breckenridge Economic Development Corporation at the Chamber of Commerce, 100 East Elm Street, Breckenridge, Texas 76424.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, charges for service, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives payment.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *general debt service fund* was established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated.

The *general capital projects fund* is used to account for bonds proceeds issued for capital projects.

The City reports the following major proprietary funds:

The *water fund* is used to account for the operation of the water utility.

The *wastewater fund* is used to account for the operation of the wastewater utility.

The *sanitation fund* is used to account for the operation of residential trash.

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges and transfers between the governmental activities and the business-type activities, which cannot be eliminated.

Amounts reported as program revenues include 1) charges for customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. *Internally* dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds, distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund and wastewater fund are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Financial Statement Amounts**

**1. Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments that are highly liquid with maturity within three months or less when purchased.

**2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance for the general fund of \$125,364 and the general debt service fund of \$47,965 is equal to 50% of outstanding delinquent property taxes at September 30, 2023. The court fines and fees receivable is reported net of an allowance of \$20,596 which is 50% of the outstanding receivable. Trade accounts receivable in the enterprise funds are reported net of an allowance of \$93,934 which is the accounts aged over 60 days. The Breckenridge Economic Development Corporation notes receivable are reported net of an allowance of \$32,854 which is based on historical experience and collectability.

**3. Property Tax**

Ad valorem property taxes are levied each October 1 from valuations assessed as of the prior January 1 for all real and business personal property. Taxes are due on receipt of the tax bill and are delinquent if not paid before the following February 1. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest.

CITY OF BRECKENRIDGE, TEXAS

Notes to Financial Statements

September 30, 2023

NOTE 1:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Inventory

The City’s water fund inventory is recorded under the purchase method. Under the purchase method the inventory is first recorded as an expense when purchased and then adjusted at the end of the year to reflect the value of inventory at that date. Inventories held by the water fund are priced at the lower of cost or market on the first-in, first-out method.

5. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government and proprietary funds are depreciated using the straight-line method over the following estimated useful lives.

Infrastructure	30 - 50 years
Building	50 years
Building improvements	20 years
Vehicles	2 - 15 years
Office equipment	3 - 15 years
Computer equipment	3 - 5 years

The City has reported infrastructure capital assets acquired prior to the implementation of GASB Statement No. 34 at estimated historical cost.

6. Compensated Absences

Regular full-time employees earn vacation and sick leave in accordance with City guidelines. Vacation time may be accumulated up to 240 hours. The City does allow for the accumulation of sick leave, however, the sick leave is not paid upon an employee’s separation from services therefore a long-term liability has not been accrued.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when they are incurred and are no longer amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount.

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**8. Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and report amounts of revenues and expenses during the period. Actual amounts could differ from those estimates.

**9. Fund Balances – Governmental Funds**

In accordance with GASB No. 54, the City classified fund balances in the governmental funds as follows:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to formal action by City Commission, the City's highest level of decision making authority. Commitments may be modified or rescinded only through formal action of City Commission.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City's adopted policy, amounts may be assigned by the City Manager and the City Secretary.

Unassigned – All amounts not included in other spendable classifications.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been first spent out of committed funds, then assigned, and finally unassigned as needed.

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The following table is a summary of the fund balance of the governmental funds.

	General Fund	General Debt Service Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Restricted:					
Debt service	\$ -	\$ 151,300	\$ -	\$ -	\$ 151,300
Property tax reduction	17,632	-	-	-	17,632
Public Safety	-	-	-	23,006	23,006
Public Works	-	-	-	100,062	100,062
Cemetery	-	-	-	555,924	555,924
Parks	-	-	-	9,612	9,612
Capital projects	-	-	8,448,262	-	8,448,262
Committed:			-	-	-
Equipment replacement	-	-	-	276,990	276,990
Unassigned	1,546,443	-	-	-	1,546,443
	<u>\$ 1,564,075</u>	<u>\$ 151,300</u>	<u>\$ 8,448,262</u>	<u>\$ 965,594</u>	<u>\$ 11,129,231</u>

**10. Use of Restricted/Unrestricted Net Position**

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

**11. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2: DEPOSITS AND INVESTMENTS**

The City of Breckenridge investment policies and types of investments are governed by the State Public Funds Investment Act (the "Act"). The Act authorizes the City to invest, with certain restrictions, in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, money market savings accounts, certain municipal securities, repurchase agreements, banker's acceptances, mutual funds and investment pools. The City's management believes that it complied with the requirements of the Act and the City's investment policies.

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 2: DEPOSITS AND INVESTMENTS (continued)**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's funds are required to be deposited and invested under the terms of a depository contract. The City's deposits are required to be collateralized with securities held by the pledging institution's trust department or agent in the City's name. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance. The BEDC's deposits are secured by a pledge of securities and FDIC Insurance in BEDC's name. At September 30, 2023, the City's deposits were fully collateralized and insured however \$5,996 of BEDC's deposits were uninsured or collateralized. BEDC believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Credit Risk– Investments

The City controls credit risk by limiting its investments to those instruments allowed by the State Public Funds Investment Act described above.

Interest Rate Risk – Investments

As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

The City's fiduciary funds (Cemetery Perpetual Care Trust Fund) are invested in accordance with the provision of a trust agreement. These funds are invested by the trustee according to Section 113.056 of the Texas Trust Code. The City has the following types of investments:

Investment	Credit Rating	Cost	Fair Value	Percentage of Total Investments	Investment Maturities (in Years)			
					Less than 1 year	1-5 Years	6-10 Years	Over 10 Years
Cash	N/A	4,583	4,583	0.05%	4,583	-	-	-
Equity Mutual Funds	N/A	126,797	137,613	1.53%	137,613	-	-	-
Bond Mutual Funds	N/A	198,818	168,657	1.88%	168,657	-	-	-
Corporate Bonds	Aaa - Baa2	121,413	108,390	1.21%	4,882	72,815	16,862	13,831
U.S. Treasuries	N/A	73,844	60,294	0.67%	5,841	25,885	2,847	25,721
U.S. Government Agencies	N/A	86,833	76,387	0.85%	-	2,566	9,162	64,659
Logic Investment Pool	AAAm	8,434,944	8,434,944	93.82%	8,434,944	-	-	-
		<u>\$ 9,047,232</u>	<u>\$ 8,990,868</u>		<u>\$ 8,756,520</u>	<u>\$ 101,266</u>	<u>\$ 28,871</u>	<u>\$ 104,211</u>

Investment Valuation

All securities are stated at fair value as reported by the City's portfolio manager. For securities traded on a major exchange, market values are priced as of the statement date, September 30, 2023, as provided by various pricing services (Level 1 inputs). The method and frequency of pricing assets not traded on major exchanges varies depending on the type of assets (Level 2 inputs); therefore, the market value may not be a current value as of the statement date.



**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 3:      RESTRICTED ASSETS**

The following cash and investments in the government-wide statement of net position are restricted for the following purposes:

	<u>Cash</u>
Business-type Activities	
Customer water deposits	\$   267,819
Construction - water fund	3,644,772
Construction - wastewater fund	<u>4,143,102</u>
	<u>\$   8,055,693</u>

\$7,787,866 of the City's restricted cash balances are held in escrow accounts that investment in government securities money market funds. These funds were deposited in these escrow accounts pursuant to an agreement with the Texas Water Development Board. The escrowed funds are kept in separate accounts and can only be disbursed or withdrawn to pay the costs of approved projects and solely upon written authorization from the Texas Water Development Board.

Part of the Texas Water Development Board escrowed funds are loan forgiveness grants. At year-end the City reported \$2,422,779 unearned revenues in the business-type activities for the unspent portion of these grants. The grant revenue will be recognized as the funds are spent on the capital projects.

**NOTE 4:      DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify in this category. They are deferred outflow related to TMRS pension and deferred outflows related to TMRS OPEB reported in the government-wide statement of net position and proprietary funds statement of net position.

In addition to liabilities, the statement of financial position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resource (revenue) until that time. The City has three types of items in this category. Unavailable revenues for governmental funds and deferred inflows related to pensions and deferred inflows related to OPEB in the government-wide statement of net position and propriety funds statements are reported as deferred inflows of resources. The BEDC has deferred inflows related to leases. At the end of the fiscal year the components of deferred inflows in the governmental funds were as follows:

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 4: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (continued)**

**Deferred inflows of resources - governmental funds**

Deferred property taxes receivable (general fund)	\$ 125,364
Deferred property taxes receivable (general debt service fund)	47,965
Deferred franchise taxes receivable (general fund)	69,345
Deferred court fines (general fund)	20,596
Total deferred inflows for governmental funds	<u>\$ 263,270</u>

**NOTE 5: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS**

The composition of interfund transfers for the City's individual major funds and nonmajor funds at September 30, 2023, is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Water Fund	\$ 355,000
General Fund	Wastewater Fund	150,000
General Capital Projects Fund	Other governmental funds	870,000
Other governmental funds	General	75,000
Other governmental funds	Water Fund	47,338
Other governmental funds	Wastewater Fund	25,000
Total Governmental Funds Transfers In		<u>\$ 1,522,338</u>
Water Fund	General Debt Service Fund	\$ 1,025,735
Water Fund	General Capital Projects Fund	10,640
Wastewater Fund	General Debt Service Fund	139,629
Total Enterprise Funds Transfers In		<u>\$ 1,176,004</u>

Each year the water fund and wastewater fund transfer unrestricted revenues to finance various programs accounted for in the general fund in accordance with budgetary authorizations. Amounts transferred to the general capital projects fund and other governmental funds were for construction projects and equipment replacement. The general debt service fund was created to pay part of the water and wastewater debt and the amounts paid were treated as transfers.

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2023 was as follows:

Governmental activities:	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Transfers	
Non - Depreciable Assets:					
Land	\$ 194,785	\$ -	\$ -	\$ -	\$ 194,785
Construction in Progress	15,250	1,034,150	-	-	1,049,400
Total non-depreciable assets	210,035	1,034,150	-	-	1,244,185
Depreciable Assets:					
Buildings and improvements	1,561,651	-	-	-	1,561,651
Infrastructure	7,881,190	-	-	-	7,881,190
Vehicles and Equipment	2,718,891	45,581	(375,114)	-	2,389,358
Intangible Right-to-Use Lease vehicles and equipment	63,517	89,667	-	-	153,184
Total capital assets being depreciated	12,225,249	135,248	(375,114)	-	11,985,383
Accumulated Depreciation and Amortization:					
Buildings and improvements	(1,029,066)	(37,746)	-	-	(1,066,812)
Infrastructure	(1,942,480)	(159,640)	-	-	(2,102,120)
Vehicles and Equipment	(2,145,102)	(166,414)	342,808	-	(1,968,708)
Intangible Right-to-Use Lease - vehicles and equipment	(13,611)	(16,405)	-	-	(30,016)
Total accumulated depreciation and amortization	(5,130,259)	(380,205)	342,808	-	(5,167,656)
Governmental activities capital assets, net	\$7,305,025	\$ 789,193	\$ (32,306)	\$ -	\$8,061,912

Depreciation and amortization expense was charged to functions/programs of the governmental activities as follows:

Governmental activities:	
General government	30,032
Public Safety	106,099
Public Works	190,334
Cemetery	5,529
Parks	47,319
Community services	892
Total - governmental activities	<u>\$ 380,205</u>

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 6: CAPITAL ASSETS - (Continued)**

Business-type activities:	Primary Government				
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Non - Depreciable Assets:					
Land	\$ 193,297	\$ -	\$ -	\$ -	\$ 193,297
Construction in Progress	1,160,127	1,212,926	-	(1,736,667)	636,386
Total non-depreciable assets	1,353,424	1,212,926	-	(1,736,667)	829,683
Depreciable Assets:					
Land improvements	51,442	-	-	-	51,442
Buildings and improvements	1,310,830	-	-	-	1,310,830
Water and sewer systems	28,697,067	-	-	1,736,667	30,433,734
Vehicles and equipment	1,072,342	-	(172,107)	-	900,235
Intangible Right-to-Use Lease					
Vehicles and equipment	7,144	33,415	-	-	40,559
Total capital assets being depreciated	31,138,825	33,415	(172,107)	1,736,667	32,736,800
Accumulated Depreciation and Amortization:					
Land improvements	(20,861)	(923)	-	-	(21,784)
Buildings and improvements	(964,985)	(27,084)	-	-	(992,069)
Water and sewer systems	(11,072,488)	(753,157)	-	8,887	(11,816,758)
Vehicles and equipment	(821,190)	(36,923)	172,107	(8,887)	(694,893)
Intangible Right-to-Use Lease -					
Vehicles and equipment	(1,530)	(3,758)	-	-	(5,288)
Total accumulated depreciation and amortization	(12,881,054)	(821,845)	172,107	-	(13,530,792)
Business-type activities capital assets, net	\$19,611,195	\$ 424,496	\$ -	\$ -	\$ 20,035,691

Depreciation and amortization expense was charged to functions/programs of the business-type activities as follows:

Business-type activities:	
Water	\$ 577,299
Wastewater	235,318
Sanitation	4,200
Trade Days	5,026
Total - business-type activities	<u>\$ 821,843</u>

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 6: CAPITAL ASSETS - (Continued)**

Discretely Presented Component Unit

Activity for the Breckenridge Economic Development Corporation for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Non - Depreciable Assets:				
Land	\$ 56,546	\$ -	\$ -	\$ 56,546
Total non-depreciable assets	56,546	-	-	56,546
Depreciable Assets:				
Buildings and improvements	280,030	-	-	280,030
Office furniture and equipment	9,508	-	(5,008)	4,500
Total capital assets being depreciated	289,538	-	(5,008)	284,530
Accumulated Depreciation:				
Buildings and improvements	(86,772)	(9,527)	-	(96,299)
Office furniture and Equipment	(6,058)	(1,800)	5,008	(2,850)
Total accumulated depreciation	(92,830)	(11,327)	5,008	(99,149)
Governmental activities capital assets, net	\$ 253,254	\$ (11,327)	\$ -	\$241,927

Properties Held for Economic Development

BEDC's goal is to promote and develop the industrial and manufacturing enterprises in order to encourage employment in the City of Breckenridge. Property and equipment are acquired with the intent of making these properties available to prospective companies at a reasonable price as an incentive to relocate their business in Breckenridge. These properties are not considered investments and are reported at cost. At September 30, 2023, properties held for economic development at cost was \$2,302,223.

**NOTE 7: FINANCED PURCHASES**

The City has entered into agreements to finance the acquisition of equipment for the general fund and water fund. These leases qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

\$199,876 agreement dated April 1, 2015, for a fire truck due in annual payments of \$23,719 including interest at 3.24% maturing April 1, 2025.

\$151,241 agreement dated April 15, 2022, for four trucks due in annual payments of \$50,414 including interest at 3.35% maturing April 15, 2025. This was split between the governmental activities and business-type activities.

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 7: FINANCED PURCHASES- (Continued)**

Future minimum commitments are as follows:

	Governmental Activities	Business-type Activities
2024	\$ 63,493	\$ 10,640
2025	63,493	10,640
Total debt service requirements	126,986	21,280
Less: Interest Portion	6,034	1,023
Debt Principal	<u>\$ 120,952</u>	<u>\$ 20,257</u>

Assets and related accumulated depreciation are as follows:

	Activities	Activities
Vehicles and equipment	\$ 330,838	\$ 36,111
Less: Accumulated depreciation	<u>(155,175)</u>	<u>(9,028)</u>
Net	<u>\$ 175,663</u>	<u>\$ 27,083</u>

**NOTE 8: LEASE FINANCING**

The City, as a lessee, has entered into lease agreements involving copiers and printers and vehicles. The total of the City's leased assets are recorded at a cost of \$193,743, less accumulated amortization of \$35,304. With the implementation of Governmental Accounting Standards Board Statement No. 87, Leases, a lease meeting the criteria of this statement requires the lessee to recognize a lease liability and an intangible right to use asset. This lease and assets are split between governmental and business-type activities.

The lease agreement is summarized as follows:

Description	Date	Payment Terms	Interest Rate	Total Lease Liability	Balance 9/30/2023
Copiers/Printers	5/28/2021	60 months	3.10%	\$ 70,661	\$ 41,622
Vehicles		60 months	7.25 - 8.01%	123,082	118,900
Total				<u>\$ 193,743</u>	<u>\$ 160,522</u>

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 8: LEASE FINANCING – (Continued)**

The future lease payments under lease agreements are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 29,111	\$ 7,244	\$ 36,355	\$ 7,431	\$ 2,202	\$ 9,633
2025	30,789	5,565	36,354	7,921	1,712	9,633
2026	27,685	3,791	31,476	7,895	1,190	9,085
2027	19,499	2,219	21,718	7,321	667	7,988
2028	17,687	657	18,344	5,183	141	5,324
Total	\$ 124,771	\$ 19,476	\$ 144,247	\$ 35,751	\$ 5,912	\$ 41,663

**NOTE 9: LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2023.

Primary Government	09/30/2022	Additions	Retirements	09/30/2023	Due Within One Year
Governmental Activities.:					
Direct Placement					
Certificates of Obligation, Series 2017B	\$ 4,004,000	\$ -	\$ 744,000	\$ 3,260,000	\$ 71,000
Certificates of Obligation, Series 2023	-	8,385,000	-	8,385,000	235,000
Series 2023 unamortized premium	-	447,007	-	447,007	49,736
Financed purchases	178,540	-	57,588	120,952	59,492
Lease Financing Payable	50,667	89,667	15,563	124,771	29,111
Net pension liability	-	673,392	-	673,392	-
Total OPEB liability	203,216	-	62,056	141,160	-
Total Governmental Activities	4,436,423	9,595,066	879,207	13,152,282	444,339
Business-type Activities:					
Direct Placement					
Certificates of Obligation	10,025,000	-	938,000	9,087,000	294,000
Financed purchases	29,896	-	9,639	20,257	9,962
Lease Financing Payable	5,698	33,415	3,362	35,751	7,431
Net pension liability	-	201,369	-	201,369	-
Total OPEB liability	59,913	-	17,699	42,214	-
Total Business-type Activities	10,120,507	234,784	968,700	9,386,591	311,393
Total Long-Term Liabilities	\$ 14,556,930	\$ 9,829,850	\$ 1,847,907	\$ 22,538,873	\$ 755,732

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 9:      LONG-TERM DEBT – (continued)**

At September 30, 2023, governmental activities and business-type activities bonds payable consisted of the following issues:

	<u>Primary Government</u>
<u>Governmental Activities</u>	
\$4,262,000 Combination Tax and Revenue Certificates of Obligation, Series 2017B, due in annual installments through September 15, 2057, bearing interest at 2.75%	\$ 3,260,000
\$8,385,000 Combination Tax and Revenue Certificates of Obligation, Series 2023, due in annual installments through September 15, 2043, bearing interest at 4.00 - 5.00%	<u>8,385,000</u>
Total Governmental Activities	<u><u>\$ 11,645,000</u></u>
<u>Business-Type Activities</u>	
\$1,680,000 Combination Tax and Surplus Revenue Certificates of Obligation Series 2012, due in annual installments through September 15, 2044, bearing interest at 0% - 2.27%.	\$ 535,000
\$840,000 Combination Tax and Surplus Revenue Certificates of Obligation Series 2013, due in annual installments through September 15, 2044, bearing interest at 0% - 2.27%.	615,000
\$2,380,000 Combination Tax and Surplus Revenue Certificates of Obligation Series 2014, due in annual installments through September 15, 2045, bearing interest at 0% - 4.30%	1,965,000
\$846,000 Combination Tax and Revenue Certificates of Obligation Series, 2017A, due in annual installments through September 15, 2057, bearing interest at 2.75%	712,000
\$2,935,000 Combination Tax and Surplus Revenue Certificates of Obligation Series 2022A, due in annual installments through March 15, 2053, bearing interest at 0.9%-2.02%	2,935,000
\$2,325,000 Combination Tax and Surplus Revenue Certificates of Obligation Series 2022B, due in annual installments through March 15, 2053, bearing interest at 0.74%-1.89%	<u>2,325,000</u>
Total business-type activities	<u><u>\$ 9,087,000</u></u>

Certain Certificates of Obligation Bonds are direct placements and include provisions that in the event the City defaults in the payments or performance of covenants, conditions, or obligations, the bond holders shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City to observe and perform the covenant, condition and obligation prescribed by the bond ordinance.



**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 9: LONG-TERM DEBT – (continued)**

The annual requirements to amortize governmental activities and business-type activities bonds outstanding as of September 30, 2023 are as follows:

Primary Government	Certificates of Obligation					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 306,000	\$ 485,617	\$ 791,617	\$ 294,000	193,033	\$ 487,033
2025	338,000	453,761	791,761	299,000	188,301	487,301
2026	355,000	438,100	793,100	305,000	183,392	488,392
2027	372,000	421,635	793,635	310,000	178,206	488,206
2028	389,000	404,588	793,588	316,000	172,793	488,793
2029-2033	2,240,000	1,731,935	3,971,935	1,661,000	772,547	2,433,547
2034-2038	2,813,000	1,156,826	3,969,826	1,544,000	603,553	2,147,553
2039-2043	3,436,000	527,818	3,963,818	1,742,000	403,593	2,145,593
2044-2048	650,000	148,351	798,351	1,383,000	190,680	1,573,680
2049-2053	746,000	52,382	798,382	1,168,000	69,452	1,237,452
2054-2058	-	-	-	65,000	1,794	66,794
Total debt service requirements	\$ 11,645,000	\$ 5,821,013	\$ 17,466,013	\$ 9,087,000	\$ 2,957,344	\$ 12,044,344

Tax and revenue bonds are payable from property taxes pledges and surplus revenues of the water and wastewater system. The debt ordinances provide for tax pledges to be budgeted annually to the extent budgeted net operating water and wastewater system revenues fall short of annual retirements of principal and interest. A tax rate of \$.255160 per \$100 of assessed valuation was levied for this purpose during the current year. The debt ordinances also provide for the establishment of sinking funds for the retirement of debt principal and interest. The balances in the interest and sinking funds was \$151,300 for the general debt service at year-end. Management of the City believes that it is in compliance with all significant financial requirements required by debt covenants as of September 30, 2023.

The following is a summary of long-term debt transactions of the Breckenridge Economic Development Corporation for the year ended September 30, 2023.

Component Unit	09/30/2022	Additions	Retirements	09/30/2023	Due Within One Year
Governmental Activities.:					
Tax leveraged fund note	68,997	-	68,997	-	-
Total Component Unit	\$ 68,997	\$ -	\$ 68,997	\$ -	\$ -

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 10: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to cover these risks. There have been no significant reductions in coverage and the amount of settlements during the past three years has not exceeded the insurance coverage.

**NOTE 11: TAX ABATEMENTS**

The City of Breckenridge is authorized to provide assistance for economic development under Chapter 380 of the Texas Local Government Code. The economic development must serve the purpose of promoting state or local economic development by stimulating business or commercial activity within the City. The assistance may be in the form of loans, grants, tax rebates and use of City personnel and services. The City has entered into Chapter 380 Economic Development Program Agreements with a developer and has agreed to provide sales tax grants and rebates. The City will pay to developer an amount equal to 60% of the project sales tax revenue for a period of ten years up to a maximum of \$325,000. The first payment was made in February 2018 and the final payment will be made in February 2027 if the maximum has not been paid at that date. The 380 Agreement was entered into in conjunction with a Performance Agreement between a developer and Breckenridge Economic Development Corporation, the two agreements being contingent upon execution of the other.

Below is a table of tax abatements for the year ended September 30, 2023.

Type of Business	Purpose	Tax Abated	Percent Abated	Abated	
				City	BEDC
Retail shopping center	Purchase, remodel and redevelop property	Sales Tax	60% of 1 cent	\$ 16,287	

**NOTE 12: DEFINED BENEFIT PENSION PLANS**

Plan Description

The City participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

All eligible employees of the city are required to participate in TMRS.

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 12: DEFINED BENEFIT PENSION PLANS – (Continued)**

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated as if the sum of the member's contributions, with interest, and the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2022
Employee deposit rate	5%
Matching ratio (city to employee)	1.5 -1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Active Employees	56
Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	61
	<u>172</u>

Contributions

The contribution rates for members in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.64% and 8.54% in calendar years 2022 and 2023, respectively. The city's contributions to TMRS for the year ended September 30, 2023, were \$217,961, and were more than the required contributions.

CITY OF BRECKENRIDGE, TEXAS  
Notes to Financial Statements  
September 30, 2023

NOTE 12: DEFINED BENEFIT PENSION PLANS – (Continued)

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:*

The Total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and a 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS of the four-year period December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 12: DEFINED BENEFIT PENSION PLANS – (Continued)**

Asset Class	Target Allocation	Long-Term Expected Rate of Return (Arithmetic)
Global Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
Total	100.0%	

*Discount Rate*

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/21	\$ 8,703,773	\$ 9,070,872	\$ (367,099)
Changes for the year:			
Service cost	236,527	-	236,527
Interest	575,798	-	575,798
Difference between expected and actual experience	102,048	-	102,048
Changes of assumptions	-	-	-
Contributions-employer	-	210,001	(210,001)
Contributions-employee	-	121,911	(121,911)
Net investment income	-	(660,505)	660,505
Benefit payments, including refunds of employee contributions	(583,396)	(583,396)	-
Administrative expense	-	(5,730)	5,730
Other changes	-	6,836	(6,836)
Net changes	330,977	(910,883)	1,241,860
Balance at 12/31/22	\$ 9,034,750	\$ 8,159,989	\$ 874,761

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
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**NOTE 12: DEFINED BENEFIT PENSION PLANS – (Continued)**

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 1,999,308	\$ 874,761	\$ (52,643)

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2023, the City recognized pension expense of \$212,231.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 70,184	\$ 7,706
Differences between projected and actual investment earnings	556,957	-
Contributions subsequent to the measurement date	168,101	-
Total	<u>\$ 795,242</u>	<u>\$ 7,706</u>

\$168,101 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
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**NOTE 12: DEFINED BENEFIT PENSION PLANS – (Continued)**

Year ended December 31:	Net Deferred outflows (inflows) of resources
2023	\$ 41,892
2024	171,234
2025	151,752
2026	254,557
2027	-
Thereafter	-
	<u>\$ 619,435</u>

**NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**A. Plan Description**

TMRS administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. The SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

**B. Benefits Provided**

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	10
Active employees	<u>56</u>
	101

CITY OF BRECKENRIDGE, TEXAS  
Notes to Financial Statements  
September 30, 2023

NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (Continued)

C. Total OPEB Liability

The City’s total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:*

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.50% including infation
Retirees' share of benefit related costs	\$0

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

*Discount Rate:*

The discount rate used to measure the Total OPEB Liability was 4.05%. The discount rate was based on Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2022.



**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (Continued)**

*Changes in the OPEB Liability*

	Total OPEB Liability (a)
Balances as of December 31, 2021	\$ 263,129
Changes for the year:	
Service cost	11,355
Interest on total OPEB liability	4,884
Effect of plan changes	-
Effect of economic/demographic gains or losses	277
Effect of assumptions changes or inputs	(89,506)
Benefit payments	(6,765)
Net changes	(79,755)
Balances as of December 31, 2022	\$ 183,374

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	1% decrease discount rate 3.05%	Current Discount Rate 4.05%	1% increase discount rate 5.05%
Total OPEB Liability	\$ 217,774	\$ 183,374	\$ 156,373

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended September 30, 2023, the City recognized OPEB expense of \$3,304

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relate to OPEB for the following sources:

**CITY OF BRECKENRIDGE, TEXAS**  
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**September 30, 2023**

**NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 222	\$ 14,494
Changes in assumptions	26,418	72,603
Contributions made subsequent to measurement date	5,850	-
Total	<u>\$ 32,490</u>	<u>\$ 87,097</u>

\$5,850 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ending September 30, 2024. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Plan year ended December 31:	
2023	\$ (11,112)
2024	(12,219)
2025	(18,360)
2026	(17,707)
2027	(1,059)
Thereafter	-
Total	<u>\$ (60,457)</u>

**NOTE 14: CONTINGENT LIABILITIES**

**A. Federal and State Programs**

Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made, in compliance with program guidelines, to the grantor agency. These programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, the City has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of fund monies may be required.

As it pertains to other matters of compliance, in the opinion of the City's administration, there are no significant contingent liabilities relating to matters of compliance and accordingly, no provision has been made in the accompanying financial statements for such contingencies.

**B. USDA Loan Program**

The Breckenridge Economic Development Corporation (BEDC) has in the past received funds from the USDA for a loan program to allow BEDC to assist new businesses with low interest loans. There are no reporting requirements on the use of the funds; however, the funds are required to be maintained intact with interest earned for the loan program. To the extent, if any, the BEDC has not complied with all the rules and regulations return of fund money may be required.

**CITY OF BRECKENRIDGE, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2023**

**NOTE 15: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

GASB Statement No. 96, Subscription-Based Information Technology Arrangements was effective for the fiscal year ended September 30, 2023. The City has entered into subscription-based information technology arrangements involving:

- A SCADA (Supervisory Control and Data Acquisition) watch service suite regarding the Agency's water system.
- Various desktop and server software subscriptions
- Accounting and payroll services software
- Work order and code enforcement software
- Police and dispatch
- Emergency notification system

The City has outflows of resources during the fiscal year totaling \$55,930 that are not included in the measurement of a subscription liability. The City's software subscriptions are not commitments longer than twelve months therefore a subscription liability is not calculated.

**NOTE 16: SUBSEQUENT EVENTS**

Subsequent events were evaluated through February 1, 2024, which is the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## EXHIBIT F-1

## CITY OF BRECKENRIDGE, TEXAS

## General Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 1,855,000	\$ 1,855,000	\$ 1,921,841	66,841
Sales and use tax	1,628,500	1,628,500	1,443,302	(185,198)
Franchise	453,000	453,000	457,358	4,358
Hotel motel taxes	75,000	75,000	51,221	(23,779)
Charges for service	203,800	203,800	196,765	(7,035)
Grants and contributions	12,400	12,400	12,300	(100)
Interest income	1,500	1,500	3,901	2,401
Other revenue	23,500	72,666	81,049	8,383
Total revenues	<u>4,252,700</u>	<u>4,301,866</u>	<u>4,167,737</u>	<u>(134,129)</u>
Expenditures:				
Current				
General government	1,251,120	1,244,313	1,231,872	12,441
Public Safety	2,192,967	2,267,086	2,003,372	263,714
Public Works	665,973	641,973	457,340	184,633
Cemetery	75,054	75,054	55,427	19,627
Parks	397,698	420,398	322,780	97,618
Community services	16,500	17,050	15,668	1,382
Tourism	42,000	75,000	84,684	(9,684)
Debt service:				
Principal	-	-	13,253	(13,253)
Interest and fiscal charges	-	-	1,384	(1,384)
Total expenditures	<u>4,641,312</u>	<u>4,740,874</u>	<u>4,185,780</u>	<u>555,094</u>
Excess (deficiency) of revenue over (under) expenditures	\$ <u>(388,612)</u>	\$ <u>(439,008)</u>	\$ <u>(18,043)</u>	<u>420,965</u>
Other financing sources (uses):				
Insurance recoveries	-	56,714	56,714	-
Transfers in	505,000	505,000	505,000	-
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balances	41,388	47,706	468,671	420,965
Fund balance, October 1, 2022	<u>1,095,404</u>	<u>1,095,404</u>	<u>1,095,404</u>	<u>-</u>
Fund balance, September 30, 2023	\$ <u><u>1,136,792</u></u>	\$ <u><u>1,143,110</u></u>	\$ <u><u>1,564,075</u></u>	<u><u>420,965</u></u>

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF BRECKENRIDGE  
Schedule of Changes in Net Pension Liability and Related Ratios  
September 30, 2023

**Total pension liability**

Plan Year	2014	2015	2016	2017
Service Cost	\$ 180,948	\$ 202,264	\$ 210,034	\$ 208,582
Interest (on the Total Pension Liability)	523,394	529,436	528,297	542,655
Differences between expected and actual experience	(78,389)	9,535	7,317	(186,991)
Change of assumptions	-	20,408	-	-
Benefit payments, including refunds of employee contributions	(609,804)	(490,767)	(513,801)	(550,633)
Net Change in Total Pension Liability	16,149	270,876	231,847	13,613
Total Pension Liability-Beginning	\$ 7,691,481	\$ 7,707,630	\$ 7,978,506	\$ 8,210,353
<b>Total Pension Liability-Ending (a)</b>	<b>\$ 7,707,630</b>	<b>\$ 7,978,506</b>	<b>\$ 8,210,353</b>	<b>\$ 8,223,966</b>

**Plan Fiduciary Net Position**

Contributions-Employer	\$ 192,605	194,097	190,642	202,916
Contributions-Employee	110,082	111,625	108,714	120,197
Net Investment Income	383,868	10,008	446,397	946,773
Benefit payments, including refunds of employee contributions	(609,804)	(490,767)	(513,801)	(550,633)
Administrative Expense	(4,008)	(6,097)	(5,039)	(4,905)
Other	(330)	(302)	(272)	(248)
Net Change in Plan Fiduciary Net Position	72,413	(181,436)	226,641	714,100
Plan Fiduciary Net Position-Beginning	6,711,368	6,783,781	6,602,345	6,828,986
<b>Plan Fiduciary Net Position-Ending (b)</b>	<b>\$ 6,783,781</b>	<b>\$ 6,602,345</b>	<b>\$ 6,828,986</b>	<b>\$ 7,543,086</b>
<b>Net Pension Liability/(Asset) -Ending (a) - (b)</b>	<b>\$ 923,849</b>	<b>\$ 1,376,161</b>	<b>\$ 1,381,367</b>	<b>\$ 680,880</b>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.01%	82.75%	83.18%	91.72%
Covered Employee Payroll	\$ 2,201,639	\$ 2,232,491	\$ 2,174,270	\$ 2,152,549
Net Pension Liability as a Percentage of Covered Employee Payroll	41.96%	61.64%	63.53%	31.63%

The accompanying notes to the required supplementary information are an integral part of this schedule.

## EXHIBIT F-2

2018	2019	2020	2021	2022
\$ 216,654	\$ 221,658	\$ 207,065	\$ 198,705	\$ 236,527
544,367	547,074	563,096	561,614	575,798
(211,430)	(23,452)	(200,387)	5,208	102,048
-	48,717	-	-	-
(535,182)	(488,813)	(609,861)	(565,226)	(583,396)
14,409	305,184	(40,087)	200,301	330,977
\$ 8,223,966	\$ 8,238,375	8,543,559	\$ 8,503,472	\$ 8,703,773
\$ 8,238,375	\$ 8,543,559	8,503,472	\$ 8,703,773	\$ 9,034,750
195,613	199,772	186,334	176,398	210,001
112,140	114,375	106,734	102,320	121,911
(225,809)	1,094,327	606,416	1,078,262	(660,505)
(535,182)	(488,813)	(609,861)	(565,226)	(583,396)
(4,367)	(6,189)	(3,929)	(4,997)	(5,730)
(228)	(187)	(152)	36	6,836
(457,833)	913,285	285,542	786,793	(910,883)
7,543,086	7,085,253	7,998,537	8,284,079	9,070,872
\$ 7,085,253	\$ 7,998,538	8,284,079	\$ 9,070,872	\$ 8,159,989
\$ 1,153,122	\$ 545,021	\$ 219,393	\$ (367,099)	\$ 874,761
86.00%	93.62%	97.42%	104.22%	90.32%
\$ 2,242,795	\$ 2,287,492	\$ 2,134,687	\$ 2,046,397	\$ 2,416,006
51.41%	23.83%	10.28%	-17.94%	36.21%

The accompanying notes to the required supplementary information are an integral part of this schedule.

**EXHIBIT F-3**

CITY OF BRECKENRIDGE  
Schedule of Contributions  
Last 10 Fiscal Years

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Contribuion as a % of Covered Payroll
2014	\$ 174,703	\$ 189,895	\$ (15,192)	\$ 2,112,810	8.99%
2015	178,086	193,572	(15,486)	2,193,754	8.82%
2016	180,812	196,535	(15,723)	2,224,633	8.83%
2017	172,193	187,357	(15,164)	2,174,270	8.62%
2018	176,428	194,107	(17,679)	2,222,130	8.74%
2019	173,077	198,814	(25,737)	2,285,528	8.70%
2020	159,687	197,208	(37,521)	2,260,850	8.72%
2021	142,074	176,634	(34,560)	2,043,408	8.64%
2022	153,711	206,889	(53,178)	2,400,092	8.62%
2023	155,043	217,960	(62,917)	2,545,260	8.56%

The accompanying notes to required supplementary information are an integral part of this schedule.



## EXHIBIT F-4

CITY OF BRECKENRIDGE  
Schedule of Changes in Total OPEB Liability and Related Ratios  
September 30, 2023

**Total OPEB liability**

Plan Year	2017	2018	2019	2020	2021	2022
Service Cost	\$ 6,888	\$ 8,298	\$ 7,091	\$ 10,033	\$ 9,823	\$ 11,355
Interest (on the Total Pension Liability)	6,417	6,520	6,933	6,120	5,230	4,884
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(10,010)	(11,819)	(6,035)	(13,794)	277
Change of assumptions or other inputs	14,955	(12,381)	33,783	32,024	7,546	(89,506)
Benefit payments, including refunds of employee contributions	(1,507)	(2,019)	(1,830)	(1,708)	(4,502)	(6,765)
Net Change in Total Pension Liability	26,753	(9,592)	34,158	40,434	4,303	(79,755)
Total Pension Liability-Beginning	167,073	193,826	184,234	218,392	258,826	263,129
<b>Total Pension Liability-Ending (a)</b>	<b>\$ 193,826</b>	<b>\$ 184,234</b>	<b>\$ 218,392</b>	<b>\$ 258,826</b>	<b>\$ 263,129</b>	<b>\$ 183,374</b>
Covered Employee Payroll	\$ 2,152,549	\$ 2,242,795	\$ 2,287,492	\$ 2,134,687	\$ 2,046,397	\$ 2,416,006
Employee Payroll	9.00%	8.21%	9.55%	12.12%	12.86%	7.59%

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF BRECKENRIDGE  
Notes to the Required Supplementary Information  
For the Year Ended September 30, 2023

Budget

Annual operating budget is adopted on a basis consistent with generally accepted accounting principles for all general fund, special revenue, capital projects and proprietary funds. All annual appropriations lapse at fiscal year end.

The City Commission follows these procedures in establishing budgetary data reflected in the financial statements.

- a. The City Commission prior to October 1 formally adopts the City's budget at a duly advertised public meeting and before expenditure of funds for the budget year. The budget is legally enacted by the adoption of an ordinance.
- b. The budget may be amended with the approval of a voting majority of the members of the City Commission. The budget was amended once during the year.
- c. Budgetary control is maintained at the fund level, subject to adjustments permitted as described above.

Excess of Expenditures over Appropriations

Tourism and debt service expenditures exceeded budget in the general fund, however total expenditures were \$555,094 less than budgeted.

CITY OF BRECKENRIDGE  
Notes to the Required Supplementary Information  
For the Year Ended September 30, 2023

**Schedule of Contributions**

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.  Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee tables used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

Notes There were no benefit changes during the year.

**Schedule of Changes in Total OPEB Liability**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

**COMBINING FINANCIAL STATEMENTS**  
**NONMAJOR GOVERNMENTAL FUNDS**

CITY OF BRECKENRIDGE, TEXAS  
Nonmajor Funds  
Combining Balance Sheet  
September 30, 2023

	Special Revenue Funds			
	Fire Department	Park	Police Department	Total Special Revenue Funds
Assets:				
Cash	\$ 9,392	\$ 9,612	\$ 13,614	\$ 32,618
Investments	-	-	-	-
Receivables (Net of allowances)				
Other taxes	-	-	-	-
Total assets	<u>\$ 9,392</u>	<u>\$ 9,612</u>	<u>\$ 13,614</u>	<u>\$ 32,618</u>
Liabilities and fund balance:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Fund Balances:				
Restricted fund balance	\$ 9,392	\$ 9,612	\$ 13,614	\$ 32,618
Committed fund balance	-	-	-	-
Total fund balance	<u>9,392</u>	<u>9,612</u>	<u>13,614</u>	<u>32,618</u>
Total liabilities and fund balances	<u>\$ 9,392</u>	<u>\$ 9,612</u>	<u>\$ 13,614</u>	<u>\$ 32,618</u>

## EXHIBIT G-1

Capital Project Funds			Permanent Fund	
Equipment Replacement	Street Maintenance Fund	Total Capital Projects Funds	Cemetery Fund	Total Nonmajor Funds
\$ 296,283	\$ 50,447	\$ 346,730	\$ -	\$ 379,348
-	-	-	555,924	555,924
-	49,615	49,615	-	49,615
<u>\$ 296,283</u>	<u>\$ 100,062</u>	<u>\$ 396,345</u>	<u>\$ 555,924</u>	<u>\$ 984,887</u>
\$ 19,293	\$ -	\$ 19,293	\$ -	\$ 19,293
19,293	-	19,293	-	19,293
\$ -	\$ 100,062	\$ 100,062	\$ 555,924	\$ 688,604
276,990	-	276,990	-	276,990
276,990	100,062	377,052	555,924	965,594
<u>\$ 296,283</u>	<u>\$ 100,062</u>	<u>\$ 396,345</u>	<u>\$ 555,924</u>	<u>\$ 984,887</u>

## CITY OF BRECKENRIDGE, TEXAS

## Nonmajor Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the year ended September 30, 2023

	Special Revenue Funds			
	Fire Department	Park	Police Department	Total Special Revenue Funds
Revenues:				
Sales and use tax	\$ -	\$ -	\$ -	\$ -
Grants and contributions	4,595	365	2,500	7,460
Investment earnings	30	23	34	87
Other revenue	-	-	-	-
Total revenue	<u>4,625</u>	<u>388</u>	<u>2,534</u>	<u>7,547</u>
Expenditures:				
Current:				
Public Safety	11,753	-	-	11,753
Public Works	-	-	-	-
Cemetery	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>11,753</u>	<u>-</u>	<u>-</u>	<u>11,753</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(7,128)</u>	<u>388</u>	<u>2,534</u>	<u>(4,206)</u>
Other financing sources (uses):				
Gain on Sale of Assets	-	-	-	-
Lease Financing	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net change in fund balances	(7,128)	388	2,534	(4,206)
Fund Balance, October 1, 2022	<u>16,520</u>	<u>9,224</u>	<u>11,080</u>	<u>36,824</u>
Fund Balance, September 30, 2023	<u>\$ 9,392</u>	<u>\$ 9,612</u>	<u>\$ 13,614</u>	<u>\$ 32,618</u>

## EXHIBIT G-2

Capital Project Funds			Permanent Fund	
Equipment Replacement	Street Maintenance Fund	Total Capital Projects Funds	Cemetery Fund	Total Nonmajor Funds
\$ -	\$ 287,725	\$ 287,725	\$ -	\$ 287,725
-	-	-	-	7,460
639	2,041	2,680	31,735	34,502
-	-	-	3,152	3,152
639	289,766	290,405	34,887	332,839
-	-	-	-	11,753
-	55,195	55,195	-	55,195
-	-	-	21,924	21,924
117,408	-	117,408	-	117,408
-	-	-	-	-
59,899	-	59,899	-	59,899
6,969	-	6,969	-	6,969
184,276	55,195	239,471	21,924	273,148
(183,637)	234,571	50,934	12,963	59,691
73,226	-	73,226	-	73,226
89,667	-	89,667	-	89,667
147,338	-	147,338	-	147,338
(10,640)	(870,000)	(880,640)	-	(880,640)
115,954	(635,429)	(519,475)	12,963	(510,718)
161,036	735,491	896,527	542,961	1,476,312
\$ 276,990	\$ 100,062	\$ 377,052	\$ 555,924	\$ 965,594



**OTHER SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

**CITY OF BRECKENRIDGE, TEXAS**

## Schedule of Delinquent Property Taxes Receivable

For the fiscal year ended September 30, 2023

Last Ten Years Ended Sept 30	Tax Rate		Assessed Value	Beginning Balance October 1
	Maintenance	Debt Service		
2014 and prior	0.6282	0.2618	192,875,823	36,112
2015	0.5652	0.2966	201,105,727	7,137
2016	0.6148	0.3252	196,762,440	9,454
2017	0.6588	0.3812	184,686,029	13,171
2018	0.6846	0.3519	185,111,143	17,836
2019	0.7330	0.2870	186,178,825	27,183
2020	0.7850	0.2850	186,070,474	36,085
2021	0.8384	0.2839	180,018,850	51,065
2022	0.7605	0.2995	200,655,886	132,660
2023( Year under audit)	0.7648	0.2552	257,613,426	
TOTALS				<u>\$ 330,703</u>

## EXHIBIT G-3

Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance September 30
	(1,795)	(748)	-	33,569
	(607)	(318)	-	6,212
	(1,182)	(625)	-	7,647
	(2,527)	(1,462)	(93)	9,089
	(2,531)	(1,301)	(60)	13,944
	(5,046)	(1,976)	(59)	20,102
-	(9,307)	(3,379)	(61)	23,338
-	(14,930)	(5,056)	(89)	30,990
	(40,870)	(16,096)	(660)	75,034
2,503,005	(1,775,380)	(592,288)	(8,604)	126,733
<u>\$ 2,503,005</u>	<u>\$ (1,854,175)</u>	<u>\$ (623,249)</u>	<u>\$ (9,626)</u>	<u>\$ 346,658</u>

## EXHIBIT G-4

City of Breckenridge, Texas  
 Statistics - Water and Wastewater Fund  
 For the year ended September 30, 2023  
 (Unaudited)

Number of water connections at end of year	2,318
Number of wastewater connections at end of year	2,008
Gallons of water billed through the system during the fiscal year	207,293,242

	2023	2022
<u>Outstanding Bonds and Certificates:</u>		
Combination Tax and Revenue Certificates of Obligation, Series 2012	\$ 535,000	\$ 1,310,000
Combination Tax and Revenue Certificates of Obligation, Series 2013	615,000	640,000
Combination Tax and Revenue Certificates of Obligation, Series 2014	1,965,000	2,020,000
Combination Tax and Revenue Certificates of Obligation, Series 2017A	712,000	795,000
Combination Tax and Revenue Certificates of Obligation, Series 2022A	2,935,000	2,935,000
Combination Tax and Revenue Certificates of Obligation, Series 2022B	2,325,000	2,325,000
	<u>\$ 9,087,000</u>	<u>\$ 10,025,000</u>

<u>Water and Wastewater Operating Income Available for Debt Retirement:</u>		
Net Operating Income	\$ 1,294,285	\$ 1,076,524
Net Nonoperating Interest Income	299,263	19,226
Add Depreciation and Amortization Expense	812,617	745,879
	<u>\$ 2,406,165</u>	<u>\$ 1,841,629</u>

<u>Annual Debt Service Requirements and Coverage:</u>		
Combination Tax and Revenue Certificates of Obligation, Series 2012	\$ 75,544	\$ 76,169
Combination Tax and Revenue Certificates of Obligation, Series 2013	37,288	37,569
Combination Tax and Revenue Certificates of Obligation, Series 2014	135,707	137,337
Combination Tax and Revenue Certificates of Obligation, Series 2017A	35,431	35,041
Combination Tax and Revenue Certificates of Obligation, Series 2022A	51,170	-
Combination Tax and Revenue Certificates of Obligation, Series 2022B	36,225	-
	<u>371,365</u>	<u>286,116</u>
Total Debt Service Requirements	371,365	286,116
Less Paid by Property Taxes	(371,365)	(286,116)
Net System Fund Requirements	<u>\$ -</u>	<u>\$ -</u>
Coverage of Total System Fund Debt Service	<u>not applicable</u>	<u>not applicable</u>

Cash Available in Bond Sinking Funds

General Debt Service	\$ 151,300	\$ 1,546,338
Revenue Debt Service	-	-
	<u>\$ 151,300</u>	<u>\$ 1,546,338</u>

## EXHIBIT G-5

## CITY OF BRECKENRIDGE, TEXAS

Insurance in Force

September 30, 2023

(Unaudited)

	Coverage	Premium
Flood, Fire and Extended Coverage		
Buildings and Contents	\$ 17,872,187	\$ 43,561
Errors & Omission Liability		
Each Wrongful Act	1,000,000	6,596
Aggregate	2,000,000	
Commercial General Liability		
Per Occurrence	1,000,000	3,514
Aggregate	2,000,000	
Law Enforcement Personal Liability		
Each Wrongful Act	1,000,000	8,035
Annual Aggregate	2,000,000	
Fidelity Bonds		
City Secretary	10,000	740
Assistant City Secretary	10,000	
Other Public Employees not Excluded	10,000	
City Manager	15,000	
City Vehicles		
Liability/Uninsured Motorist	1,000,000	20,996
Combined Single Limit	25,000	
Heavy Equipment		
Physical Damage	1,053,484	4,463
Crime		
Public Employee Dishonesty	5,000	235
Theft Disappearance & Destruction	5,000	100
Cyber Insurance		53

This statement is prepared from the insurance policies. It is intended as a descriptive summary only and no expression of opinion as to the adequacy of the coverage is given. As the actual coverage per policy varies depending on the nature of the event and other factors, these dollar limitations reflect the approximate upper limitation of losses recoverable under the policies.

## List of Insurance Carriers

Company	Insurance Type	Expiration
Texas Municipal League	Fire - Buildings and Contents	10/1/2023
Texas Municipal League	Commercial Auto	10/1/2023
Texas Municipal League	Flood	10/1/2023
Texas Municipal League	Public Officials Liability	10/1/2023
Texas Municipal League	Law Enforcement Liability	10/1/2023
CNA Surety Corporation	Fidelity Bond - City Secretary	4/25/2024
CNA Surety Corporation	Fidelity Bond - Assistant City Secretary	1/20/2024
CNA Surety Corporation	City Manager & Other Public Employees	1/20/2024
Texas Municipal League	Heavy Equipment	10/1/2023

## **OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

Members of the City Commission  
City of Breckenridge, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Breckenridge, Texas (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 1, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for determining audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

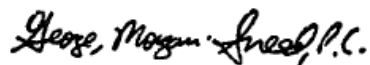
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Weatherford, Texas  
February 1, 2024





## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding approval of Ordinance 2024-03 ordering a Municipal General Election to be held on May 4, 2024, for the purpose of electing the offices of Mayor and Commissioner Place 1 and Commissioner Place 2.

**Department:** Administration

**Staff Contact:** Jessica Sutter

**Title:** City Secretary

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### **BACKGROUND INFORMATION:**

Article IV of the City of Breckenridge Code of Ordinances provides for the guidance of elections of the governing body election. Additionally, state statute sets the first Saturday in May as a uniform election date. This year's election day will be held on May 4, 2024.

This year three citizens will be elected at-large each, to serve a two-year term as Mayor, Commissioner Place 1, and Commissioner Place 2. The incumbents for these positions are Bob Sims, Blake Hamilton, and Rob Durham, respectively. Please note that these places are not geographically based. The term of these offices will be May of 2024 to May of 2026.

The first day for filing an application for a place on the ballot was January 17, 2024. The final day will be Friday, February 16, 2024, at 5:00 p.m.

If the city does not have a contested race, the commission will have the ability to cancel the general election.

The polling location for early voting will be at the city offices, 105 North Rose Ave as follows:  
 April 22-26: 8:00 a.m. - 5:00 p.m.  
 April 29-30: 8:00 a.m. - 5:00 p.m.

The polling place for Election Day will be held at the Breckenridge ISD Athletics and Fine Arts Facility located at 607 W. Second Street on May 4, 2024, from 7:00 a.m. - 7:00 p.m.

**FINANCIAL IMPACT:**

NA

**STAFF RECOMMENDATION:**

Consider approval of Ordinance 2024-03 ordering a Municipal General Election to be held on May 4, 2024, for the purpose of electing the offices of Mayor and Commissioner Place 1 and Commissioner Place 2.

**ORDINANCE NO. 2024-03****AN ORDINANCE PROVIDING FOR A GENERAL ELECTION TO BE HELD ON MAY 4, 2024 FOR THE PURPOSE OF ELECTING THE FOLLOWING OFFICERS: MAYOR AND CITY COMMISSIONERS, PLACE NOS. 1 AND 2, IN THE CITY OF BRECKENRIDGE, TEXAS.****BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF BRECKENRIDGE, TEXAS:**

**Section 1.** An election is hereby called to be held in the City of Breckenridge, Texas, on May 4, 2024, (being the first Saturday in May), for the purpose of electing Mayor and City Commissioners, Place Nos. 1 and 2.

**Section 2.** Said election shall be called and held as provided by the Charter of the City of Breckenridge and applicable laws pertaining thereto.

**Section 3.** Candidates for Commissioner, in order to get their names on the official ballot, must proceed as follows: File a sworn application between the following dates: January 17 through February 16, 2024, with the City Secretary (as prescribed by Section 141.031 of the Texas Election Laws).

**Section 4.** Said election shall be conducted and results canvassed and announced by the election authorities as prescribed by the general election laws of the State of Texas.

**Section 5.** The City Commission of the City of Breckenridge hereby adopts the use of the ES&S Express Vote Voter Assist Terminal V1.0.121 (to comply with the requirements of Section 301 (a)(3)(B) (of the Help America Vote Act) for regular election day and early voting by personal appearance. The Express Vote is an optical scan ballot marking system. The City Commission of the City of Breckenridge also adopts the use of optical scan ballots for regular and early voting by personal appearance and by mail.

**Section 6.** The City Commission of the City of Breckenridge, Texas, is hereby authorized and directed to issue the formal order for said election providing for the polling place, the judges and clerks of the election, Early Voting Ballot Board and Notice of Election and returns of the election.

**PASSED AND APPROVED** this 6th day of February 2024.

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BOB SIMS, MAYOR

ATTEST:

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JESSICA SUTTER, CITY SECRETARY

S E A L

ORDER AND NOTICE OF CITY ELECTION

THE STATE OF TEXAS       }  
COUNTY OF STEPHENS       }  
CITY OF BRECKENRIDGE       }

ORDER AND NOTICE

The City Commission of the City of Breckenridge, Texas, by virtue of the power vested in it by law, does hereby order that an election be held in the City of Breckenridge on May 4, 2024, being the first Saturday thereof, for the purpose of electing the following offices of said City:

Mayor

City Commissioner Place No. 1

City Commissioner Place No. 2

The City has entered into a Joint Election Agreement with Breckenridge Independent School District (School District) and Stephens Memorial Hospital District dba Stephens Memorial Hospital (Hospital District) to hold their May elections at the same polling place as the City – Breckenridge ISD Athletics and Fine Arts Facility, 607 West Second Street, Breckenridge, Texas 76424. If the City cancels its election, the School District will use its Administrative Offices located at 208 North Miller Street, Breckenridge, Texas 76424 and the Hospital District will use Stephens Memorial Hospital located at 200 South Geneva, Breckenridge, Texas 76424 as their election polling places. If the School District cancels its election, the City will use City Office located at 105 N. Rose Ave, Breckenridge, Texas 76424 and the Hospital District will use Stephens Memorial Hospital located at 200 South Geneva, Breckenridge, Texas 76424 as their election day polling place. If the Hospital District cancels its election, The Poll at the above-designated polling place shall on said Election Day be open from 7:00 A.M. to 7:00 P.M. The following named persons are hereby appointed Managers thereof, to-wit:

Karen Chakerian	JUDGE
Anita Lockhart	ALTERNATE JUDGE
(To Be Named)	CLERK
(To Be Named)	CLERK
(To Be Named)	CLERK
(To Be Named)	BILINGUAL CLERK

The City Secretary is hereby given the authority to change or replace the Election Judge or Alternate Judge as needed or if required prior to Election Day. The hourly rate of pay for the election Judge shall be \$12.00 per hour and each Election Clerk shall be \$10.00 per hour. The amount to be paid to the presiding Judge for delivering the election returns shall be \$25.00. The above shall also serve as the Early Voting Ballot Board, and the presiding judge shall serve as the Boards presiding officer. The Early Voting Ballot Board is hereby designated to canvass the early votes cast by mail and by personal appearance.

ORDER AND NOTICE (Cont.)

The City Secretary is hereby appointed Clerk for early voting, and Ms. Diane Latham, Ms. Lacy Botts, Ms. Angela Crowder, Ms. Sherry Morgan, Ms. Mercedes Luna and Ms. Christi Tidrow are hereby appointed Deputy Clerks for early voting. The early voting for the above-designated election shall be held at the City Offices, 105 North Rose Avenue, as follows:

April 22-26, 2024	8:00 A.M. to 5:00 P.M.
April 29-30, 2024	8:00 A.M. to 5:00 P.M.

Applications for ballot by mail shall be mailed to: City of Breckenridge, Early Voting Clerk, 105 North Rose Avenue, Breckenridge, Texas 76424, (254)559-8287. Applications for ballot by mail must be received no later than the close of business on April 23, 2024.

The City Commission will meet in special session on May 14, 2024, to canvass the returns of said Election to be held on May 4, 2024, and to declare the results of said election.

The City Secretary is hereby directed and instructed to post a properly executed copy of this order and notice of election at the City Offices. Said notice shall be posted no later than twenty-one (21) days before the date of said election. Notice of the time and place of holding said election shall be given by publication of such notice in a newspaper of general circulation published in the City of Breckenridge at least ten (10) days and not more than thirty (30) days prior to the date of said election.

**PASSED AND APPROVED** this the 6<sup>th</sup> day of February 2024.

BOB SIMS, MAYOR

ATTEST:

JESSICA SUTTER, CITY SECRETARY

S E A L

**ORDENANZA NO. 2024-03**

**UNA ORDENANZA QUE ESTABLECE QUE SE CELEBRARÁN ELECCIONES GENERALES EL 4 DE MAYO DE 2024 CON EL PROPÓSITO DE ELEGIR A LOS SIGUIENTES FUNCIONARIOS: ALCALDE Y COMISIONADOS DE LA CIUDAD, LUGAR NO. 1 Y 2, EN LA CIUDAD DE BRECKENRIDGE, TEXAS.**

**LO ESTÁ ORDENADO POR LA COMISIÓN DE CIUDAD DE CIUDAD DE BRECKENRIDGE, TEXAS.**

**Sección 1.** Por la presente se convoca a una elección que se llevará a cabo en la ciudad de Breckenridge, Texas, el 4 de mayo de 2024 (siendo el primer sábado de mayo), con el propósito de elegir al alcalde y a los comisionados de la ciudad, lugares 1 y 2.

**Sección 2.** Dicha elección se convocará y llevará a cabo según lo dispuesto por la Carta Constitutiva de la Ciudad de Breckenridge y las leyes aplicables correspondientes.

**Sección 3.** Los candidatos a Comisionado, para que sus nombres aparezcan en la boleta oficial, deben proceder de la siguiente manera: Presentar una solicitud jurada entre las siguientes fechas: del 17 de enero al 16 de febrero de 2024, ante el Secretario de la Ciudad (según lo prescrito por la Sección 141.031 de las Leyes Electorales de Texas).

**Sección 4.** Dicha elección se llevará a cabo y los resultados serán escrutados y anunciados por las autoridades electorales según lo prescrito por las leyes electorales generales del Estado de Texas.

**Sección 5.** La Comisión de la Ciudad de Breckenridge adopta por la presente el uso de la Terminal de Asistencia al Votante de Voto Exprés de ES&S V1.0.121 (para cumplir con los requisitos de la Sección 301 (a)(3)(B) (de la Ley de Ayuda a América a Votar) para el día regular de las elecciones y la votación anticipada por comparecencia personal. El Voto Exprés es un sistema de marcado de boletas de escaneo óptico. La Comisión Municipal de la Ciudad de Breckenridge también adopta el uso de boletas de escaneo óptico para la votación regular y anticipada por comparecencia personal y por correo.

**Sección 6.** La comisión de ciudad de la ciudad de Breckenridge, Tejas por esto está autorizada y dirigida proceder el orden formal para dicho elección proveciendo para el lugar de votación, los jueces y los secretarios de tribunales de la elección, Tribunal de Balota Votando Temprano y Noticia de Elección, y regresos de la elección.

**PASADO Y APROBADO** este 6th día de Febrero de 2024

\_\_\_\_\_  
BOB SIMS, ALCALDE

FE:

\_\_\_\_\_  
JESSICA SUTTER, SECRETARIA DE CIUDAD

S E A L

**ORDEN Y AVISO DE LA ELECCIÓN DE LA CIUDAD**

**EL ESTADO DE TEXAS            }**  
**CONDADO DE STEPHENS        }**  
**CIUDAD DE BRECKENRIDGE    }**

**ORDEN DE ELECCIÓN**

La Comisión Municipal de la Ciudad de Breckenridge, Texas, en virtud del poder que le confiere la ley, por la presente ordena que se celebre una elección en la Ciudad de Breckenridge el 4 de mayo de 2024, siendo el primer sábado de la misma, con el propósito de elegir los siguientes cargos de dicha Ciudad:

- Alcalde
- Comisionado de ciudad, Lugar No. 1
- Comisionado de ciudad, Lugar No. 2

La Ciudad ha celebrado un Acuerdo de Elección Conjunta con el Distrito Escolar Independiente de Breckenridge (Distrito Escolar) y el Distrito Hospitalario Stephens Memorial dba Stephens Memorial Hospital (Distrito Hospitalario) para celebrar sus elecciones de mayo en el mismo lugar de votación que la Ciudad: el Centro de Atletismo y Bellas Artes de Breckenridge ISD, 607 West Second Street, Breckenridge, Texas 76424. Si la Ciudad cancela su elección, el Distrito Escolar usará sus Oficinas Administrativas ubicadas en 208 North Miller Street, Breckenridge, Texas 76424 y el Distrito Hospitalario usará el Hospital Stephens Memorial ubicado en 200 South Geneva, Breckenridge, Texas 76424 como sus lugares de votación electoral. Si el Distrito Escolar cancela su elección, la Ciudad usará la Oficina de la Ciudad ubicada en 105 N. Rose Ave, Breckenridge, Texas 76424 y el Distrito Hospitalario usará el Hospital Stephens Memorial ubicado en 200 South Geneva, Breckenridge, Texas 76424 como su lugar de votación el día de las elecciones. Si el Distrito Hospitalario cancela su elección, la casilla en el lugar de votación designado anteriormente estará abierta el día de la elección de 7:00 a.m. a 7:00 p.m. Se nombran Administradores de los mismos a las siguientes personas, a saber:

Karen Chakerian	Juez
Anita Lockhart	Juez Alterno
(a ser nombrado)	Secretario
(a ser nombrado)	Secretario
(a ser nombrado)	Secretario
(a ser nombrado)	Empleado bilingüe

Por la presente, se le otorga al Secretario de la Ciudad la autoridad para cambiar o reemplazar al Juez Electoral o al Juez Suplente según sea necesario o si se requiere antes del Día de las Elecciones. La tarifa de pago por hora para el Juez Electoral será de \$12.00 por hora y cada Secretario Electoral será de \$10.00 por hora. La cantidad que se pagará al juez presidente por la entrega de los resultados de las elecciones será de \$25.00. Lo anterior también servirá como la Junta de Boleta de Votación Anticipada, y el juez presidente servirá como el oficial que preside la Junta. Por la presente se designa a la Junta de Boleta de Votación Anticipada para que escrutara los votos anticipados emitidos por correo y por comparecencia personal.

### ORDEN Y AVISO (Cont)

Por la presente se nombra a la Secretaria de la Ciudad para la votación anticipada, y la Sra. Diane Latham, la Sra. Lacy Botts, la Sra. Angela Crowder, la Sra. Sherry Morgan, la Sra. Mercedes Luna y la Sra. Christi Tidrow son nombradas Secretarias Adjuntas para la votación anticipada. La votación anticipada para la elección designada anteriormente se llevará a cabo en las Oficinas de la Ciudad, 105 North Rose Avenue, de la siguiente manera:

Abril 22-26, el 2024	8:00 A.M. a 5:00 P.M.
Abril 29-30, el 2024	8:00 A.M. a 5:00 P.M.

Las solicitudes de boleta por correo se enviarán por correo a: City of Breckenridge, Early Voting Clerk, 105 North Rose Avenue, Breckenridge, Texas 76424, (254)559-8287. Las solicitudes de boleta por correo deben recibirse a más tardar al cierre de operaciones el 23 de abril de 2024.

La Comisión de la Ciudad se reunirá en sesión especial el 14 de mayo de 2024 para realizar el escrutinio de los resultados de dicha elección que se llevará a cabo el 4 de mayo de 2024 y para declarar los resultados de dicha elección.

Por la presente se ordena e instruye al Secretario de la Ciudad que publique una copia debidamente ejecutada de esta orden y aviso de elección en las Oficinas de la Ciudad. Dicho aviso se publicará a más tardar veintiún (21) días antes de la fecha de dicha elección. La notificación de la hora y el lugar de celebración de dicha elección se dará mediante la publicación de dicha notificación en un periódico de circulación general publicado en la Ciudad de Breckenridge por lo menos diez (10) días y no más de treinta (30) días antes de la fecha de dicha elección.

**PASADO Y APROBADO** esta la 6th día de Febrero 2024.

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BOB SIMS, ALCALDE

FE:

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JESSICA SUTTER, SECRETARIA DE LA CIUDAD

S E A L





## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding approval of Ordinance 2024-04 ordering a Special Election to be held on May 4, 2024, for the reauthorization of the local sales tax in the City of Breckenridge at a rate of a quarter percent (.25%) to continue providing revenue for maintenance and repair of municipal streets.

**Department:** Administration

**Staff Contact:** Jessica Sutter

**Title:** City Secretary

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### BACKGROUND INFORMATION:

In 2004 The City of Breckenridge elected to impose a Municipal Sales and Use Tax for Street Maintenance. The Tax code authorizes cities to impose a special sales tax to fund street maintenance if the combined local sales tax rate will not exceed 2%. An election is required to be held and voters must approve the additional sales tax every four years. The city's governing body must adopt an ordinance calling for an election reauthorizing the local sales and use tax to be held on one of two uniform election dates.

The City of Breckenridge will hold this election during the General Election on May 4, 2024.

The polling location for early voting will be at the city offices, 105 North Rose Ave as follows:  
 April 22-26: 8:00 a.m. - 5:00 p.m.  
 April 29-30: 8:00 a.m. - 5:00 p.m.

The polling place for Election Day will be held at the Breckenridge ISD Athletics and Fine Arts Facility located at 607 W. Second St on May 4, 2024, from 7:00 a.m.-7:00 p.m.

### FINANCIAL IMPACT:

NA

### STAFF RECOMMENDATION:

Consider approval of Ordinance 2024-04 ordering a Special Election to be held on May 4, 2024, for the reauthorization of the local sales tax in the City of Breckenridge at a rate of a quarter percent (.25%) to continue providing revenue for maintenance and repair of municipal streets.

# MUNICIPAL SALES AND USE TAX FOR STREET MAINTENANCE

Many Texas cities do not have the funds necessary to repair existing streets and sidewalks. **The Tax Code** authorizes cities to impose a special sales tax to fund maintenance of this important mobility infrastructure.



**Glenn Hegar**

Texas Comptroller of  
Public Accounts

## WHO IS ELIGIBLE?

Cities may impose the tax if the new combined local sales tax rate will not exceed 2 percent.

[Refer to **Tax Code, Sect. 327.003(b).**]

## ELECTION IS REQUIRED

A city's voters must approve the additional sales tax. The city's governing body must adopt an ordinance calling for an election to be held on one of the two uniform election dates:

- the first Saturday in May; or
- the first Tuesday after the first Monday in November.

For guidance on the timing of elections, please contact the Secretary of State at 512-463-5650 or toll free at 800-252-8683. Additional information is available on the **Secretary of State's website**.

## BALLOT LANGUAGE

At the election to adopt the additional tax, a ballot must allow voters the choice of voting for or against the proposition. Following is the required ballot language:

"The adoption of a local sales and use tax in (name of municipality) at the rate of (insert appropriate rate) to provide revenue for maintenance and repair of municipal streets."

[Refer to **Tax Code, Sect. 327.006(b).**]



For sales tax elections called by the governing body, a municipality may combine measures to lower or repeal any dedicated or special purpose municipal sales tax into a single ballot proposition, and at the same time raise or adopt any other dedicated special purpose municipal sales tax. A combined sales tax proposition would have to contain substantially the same language as that required for lowering, repealing, raising or adopting each tax as appropriate. If a combined sales tax proposition were defeated, there would be no effect on existing sales taxes.

[Refer to **Tax Code, Sect. 321.109.**]

The tax may be used to **repair existing streets**, but **not build new streets**.

FOR MORE INFORMATION,  
VISIT OUR WEBSITE  
[Comptroller.Texas.Gov](http://Comptroller.Texas.Gov)

RECEIVE ECONOMIC  
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BY EMAIL AT  
[econ.dev@cpa.texas.gov](mailto:econ.dev@cpa.texas.gov)

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered.

It is not a substitute for legal advice.

# MUNICIPAL SALES AND USE TAX FOR STREET MAINTENANCE

**Street maintenance tax funds** may be spent on municipal streets including sidewalks.

## ELECTION RESULTS

If the election is successful, within 10 days of the election the city must declare the results of the election by resolution or an ordinance entered in its minutes of proceedings.

The resolution or ordinance must include statements showing:

- the date the election was held;
- the wording of the proposition;
- the total number of votes cast for and against the proposition; and
- the number of votes by which the proposition passed.

[Refer to **Tax Code, Sect. 321.405.**]

If the voters of a municipality adopt the street maintenance sales tax at an election held on the same date that another political subdivision adopts a sales and use tax or approves the increase in the rate of its sales and use tax, the combined rate of all sales and use taxes must not exceed 2 percent at any location in the municipality. If the combined rate exceeds 2 percent at any location in the municipality, the election to adopt a street maintenance sales tax will have no effect.

[Refer to **Tax Code, Sect. 327.003(c).**]

## EFFECTIVE DATE

The tax will become effective on the first day of the first calendar quarter after one complete calendar quarter passes from the date the Comptroller receives the city's notice that voters have approved the tax.

[Refer to **Tax Code, Sect. 327.005.**]

For example, if voters approve the tax in an election held in May and the city sends the election results to the Revenue Accounting, Tax Allocation Section of the Comptroller's office by the end of June, the tax would take

effect on Oct. 1. The city would begin receiving revenue from the Comptroller beginning with the December sales tax allocation.

## ADMINISTRATION OF THE TAX

The city should account for street maintenance sales tax funds separately from other revenues.

## USE OF THE STREET MAINTENANCE SALES TAX

Funds may be used only to maintain and repair municipal streets and sidewalks that existed on the date of the election to adopt the tax. It may not be used to build new streets.

[Refer to **Tax Code, Sect. 327.008.**]

## WHAT ARE "MUNICIPAL" STREETS?

A "municipal street" includes the entire width of a way (including sidewalks) held by a municipality in fee or by easement or dedication that has a part open for public use for vehicular travel. The term does not include a designated state or federal highway or road or a designated county road.

[Refer to **Tax Code, Sect. 327.001.**]



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# MUNICIPAL SALES AND USE TAX FOR STREET MAINTENANCE

## EXPIRATION AND REAUTHORIZATION OF THE TAX

For most cities, the street maintenance sales tax expires four years after it takes effect unless the city's voters authorize it to continue in an election held for that purpose. The election to reauthorize the tax must be held on one of the two uniform election dates noted previously. The ballot proposition language should permit voting for or against the following proposition:

"The reauthorization of the local sales and use tax in (name of municipality) at the rate of (insert appropriate rate) to continue providing revenue for maintenance and repair of municipal streets."

The municipality must notify the Comptroller of the scheduled expiration not later than the 10th day after the municipality determines that the tax will expire.

[Refer to **Tax Code, Sect. 327.007.**]



If an election to reauthorize the tax is not held before the tax expires or if votes cast in an election to reauthorize the tax do not favor reauthorization, the municipality may not call an election to authorize a new tax under this chapter before the first anniversary of the date on which the tax expired.

[Refer to **Tax Code, Sect. 327.007.**]

## NEED MORE INFORMATION?

For more information about the street maintenance sales tax, call the Comptroller's Data Analysis and Transparency Division at 844-519-5672.

The **tax expires four years after it takes effect** unless voters authorize its extension.

FOR MORE INFORMATION,  
VISIT OUR WEBSITE  
[Comptroller.Texas.Gov](https://Comptroller.Texas.Gov)

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## Glenn Hegar

Texas Comptroller of Public Accounts

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formats by calling the appropriate toll-free number  
listed or by sending a fax to 512-475-0900.

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Equalization Surcharge  
Automotive Oil Fee  
Battery Fee  
Boat and Boat Motor Sales Tax  
Customs Broker  
Mixed Beverage Taxes  
Off-Road, Heavy-Duty Diesel  
Equipment Surcharge  
Oyster Fee  
Sales and Use Taxes

### 800-531-5441

Cement Tax  
Inheritance Tax  
Local Revenue  
Miscellaneous Gross  
Receipts Taxes  
Oil Well Servicing Tax  
Sulphur Tax

### 800-442-4353

WebFile Help

### 800-252-1381

Bank Franchise  
Franchise Tax

### 800-252-7875

Spanish

### 800-531-1441

Fax on Demand (Most frequently request-  
ed Sales and Franchise tax forms)

### 800-252-1382

Clean Vehicle Incentive Program  
Manufactured Housing Tax  
Motor Vehicle Sales Surcharge,  
Rental and Seller Financed Sales Tax  
Motor Vehicle Registration Surcharge

### 800-252-1383

Fuels Tax  
IFTA  
LG Decals  
Petroleum Products Delivery Fee  
School Fund Benefit Fee

### 800-252-1384

Coastal Protection  
Crude Oil Production Tax  
Natural Gas Production Tax

### 800-252-1387

Insurance Tax

### 800-252-1385

Coin-Operated Machines Tax  
Hotel Occupancy Tax

### 800-252-1386

Account Status  
Officer and Director Information

### 800-862-2260

Cigarette and Tobacco

### 888-4-FILING (888-434-5464)

TELEFILE: To File by Phone

### 800-252-1389

GETPUB: To Order Forms and Publica-  
tions

### 800-654-FIND (800-654-3463)

Treasury Find

### 800-321-2274

Unclaimed Property Claimants  
Unclaimed Property Holders  
Unclaimed Property Name Searches  
512-463-3120 in Austin

### 877-44RATE4 (877-447-2834)

Interest Rate



**CITY OF BRECKENRIDGE**

**ELECTION ORDER:  
SALES AND USE TAX INCREASE**

**ORDINANCE 2024-04**

**ORDER OF THE CITY COMMISSION OF THE CITY OF BRECKENRIDGE ("CITY"), TEXAS, CALLING A SPECIAL ELECTION TO BE HELD WITHIN THE CITY ON THE FIRST SATURDAY IN MAY, 2024, THAT BEING THE UNIFORM ELECTION DATE OF MAY 4, 2024, ON THE PROPOSITION OF ADOPTING AN ADDITIONAL SALES AND USE TAX WITHIN THE CITY AT THE RATE OF ONE-FOURTH(1/4) OF ONE (1) PERCENT TO PROVIDE REVENUE FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS; AND MAKING PROVISION FOR THE CONDUCT OF THE ELECTION AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE HOLDING OF SUCH ELECTION.**

**WHEREAS,** the City Commission of the City of Breckenridge, Texas ("City Commission") finds it is in the best interest of the citizens of the City to call and hold a special election ("Election") in the City for the purpose of adopting an additional sales and use tax to be used for street maintenance; and

**WHEREAS,** the City Commission has determined that an Election on the next uniform election date of May 4, 2024, will constitute an appropriate date for the Election; and

**WHEREAS,** the City Commission finds that if the sales and use tax is increased, the total combined rate of all sales and use taxes imposed by the City and other political subdivisions having territory in the municipality will not exceed two percent (2%) at any location in the municipality; and

**WHEREAS,** the City has the authority to order and conduct such an election pursuant to, and the City meets the requirements of, Chapter 321 of the Texas Tax Code.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF BRECKENRIDGE THAT:**

**1. FINDINGS OF FACT**

The statements in the foregoing preamble and recitals being true and correct are hereby made a part of this Ordinance for all purposes and are adopted as findings of fact.

**2. SPECIAL ELECTION**

- A. A Special Election (the "Election") is hereby called to determine whether the City shall increase the current sales and use tax rate by one-fourth ( $\frac{1}{4}$ ) of one percent (1%) to be used for street maintenance. If adopted, the increase of sales and use tax rate, to provide revenue for maintenance and repair of municipal streets, becomes effective on the October 1st after the expiration of the first complete calendar quarter after the Texas State Comptroller

- ### 3. MEASURE

"The adoption of a local sales and use tax in City of Breckenridge at the rate of one-fourth (¼) of one percent (1%) to provide revenue for maintenance and repair of municipal streets."

**"THE ADOPTION OF A LOCAL SALES AND USE TAX IN CITY OF BRECKENRIDGE AT THE RATE OF ONE-FOURTH (¼) OF ONE PERCENT (1%) TO PROVIDE REVENUE FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS."**

AGAINST [ ]

The Election shall be conducted by election officers appointed by the City Commission in accordance with the Texas Election Code, the Constitution and laws of the State of Texas and the United States of America.

A. The City Commission hereby appoints the City Secretary, Jessica Sutter, as the election officer for the sole purpose of conducting the election, early voting-related thereto, tabulation of votes, and the custody of any records from such election. This appointment includes services as the Early Voting Clerk for the Election, except for the receipt of applications and ballots for early voting by mail, provision for which is specifically made in Section 9, below.

- B. The City Commission hereby appoints Karen Chakerian as Election Judge, and Anita Lockhart as Alternate Election Judge. If these individuals cannot serve, the City Secretary is authorized to appoint alternates.
- C. The hourly rate of pay for each election judge shall be \$12.00 and clerk shall be \$10.00. In addition, the presiding judge responsible for delivering the ballots and other election materials and records to the return center shall be paid \$25.00 for such delivery. The persons listed in Section 6. B. above shall also serve as the Early Voting Ballot Board. The Early Voting Ballot Board is hereby created and authorized to canvass the early votes cast by mail and by personal appearance.

## **7. PRECINCTS AND POLLING PLACES**

- A. The territorial boundaries of the City of Breckenridge are hereby designated as the voting precinct for this Election.
- B. The polling place for the Election is hereby designated to be Breckenridge ISD Athletics and Fine Arts Facility located at 607 West Second St, Breckenridge, Texas 76424 in accordance with that certain Joint Election Agreement the City entered into with Breckenridge Independent School District ("BISD") and Stephens Memorial Hospital District. If the City cancels its election, the School District will use its Administrative Offices located at 208 North Miller Street, Breckenridge, Texas 76424 and the Hospital District will use Stephens Memorial Hospital located at 200 South Geneva, Breckenridge, Texas 76424 as their election polling places. If the School District cancels its election, the City will use the City Office located at 105 N. Rose Ave, Breckenridge, Texas 76424 and the Hospital District will use Stephens Memorial Hospital located at 200 South Geneva, Breckenridge, Texas 76424. If the Hospital District cancels its election, the City and the School District will use the Breckenridge ISD Athletics and Fine Arts Facility as their election day polling place. The Poll at the above-designated polling place shall on said Election Day be open from 7:00 A.M. to 7:00 P.M.

## **8. INFORMATION IN SPANISH**

Notices, instructions, ballots, and other written material pertaining to the Election shall be translated into the Spanish language. This material shall be furnished to voters in both English and Spanish in order to enable voters to properly participate in the election process. In addition, the City shall provide the services of a translator speaking both English and Spanish languages to voters who notify the City of the need for such a service.

## **9. EARLY VOTING BY MAIL**

- A. The City Secretary shall serve as Early Voting Clerk for the purpose of receiving ballot applications for ballots to be voted by mail. Ballot applications submitted by mail shall be addressed to the City's Early Voting Clerk at the following address:

Early Voting Clerk, 105 North Rose Avenue, Breckenridge, TX 76424.

- B. The Early Voting Clerk for Breckenridge shall collect all applications for ballots received by Breckenridge at the above address during the period allowed by the Texas Election Code.



## **10. EARLY VOTING BY PERSONAL APPEARANCE**

- A. The City Secretary shall serve as the Early Voting Clerk for all purposes. Ms. Diane Latham, Ms. Lacy Botts, Ms. Angela Crowder, Ms. Mercedes Luna, Ms. Christi Tidrow, and Ms. Sherry Morgan are hereby appointed Deputy Clerks for early voting. The Early Voting Clerk shall have the authority to designate such deputy early voting Clerks as may be necessary to staff the Early Voting Polling Place established under this Order.
- B. The Early Voting polling place shall be the City Offices, located at 105 North Rose Avenue, Breckenridge, Texas 76424.
- C. Early Voting dates and times shall be:

April 22-26, 2024	8:00 a.m. to 5:00 p.m.
April 29-30, 2024	8:00 a.m. to 5:00 p.m.

## **11. CANVASSING OF RETURNS**

The City Secretary shall make a written return of the Election results to the City Commission in accordance with the Texas Election Code. The City Commission shall canvass the returns and declare the results of the Election in accordance with the Texas Election Code and the Texas Tax Code.

## **12. NOTICE OF ELECTION**

Notice of the Election shall be published one time in both the English and Spanish languages, in a newspaper published within Breckenridge's territory at least ten (10) days and no more than thirty (30) days before the Election and as otherwise may be required by the Texas Election Code. Notice of the Election shall also be posted on the bulletin board used by the City Commission to post notices of its City Commission meetings no later than the twenty-first (21<sup>st</sup>) day before the Election.

## **13. AUTHORIZATION TO EXECUTE**

The Mayor of the City of Breckenridge is authorized to execute and the City Secretary is authorized to attest this Ordinance on behalf of the City Commission; and the Mayor is authorized to do all other things legal and necessary in connection with the holding and consummation of the Election. The Mayor is further authorized to take, or cause to be taken, all actions reasonable and necessary to ensure that the Election is fairly held and returns properly counted and tabulated for canvass by the City Commission, which actions are hereby ratified and confirmed.

In the event that the Mayor shall determine from time to time (1) that the polling place is unavailable or unsuitable for such use, or it would be in the City's best interest to relocate a polling place, or (2) that a presiding or alternate presiding judge hereafter appointed is unable or unqualified to serve in such position, the Mayor is hereby authorized to designate and appoint in

writing a substitute polling place or judge giving such notice as is required by the Election Code and as deemed sufficient.

#### **14. EFFECTIVE DATE**

This Ordinance is effective immediately upon its passage and approval. If approved, the Tax Rate shall take effect in accordance with state law.

#### **15. PROPER NOTICE & MEETING**

The City Commission officially finds, determines, recites and declares that written notice of the date, hour, place and subject of the meeting at which this Ordinance is adopted was posted for at least seventy-two (72) hours preceding the scheduled time of the meeting and at the location required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that such meeting was open to the public as required by law at all times during which this Ordinance and the subject matter thereof was discussed, considered and formally acted upon.

**PASSED AND APPROVED** this, the 6th day of February 2024, by the City Commission of the City of Breckenridge, Texas.

**CITY OF BRECKENRIDGE**

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**BOB SIMS, MAYOR**

**ATTEST:**

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**JESSICA SUTTER, CITY SECRETARY**

## CIUDAD DE BRECKENRIDGE

### ORDEN DE ELECCION: AUMENTO DEL IMPUESTO SOBRE LAS VENTAS Y EL USO

#### ORDINANCE 2024-04

**ORDEN DE LA COMISIÓN DE LA CIUDAD DE BRECKENRIDGE ("CIUDAD"), TEXAS, CONVOCANDO A UNA ELECCIÓN ESPECIAL QUE SE LLEVARÁ A CABO DENTRO DE LA CIUDAD EL PRIMER SÁBADO DE MAYO DE 2024, QUE ES LA FECHA DE ELECCIÓN UNIFORME DEL 4 DE MAYO DE 2024, SOBRE LA PROPOSICIÓN DE ADOPTAR UN IMPUESTO ADICIONAL SOBRE LAS VENTAS Y EL USO DENTRO DE LA CIUDAD A UNA TASA DE UN CUARTO (1/4) DEL UNO (1) POR CIENTO PARA PROPORCIONAR INGRESOS PARA EL MANTENIMIENTO Y REPARACIÓN DE LAS CALLES MUNICIPALES; Y TOMAR DISPOSICIONES PARA LA REALIZACIÓN DE LA ELECCIÓN Y RESOLVER OTROS ASUNTOS RELACIONADOS CON LA CELEBRACIÓN DE DICHA ELECCIÓN.**

**CONSIDERANDO,** la Comisión de la Ciudad de Breckenridge, Texas ("Comisión de la Ciudad") considera que es en el mejor interés de los ciudadanos de la Ciudad convocar y celebrar una elección especial ("Elección") en la Ciudad con el propósito de adoptar un impuesto adicional sobre las ventas y el uso que se utilizará para el mantenimiento de las calles; y

**CONSIDERANDO,** la Comisión de la Ciudad ha determinado que una Elección en la próxima fecha de elección uniforme del 4 de mayo de 2024 constituirá una fecha apropiada para la Elección; y

**CONSIDERANDO,** que la Comisión Municipal considera que si se incrementa el impuesto sobre las ventas y el uso, el tipo total combinado de todos los impuestos sobre las ventas y usos impuestos por la ciudad y otras subdivisiones políticas que tengan territorio en el municipio no superará el dos por ciento (2%) en cualquier lugar del municipio; y

**CONSIDERANDO,** la Ciudad tiene la autoridad para ordenar y llevar a cabo dicha elección de conformidad con, y la Ciudad cumple con los requisitos del Capítulo 321 del Código Tributario de Texas.

**AHORA, POR LO TANTO, SER ORDENADO POR LA COMISIÓN DE LA CIUDAD DE LA CIUDAD DE BRECKENRIDGE QUE:**

## 1. HALLAZGOS DE HECHO

Las afirmaciones contenidas en el preámbulo y los considerandos anteriores, siendo verdaderas y correctas, forman parte de la presente Ordenanza a todos los efectos y se adoptan como conclusiones de hecho.

## 2. ELECCIÓN ESPECIAL

- A. Por la presente se convoca a una Elección Especial (la "Elección") para determinar si la Ciudad aumentará la tasa actual del impuesto sobre las ventas y el uso en un cuarto (1/4) del uno por ciento (1%) que se utilizará para el mantenimiento de las calles. Si se adopta, el aumento de la tasa del impuesto sobre las ventas y el uso, para proporcionar ingresos para el mantenimiento y reparación de las calles municipales, entrará en vigencia el 1 de octubre después de la expiración del primer trimestre calendario completo después de que la Contralora del Estado de Texas reciba la notificación oficial de la Ciudad sobre el cambio en la tasa impositiva. La elección se llevará a cabo en la próxima fecha de elección uniforme, que es el primer sábado de mayo (4 de mayo de 2024) de este año.
- B. El horario de apertura del centro de votación en la Elección será de 7:00 a.m. a 7:00 p.m.
- C. Dicha fecha de Elección es setenta y ocho (78) días o más a partir de la fecha de adopción de esta Ordenanza (la "Orden"). La elección se realizará únicamente en los límites territoriales de la Ciudad. Todos los votantes residentes y calificados de Breckenridge tendrán derecho a votar.

## 3. MEDIR

En dicha Elección, se presentarán las siguientes medidas:

"La adopción de un impuesto local sobre las ventas y el uso en la ciudad de Breckenridge a una tasa de un cuarto (1/4) del uno por ciento (1%) para proporcionar ingresos para el mantenimiento y la reparación de las calles municipales".

## 4. VOTOS

Para la Elección se utilizará una boleta de papel y equipo compatible para dicha Elección, según se define y describe en el Código Electoral de Texas. Las boletas se prepararán de acuerdo con el Código Electoral de Texas, para permitir que los electores voten "A FAVOR" o "EN CONTRA" de la medida mencionada anteriormente, la cual aparecerá en la boleta sustancialmente de la siguiente manera:

**"LA ADOPCIÓN DE UN IMPUESTO LOCAL SOBRE LAS VENTAS Y EL USO EN LA CIUDAD DE BRECKENRIDGE A UNA TASA DE UN CUARTO (1/4) DEL UNO POR**

**CIENTO (1%) PARA PROPORCIONAR INGRESOS PARA EL MANTENIMIENTO Y LA REPARACIÓN DE LAS CALLES MUNICIPALES".**

PARA [ ]

CONTRA [ ]

## **5. CONDUCTA ELECTORAL**

La Elección será conducida por funcionarios electorales nombrados por la Comisión de la Ciudad de acuerdo con el Código Electoral de Texas, la Constitución y las leyes del Estado de Texas y de los Estados Unidos de América.

## **6. CITAS**

- A. La Comisión de la Ciudad nombra a la Secretaria de la Ciudad, Jessica Sutter, como la oficial electoral con el único propósito de llevar a cabo la elección, la votación anticipada relacionada con la misma, la tabulación de los votos y la custodia de cualquier registro de dicha elección. Este nombramiento incluye servicios como Secretario de Votación Anticipada para la Elección, excepto para la recepción de solicitudes y boletas para la votación anticipada por correo, cuya disposición se hace específicamente en la Sección 9, a continuación.
- B. La Comisión de la Ciudad nombra a Karen Chakerian como Jueza Electoral y a Anita Lockhart como Jueza Electoral Suplente. Si estas personas no pueden servir, el Secretario de la Ciudad está autorizado a nombrar suplentes.
- C. La tarifa de pago por hora para cada juez electoral será de \$12.00 y la del secretario será de \$10.00. Además, el juez presidente responsable de entregar las boletas y otros materiales y registros electorales al centro de devolución recibirá un pago de \$25.00 por dicha entrega. Las personas enumeradas en la Sección 6. B. arriba también servirá como la Junta de Boleta de Votación Anticipada. Por la presente se crea la Junta de Boleta de Votación Anticipada y se autoriza a escrutar los votos anticipados emitidos por correo y por comparecencia personal.

## **7. PRECINCTS Y LUGARES DE VOTACIÓN**

- A. Los límites territoriales de la ciudad de Breckenridge se designan por la presente como el recinto electoral para esta elección
- B. El lugar de votación para la Elección se designa por la presente como el Centro de Atletismo y Bellas Artes de Breckenridge ISD ubicado en 607 West Second St, Breckenridge, Texas 76424 de acuerdo con ese Acuerdo de Elección Conjunta que la Ciudad celebró con el Distrito Escolar Independiente de Breckenridge ("BISD") y el

Distrito Hospitalario Stephens Memorial. Si la Ciudad cancela su elección, el Distrito Escolar usará sus Oficinas Administrativas ubicadas en 208 North Miller Street, Breckenridge, Texas 76424 y el Distrito Hospitalario usará el Hospital Stephens Memorial ubicado en 200 South Geneva, Breckenridge, Texas 76424 como sus lugares de votación electoral. Si el Distrito Escolar cancela su elección, la Ciudad usará la Oficina de la Ciudad ubicada en 105 N. Rose Ave, Breckenridge, Texas 76424 y el Distrito Hospitalario usará el Hospital Stephens Memorial ubicado en 200 South Geneva, Breckenridge, Texas 76424. Si el Distrito Hospitalario cancela su elección, la Ciudad y el Distrito Escolar usarán las Instalaciones de Atletismo y Bellas Artes de Breckenridge ISD como su lugar de votación el día de las elecciones. La votación en el lugar de votación designado anteriormente estará abierta el día de las elecciones de 7:00 a.m. a 7:00 p.m.

## **8. INFORMACIÓN EN ESPAÑOL**

Los avisos, instrucciones, boletas y otros materiales escritos relacionados con la Elección se traducirán al idioma español. Este material se proporcionará a los electores tanto en inglés como en español para que puedan participar adecuadamente en el proceso electoral. Además, la Ciudad proveerá los servicios de un traductor que hable inglés y español a los votantes que notifiquen a la Ciudad de la necesidad de dicho servicio.

## **9. VOTACIÓN TEMPRANA POR CORREO**

- A. El Secretario de la Ciudad servirá como Secretario de Votación Anticipada con el propósito de recibir solicitudes de boletas para boletas que se votarán por correo. Las solicitudes de boletas presentadas por correo se dirigirán al Secretario de Votación Anticipada de la Ciudad a la siguiente dirección:

Secretario de Votación Anticipada, 105 North Rose Avenue, Breckenridge, TX 76424.

- B. El Secretario de Votación Anticipada de Breckenridge recogerá todas las solicitudes de boletas recibidas por Breckenridge en la dirección anterior durante el período permitido por el Código Electoral de Texas.

## **10. VOTACIÓN TEMPRANA POR APARIENCIA PERSONAL**

- A. El Secretario de Votación Anticipada de Breckenridge recogerá todas las solicitudes de boletas recibidas por Breckenridge en la dirección anterior durante el período permitido por el Código Electoral de Texas.

- B. El lugar de votación anticipada serán las Oficinas de la Ciudad, ubicadas en 105 North Rose Avenue, Breckenridge, Texas 76424.

- C. Las fechas y horarios de la Votación Anticipada serán:

Abril 22-26, 2024

8:00 a.m. a 5:00 p.m.

Abril 29-30, 2024

8:00 a.m. a 5:00 p.m.

## **11. LIENZOS DE DEVOLUCIONES**

El Secretario de la Ciudad hará una devolución por escrito de los resultados de las Elecciones a la Comisión de la Ciudad de acuerdo con el Código Electoral de Texas. La Comisión de la Ciudad hará el escrutinio de las declaraciones y declarará los resultados de la Elección de acuerdo con el Código Electoral de Texas y el Código Tributario de Texas.

## **12. AVISO DE ELECCIÓN**

El Aviso de la Elección se publicará una vez en los idiomas inglés y español, en un periódico publicado dentro del territorio de Breckenridge por lo menos diez (10) días y no más de treinta (30) días antes de la Elección y según lo exija el Código Electoral de Texas. El aviso de la Elección también se publicará en el tablón de anuncios utilizado por la Comisión de la Ciudad para publicar avisos de sus reuniones de la Comisión de la Ciudad a más tardar el vigésimo primer (21) día antes de la Elección.

## **13. AUTORIZACIÓN PARA EJECUTAR**

El Alcalde de la Ciudad de Breckenridge está autorizado a ejecutar y el Secretario de la Ciudad está autorizado a dar fe de esta Ordenanza en nombre de la Comisión de la Ciudad; y el Alcalde está autorizado a hacer todas las demás cosas legales y necesarias en relación con la celebración y consumación de la Elección. Además, el Alcalde está autorizado a tomar, o hacer que se tomen, todas las acciones razonables y necesarias para garantizar que la Elección se lleve a cabo de manera justa y que las devoluciones se cuenten y tabulen adecuadamente para el escrutinio por parte de la Comisión de la Ciudad, acciones que por la presente se ratifican y confirman.

En el caso de que el Alcalde determine de vez en cuando (1) que el lugar de votación no está disponible o no es adecuado para tal uso, o que sería en el mejor interés de la Ciudad reubicar un lugar de votación, o (2) que un juez presidente o presidente suplente designado en lo sucesivo no puede o no está calificado para servir en dicha posición, por la presente se autoriza al Alcalde a designar y designar por escrito un lugar de votación sustituto o un juez que dé la notificación requerida por el Código Electoral y que se considere suficiente.

## **14. FECHA DE ENTRADA EN VIGOR**

La presente Ordenanza entra en vigor inmediatamente después de su aprobación y aprobación. Si se aprueba, la tasa impositiva entrará en vigencia de acuerdo con la ley estatal.

## **15. NOTIFICACIÓN Y REUNIÓN APROPIADAS**

La Comisión de la Ciudad encuentra, determina, recita y declara oficialmente que la notificación por escrito de la fecha, hora, lugar y tema de la reunión en la que se adopta esta Ordenanza se publicó durante al menos setenta y dos (72) horas antes de la hora programada de la reunión y en

el lugar requerido por la Ley de Reuniones Abiertas, Capítulo 551, Código de Gobierno de Texas, según enmendada; y que dicha reunión estuvo abierta al público, como lo exige la ley, en todo momento durante el cual se discutió, consideró y actuó formalmente sobre esta Ordenanza y el tema de la misma.

**APROBADO Y APROBADO** el día 6 de febrero de 2024 por la Comisión Municipal de la Ciudad de Breckenridge, Texas.

**CIUDAD DE BRECKENRIDGE**

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**BOB SIMS, ALCALDE**

**Atestiguar:**

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**JESSICA SUTTER, SECRETARIA DE CIUDAD**





## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding an encroachment agreement with New Destination Church for parking on a portion of what is formerly Dyer Street in the Original Town of Breckenridge.

**Department:** Administration

**Staff Contact:** Cynthia Northrop

**Title:** City manager

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### BACKGROUND INFORMATION:

In the process of selling the Old Senior Building via sealed bid process we obtained a survey and discovered Dyer Street was not ever closed. Commissioners acted to close Dyer Street and deed the south half to the buyers (New Destination Church) as it was also discovered that the actual building was partially in the Dyer Street ROW. The church has been using the area for parking. With the closing of Dyer Street, the city retains the north half of the ROW, so part of the parking lot of the church is now technically city property.

This encroachment agreement will allow the Church to continue to use the property for their church parking. The city will not be responsible to maintain the area however, the church may choose to maintain the area (see section 2 of the agreement copied below):

*2. Maintenance. The Church may, but is not obligated to, maintain the Encroachment. Whenever the Church shall perform any construction, maintenance, repairs or replacements to the Encroachment, such work shall be done expeditiously and in a good and workmanlike manner and in accordance with all applicable laws, codes, rules, statutes and regulations of governmental authorities having jurisdiction thereof. The City shall have no obligation to perform any maintenance or improvements to the City Property or the Encroachment.*

### FINANCIAL IMPACT:

NA

### STAFF RECOMMENDATION:

Move to approve Encroachment agreement with New Destination Church for parking on a portion of what is formerly Dyer Street in the Original Town of Breckenridge.

THE STATE OF TEXAS           §  
    §  
 COUNTY OF STEPHENS       §

### **ENCROACHMENT AGREEMENT**

This Encroachment Agreement (this “Agreement”) is made effective this 6<sup>th</sup> day of February, 2024 by and between the City of Breckenridge, Texas (the “City”) and New Destination Church, a Texas non-profit corporation (“Church”).

**WHEREAS**, Church is the owner of that certain property being in Stephens County, Texas, and being more particularly described as a 0.09 acre tract out of the northeast quarter of Section 9 of the Lunatic Asylum Lands, City of Breckenridge, Stephens County, Texas, as more particularly described in the attached **Exhibit “A”** (the “Church Property”);

**WHEREAS**, on December 5, 2023, the City closed a portion of Dyer Street lying north of the Church Property on which a portion of the Church’s building sits as well as a paved area that has long been used for parking to serve the Church Property;

**WHEREAS**, along with its conveyance of the Church Property to the Church, the City also conveyed the south forty feet of the west one-hundred and fifty feet of Dyer Street in the Original Town of Breckenridge, Stephens County, Texas to the Church (the “Church Street Property”);

**WHEREAS**, the City owns the north forty feet of the west one-hundred and fifty feet of Dyer Street in the Original Town of Breckenridge, Stephens County, Texas where the parking facilities for the Church Property sit (the “City Property”);

**WHEREAS**, Church wishes to continue to allow the parking facilities (the “Encroachment”) to remain on the City Property for so long as the Church Property and the Church Street Property are used for a Church, in order to allow for adequate parking for Church patrons;

**WHEREAS**, the City Property has been used for parking to serve the Church Property and Church Street Property for many years and said Encroachment imposes no burden or inconvenience to the City; and

**WHEREAS**, the Breckenridge City Commission, for and on behalf of the City, has agreed to grant Church the requested use of the City Property.

**NOW, THEREFORE**, for and in consideration of the premises, the mutual benefits to be derived by the provisions of this Agreement, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by the parties hereto, Church and the City do hereby covenant and agree as follows:

1. Encroachment. The City hereby grants, approves, and permits Church, for the benefit of and as an appurtenance to the Property, to encroach into the City Property with existing parking facilities to serve the Church Property and the Church Street Property.

2. Maintenance. The Church may, but is not obligated to, maintain the Encroachment. Whenever the Church shall perform any construction, maintenance, repairs or replacements to the Encroachment, such work shall be done expeditiously and in a good and workmanlike manner and in accordance with all applicable laws, codes, rules, statutes and regulations of governmental authorities having jurisdiction thereof. The City shall have no obligation to perform any maintenance or improvements to the City Property or the Encroachment.

3. Condition. The Church accepts the Encroachment on an “AS IS” basis and in its present condition. Owner acknowledges that its acceptance of an “AS IS” basis forms a material part of the consideration of this Agreement.

4. Indemnification. **CHURCH, ITS RESPECTIVE HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, SHALL INDEMNIFY AND SAVE HARMLESS THE CITY, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, INSURERS AND ADVISORS FROM ANY AND ALL CLAIMS, DEMANDS, CHARGES, SUITS OR ACTIONS FOR PROPERTY DAMAGE OR LOSS, OR LOSS OF USE THEREOF, AND PERSONAL INJURY AND DEATH, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY PERSON, ENTITY, OR AGENCY, INCLUDING BUT NOT LIMITED TO OWNERS AND EMPLOYEES OR AGENTS OF OWNERS, AND ALL EXPENSES OF LITIGATION INCLUDING BUT NOT LIMITED TO, REASONABLE ATTORNEYS’ FEES AND LITIGATION EXPENSES, ARISING OUT OF OR IN ANY MANNER CONNECTED WITH THE USE, CARE OR MAINTENANCE OF THE ENCROACHMENT.**

5. Duration. This Agreement shall remain in effect for so long as the Church owns the Church Property and the Church Street Property and operates a church on said property.

6. Amendment. This Agreement may be amended, modified or terminated only in writing, executed and acknowledged by all parties to this Agreement or their respective successors or assigns.

7. Rights Reserved. The City reserves for itself and its successors the right to continue to use the City Property.

8. Miscellaneous. This Agreement shall be governed in accordance with the laws of the State of Texas and venue for any proceeding relating to this Agreement shall lay in Stephens County, Texas. The paragraph headings in this Agreement are for convenience only, shall in no way define or limit the scope or content of this Agreement, and shall not be considered in any construction or interpretation of this Agreement or any part hereof. Nothing in this Agreement shall be construed to make the parties hereto partners or joint venturers. No party hereto shall be obligated to take any action to enforce the terms of this Agreement or to exercise any easement, right, power, privilege or remedy granted, created, conferred or established hereunder.

9. Recitals. The Recitals are incorporated in their entirety into this Agreement.

Executed to be effective as of the date and year first written above.

**City:**

CITY OF BRECKENRIDGE, TEXAS

\_\_\_\_\_  
Bob Sims, Mayor

ATTEST:

\_\_\_\_\_  
Jessica Sutter, City Secretary

THE STATE OF TEXAS     §  
  §  
COUNTY OF STEPHENS   §

This instrument was acknowledged before me on the \_\_\_\_ day of February, 2024, by Bob Sims, as Mayor of the City of Breckenridge, Texas, on behalf of said city.

\_\_\_\_\_  
Notary Public, State of Texas

**Church:**

NEW DESTINATION CHURCH, a Texas non-profit corporation

\_\_\_\_\_  
Daniel R. McDuff, \_\_\_\_\_ (Title)

THE STATE OF TEXAS     §  
  
COUNTY OF STEPHENS   §

This instrument was acknowledged before me on the \_\_\_\_ day of February, 2024, by Daniel R. McDuff, as \_\_\_\_\_ (Title) of New Destination Church, a Texas non-profit corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

## EXHIBIT "A"

**OWEN SURVEYING CO.**

P. O. BOX 336, BRECKENRIDGE, TX 76424

MICHAEL DAVIS,  
PRESIDENT  
OFFICE 254-559-9898  
FAX 254-559-7372

ERIC BRENNAN, RPLS #5560

Firm Number 10069000  
[www.owensurveying.com](http://www.owensurveying.com)**METES AND BOUNDS DESCRIPTION**  
**0.09 Acre Tract**

All that certain 0.09 acre tract or parcel of land situated in the City of Breckenridge in the northeast quarter of Section 9, of the Lunatic Asylum Lands, original grantee and patentee D. W. Hullum, patent filed 12 June 1877, and recorded in volume B page 386 of the Patent Records of the County of Stephens State of Texas, said tract being part of Block 33 of Original Town Plat of Breckenridge, dated May 1878, and recorded in volume C page 34 of the Deed Records of Stephens County, plat now located in slide 91A of the Plat Cabinet of the Plat Records of said Stephens County, and said tract being all of a tract as described in deed to The City of Breckenridge, filed 20 August 1946, and recorded in volume 210 page 12 of said deed records, and being more particularly described as follows;

**BEGINNING** for the northeast corner of the tract being described herein at a found iron rod with a plastic cap marked 5560 on the south line of Dyer Street, same being the north line of said Block 33, said rod being the northwest corner of Lot 1 of Brown's Subdivision, according to plat of the same filed 28 March 1923, and recorded in volume 120 page 43 of said deed records, said plat now located in Slide 6B of said plat cabinet, from said rod a found iron rod with a plastic cap marked 4015 being the northwest corner of Block 6 of said original town plat bears South 89 degrees 55 minutes 53 seconds East, a distance of 610.50 feet;

**THENCE:** South 00 degrees 01 minutes 26 seconds West, with the west line of said Lot 1, a distance of 25.00 feet to a set 1/2 inch rebar for the southeast corner of said City tract, same being the northeast corner of a tract as described in deed to Patrick E. Muncie et ux, Wendy L. Muncie, filed 04 April 2006, and recorded in volume 1822 page 120 of said official public records, from said rebar a found 1/2 inch pipe bears North 49 degrees 52 minutes East, a distance of 0.63 feet;

**THENCE:** North 89 degrees 55 minutes 53 seconds West, with the south line of said City tract, and with the north line of said Muncie tract, a distance of 150.00 feet to a set 1/2 rebar by a found 1/2 inch pipe on the east line of Smith Street same being the west line of said Block 33 for the southwest corner of said City tract, same being the northwest corner of said Muncie tract;

**THENCE:** North 00 degrees 01 minutes 26 seconds East, with the west line of said Block 33, and with the east line of said Smith Street, a distance of 25.00 feet to a set 1/2 inch rebar at the intersection of the east line of said Smith Street, and the south line of said Dyer Street for the northwest corner of said City tract, same being the northwest corner of said Block 33, from said rebar a set 1/2 inch rebar at the intersection of the south line of said Dyer Street and the west line of said Smith Street being the northeast corner of said Block 35, same being the northeast corner of a tract as described in deed to the City of Breckenridge, filed 20 August 1946, and recorded in volume 210 page 13 of said deed records, surveyed concurrently this date bears North 89 degrees 55 minutes 53 seconds West, a distance of 80.00 feet;

**THENCE:** South 89 degrees 55 minutes 53 seconds East, with the north line of said Block 33 and the south line of said Dyer Street, a distance of 150.00 feet to the **POINT OF BEGINNING** and containing 0.09 of an acre of land.

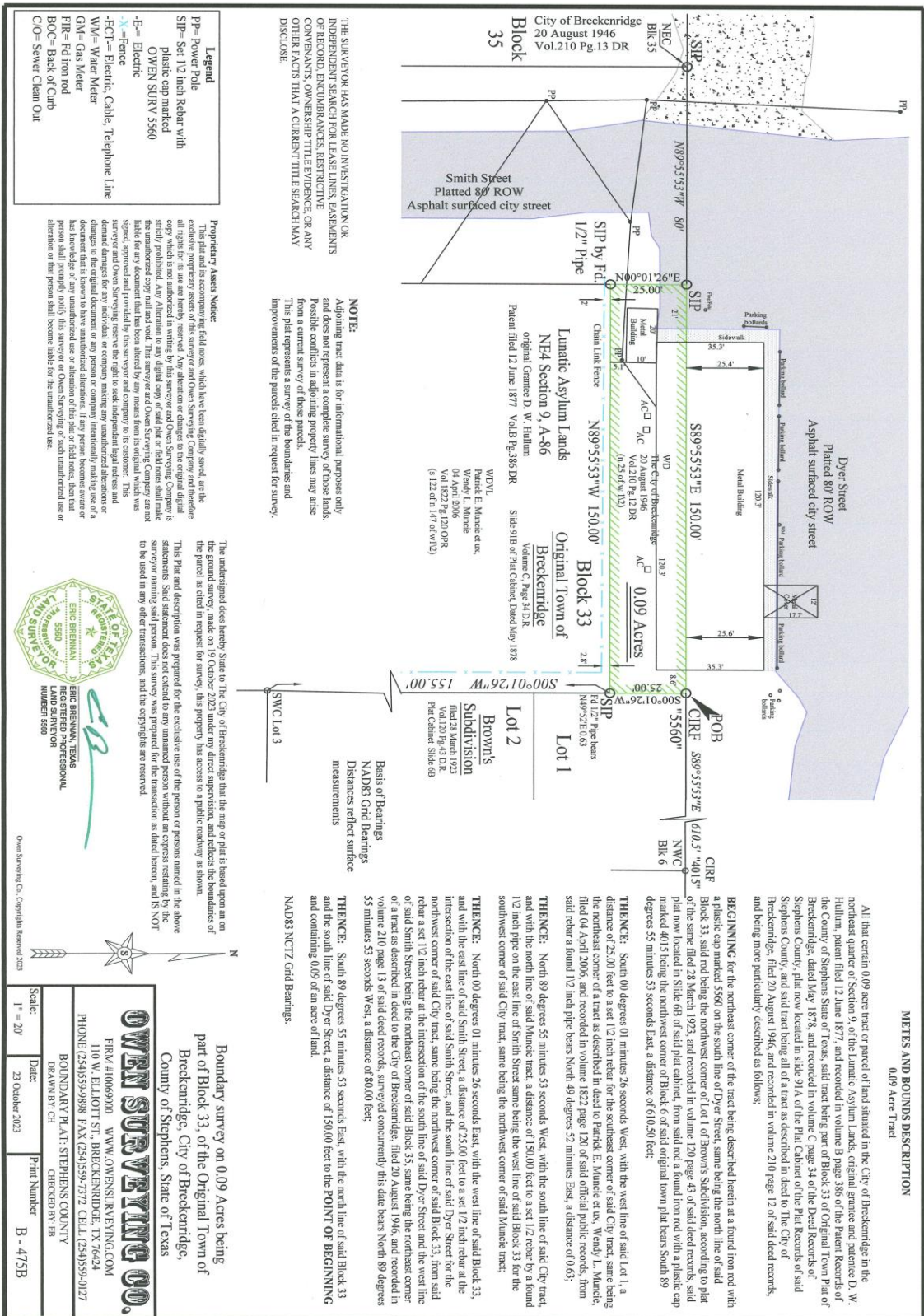
NAD83 NCTZ Grid Bearings.



Eric Brennan, Texas Registered  
Professional Land Surveyor  
Number 5560  
Dated 23 October 2023



EXHIBIT "A"









## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding updating Optimum Contract

**Department:** Administration

**Staff Contact:** Cynthia Northrop

**Title:** City Manager

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### BACKGROUND INFORMATION:

Last October the Mayor and Commissioner authorized the City Manager to enter into an agreement with Optimum to provide upgraded fiber internet service for the city. At the beginning of the project, it was discovered that the cost to onboard one of the locations was not accurately calculated by Optimum. Additionally, the city wanted to add a location to the service (the Cemetery).

A competitive pricing proposal was presented where Optimum is absorbing the upfront capital cost of providing fiber to our city facilities. With the increased cost for one of the locations not calculated accurately and in consideration of adding another location, Optimum is proposing the same pricing structure but increasing the contract terms from five years to seven years.

Considering it is unlikely that there will be another fiber option, staff believe this is a reasonable request to update the contract terms.

*As a reminder, I've included part of the background information previously provided for convenience:*

As a part of the continuing budget analysis, looking for increasing efficiencies, we have been researching our telephone/internet expenses along with our IT Consultants, Tolar. We have not had consistency in departmental use of internet providers, level of internet service and reliability and our phone system is old and obsolete.

We have limited choice in internet providers and service type. Currently, City Hall uses Optimum, some departments use AT&T and some use New Source Broadband, which also serves as redundancy for all city facilities (the recent contract update with them increased the level of service but it is still not a high level of service). While the overall cost of the Optimum service is slightly more than our current costs, upgrading our internet will provide a significantly higher level of service and a higher level of reliability, which impacts work productivity.



Additionally, upgrading the internet service will allow us to update our obsolete phone system as an upgraded internet is required to support voice-over-internet-protocol (VOIP). A VOIP system allows for more functionalities as well. The VOIP system contract will be a separate agenda item.

**FINANCIAL IMPACT:**

The contract is \$2840 monthly/\$34,080 annually for a term of seven years for the following locations:

105 N Rose/City Hall  
120 E Elm/Fire  
609 Dubois/Top Shop  
1548 FM 287/Wastewater Treatment Plant  
510 S Breckenridge Ave/Water Treatment Plant  
503 Hulum/Parks  
1301 E Elliott/Cemetery

**STAFF RECOMMENDATION:**

Recommend authorizing the City Manager to update and execute the Optimum agreement for internet services as presented.



## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action approving an agreement for a third-party independent background investigation on an incoming Police Chief

**Department:** Administration

**Staff Contact:** Cynthia Northrop

**Title:** City Manager

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### **BACKGROUND INFORMATION:**

The in-house search for the City of Breckenridge's next Police Chief is underway. Best practice requires a thorough and independent background investigation as part of the onboarding process.

### **FINANCIAL IMPACT:**

The contract is \$600 plus approved travel expenses

### **STAFF RECOMMENDATION:**

Consider approval of independent contractor agreement with Wayne Eichel and authorize City Manager to execute the agreement.



# Certificate of Completion

This is to certify that

*Wayne Eichel*

has successfully completed the twelve hour course in

## **Background Investigation for Police Applicants**

hosted by the Southlake Police Department

August 31- September 1, 2017 in Southlake, Texas

*Thomas Ward*

**Law Enforcement Seminars, LLC**



# Criminal Justice Information Services Security Awareness Training



This is to certify that  
**WAYNE EICHEL**  
has successfully completed the  
**Level 2 Security Awareness Certification**

11/01/2022

Certification Date



11/01/2024

Expiration Date

# CERTIFICATE OF ATTENDANCE

## WAYNE EICHEL

BURLESON POLICE

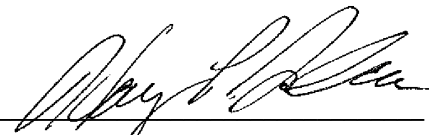
### *Background Investigations in Law Enforcement*

Online Webinar  
March 18, 2021

2.00 Webinar Credit Hours

#### INSTRUCTOR(S)

Matt Dolan



Harry P. Dolan  
CEO  
Dolan Consulting Group

IN Law Enforcement Training Board Provider #81-1229690



## Wayne Eichel

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### SUMMARY

Safety & Security Leader, Self-motivated, Strategic planner, Implements Regulatory Compliance Programs, CCSF, AOSSP/PCSSP Operations, FAA Antidrug, Alcohol Misuse Prevention Programs, Creates Corporate Communications, Project Management, Effectively juggles multiple priority projects, Meets deadlines, Team player, Adapts to new concepts and responsibilities, Results oriented, Bottom-line focused, Digests complex, technical material and creates effective communication of key points to all levels.

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### PROFESSIONAL EXPERIENCE

#### **Contract Background Investigator Grapevine Texas**

July 2016 - Present

- Conduct pre-employment background investigation pursuant to TCOLE regulations and industry best practices for both Civilian and Sworn Officer candidates. Presently contracted with,
  - Grapevine Police Department
  - Burleson Police Department
  - Cross Roads Police Department
  - Southlake Police Department
  - Sansome Park Police Department
- Conducted background investigation specifically for the Chief position for,
  - Rhome Police Department
  - Reno Police Department

#### **Security Consultant Grapevine Texas**

July 2016 – October 2022

- Provide consultant and guidance on Security issues related to TSA Required Cargo Screening Program and general supply chain security in affiliation with Cargo Security Alliance (CSA).

#### **Assistant Vice President – Safety & Security, and Governmental Compliance Director – Security Manager Backgrounds and Internal investigations Corporate Trainer**

Sept 2013 – June 2016  
May, 2000 – Sept, 2013  
1997-2000  
1994-1997

AMR SERVICES / WORLDWIDE FLIGHT SERVICES, FT WORTH AND IRVING TX

- Coordinated efforts of Safety, Risk Management, and Training Departments to ensure regulatory requirements are met; policies and procedures were amended to reflect operational experiences.
- Developed safety programs focusing employee attention on causes of accidents and injuries, rewarding employees for participation in safety meetings and for safe practices.
- Led accident review boards held to determine root causes of incidents through fault tree analysis. Provided Senior Management with practical solutions to address factors identified as causative.
- Corporate Key Contact to respond to all citations, letters of concern or investigations issued by OSHA, TSA, EPA, FAA, and USCBP; followed cases through to completion; Company Representative in informal Conferences.
- Corporate liaison to client airlines for safety, security and environmental issues.

## • **Wayne Eichel**

• (Page 2)

- Initiated Alcohol Misuse Prevention Program to meet change in FAA testing process
- Developed & presented training programs - Defensive Driving practices, Customer Service & Basic Supervision skills.
- Coordinated with Canadian, European, Asian branches of WFS to ensure compliance with U.S. air security regulations.
- Compiled and Communicated trends (industry & internal) through Safety and Security Bulletins.
- Gathered internal stakeholders for ad-hoc and monthly safety committee meetings.
- Liaison with FAA, TSA and OSHA at both local and national levels.
- Compiled and presented Security and Safety Program data to front-line and Senior Management.
- Track, Trend, Evaluate, Review safety and security data for adequacy.
- Communicated current aviation security & safety programs to front-line stakeholders.
- Represented company at Safety & Security conferences and airline association meetings.
- Investigated all legal citations – safety & security and created official response, working with Attorneys as needed.
- Developed security policies and procedures to ensure facility access control, loss prevention, and employee safety.
- Conducted security surveys on all company facilities, including Headquarter offices, Cargo Warehouses, Airport Passenger Terminals, and USPS mail sort facilities.
- Led Department conducting over 3,000 pre-employment background investigations annually.
- Worked with on site management in over 70 locations to ensure facilities are secured and comply with governmental agencies' security requirements.
- Conducted investigations into reports of theft and/or criminal activity, following through to prosecution or completion.
- Worked with HR Department to develop procedures to qualify applicants for employment, including drug testing, background investigation and physical qualification testing.
- Served as coordinator for DOT/FAA mandated drug testing program.

### **Corporal Police Department**

October 1981 – May 1994

CITY OF GRAPEVINE TX

- Crime Prevention Officer responsible for community outreach, conducted threat assessment for homeowners and businesses.
- Elected President of North Texas Crime Prevention Association for two terms. (North Texas was chosen to host the state and national crime prevention conference during this period.)
- Drug Abuse Resistance Education Coordinator. Wrote successful grant application; managed three city programs funded by federal grant money and provided classroom instruction to students.
- Supervised Patrol and Criminal Investigation Divisions.
- Served as Public Information Officer for the City of Grapevine; responsible for internal and external newsletters and daily media contact.
- Field Training Officer responsible for training new recruits and monitoring progression for fitness for duty.
- Emergency Response Team Squad Leader.

### **General Manager**

August 1978 – July 1981

SHOWCASE CINEMAS/REDSTONE MANAGEMENT, Boston MA

- Managed multiscreen cinema Complex.

• **Wayne Eichel**

• (Page 3)

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**EDUCATION**

<b>Boston University</b> Boston, MA Bachelor of Arts (BA), Broadcast and Film 1978	Special Weapons and Tactics, and emergency management.
International Air Transportation Association Montreal, Canada Security Managers course, Graduated with Distinction	FAA Security Managers Course, Oklahoma City, OK Regional Airline Association Check Point Supervisor/ Screener Trainer Course. Baltimore.MD
Over 1000 hours of training in loss prevention including investigation of crimes, use of CCTV and access control,	

**HOBBIES**

CYCLING, GOLF, TRAVEL, FAMILY ACTIVITIES. ADHOC VOLUNTEER WORK WITH LOCAL CIVIC CLUBS, BUSINESSES, AND CHURCH GROUPS



## Professional Services Agreement

1. **Scope of Services.** The City of Breckenridge, Texas (“City”) and Wayne Eichel (“Contractor”), collectively the Parties, agree that Contractor shall conduct thorough background checks of applicants for the position of Chief of Police for the City and provide detailed documentation of such investigations to the City (the “Services”).
2. **Term of Agreement.** The term of this Agreement (“Agreement”) will become effective on February 6, 2024 and unless terminated earlier as provided in Paragraphs 8 and 9 below shall continue for a period of twelve (12) months (the “Term”).
3. **Contractor Obligations.** The Contractor shall:
  - (a) Devote as much productive time, energy, and ability to the performance of his duties under this Agreement as may be necessary to provide the required Services in a timely and productive manner.
  - (b) Perform the Services in a good and workmanlike manner.
  - (c) Communicate with the City about progress the Contractor has made in performing the Services.
  - (d) Supply all equipment and supplies required to perform the Services, except if the Contractor’s work must be performed on or with the City’s equipment.
  - (e) Use the email address provided by the City only for the performance of the Services.
4. **Independent Contractor.** It is understood and agreed that, in performing the Services, Contractor is acting independently, and not as an employee of City. Contractor shall control the manner and means by which Services are performed. There is no intended third-party beneficiary to this Agreement.
5. **Payment.** City agrees to pay Contractor for all services authorized in writing and properly performed by Contractor at the rate of \$600.00 per completed background investigation. For purposes of this section, a “completed background investigation” means an investigation for which a completed report has been submitted to the City or a background investigation that was initiated by Contractor but not completed due to the withdrawal or disqualification of the candidate. Contractor will not be compensated for holidays, vacation time, or benefits. Contractor is responsible for complying with reporting requirements for all local, state and federal taxes related to payments made to Contractor under this Agreement.
6. **Invoices.** All fees paid to Contractor by City shall be based on invoices submitted to City in writing by Contractor for work performed. While invoices shall be submitted monthly, Payment shall be due in accordance with the City’s regular payment practices or upon Termination of this Agreement as described in Paragraphs 8 and 9.
7. **Reimbursement.** All routine business expenses incurred by Contractor will be reimbursed under the same terms and conditions that such expenses would be reimbursed for other contractors in the course of working for the City. Such reimbursable expenses include travel undertaken at the request of the City.
8. **Termination.** Either party may terminate this Agreement with fourteen (14) days written notice, without cause or penalty. In the instance of termination by written notice, Contractor shall

provide City a final invoice showing all amounts due within seven (7) days of termination of the Agreement. The invoice shall be due and payable upon receipt by City in accordance with its regular payment practices.

9. **Survival of Obligation.** This Agreement shall automatically terminate upon death of Contractor, but the obligation for payment for work performed shall survive termination. In the instance of Contractor's death, all amounts owed shall be paid within thirty (30) days of Contractor's death, regardless of invoicing. Such payment(s) shall be made payable to "Estate of Wayne Eichel" care of the address provided by Contractor under Paragraph 10.

10. **Notices.** Notices, if required, should be sent to:

If to City:

City of Breckenridge

105 N. Rose Avenue

Breckenridge, Texas 76424

(254) 559-8287

[cnorthrop@breckenridgetx.gov](mailto:cnorthrop@breckenridgetx.gov)

If to Contractor:

Wayne Eichel

3002 Cloverdale Court

Grapevine, Texas 76051

(817) 716-9139

[weichel@live.com](mailto:weichel@live.com)

11. **Confidential Information.** Contractor will perform services for City which may require City to disclose confidential information to Contractor. Confidential information includes, but is not limited to, any information of any kind, nature or description concerning matters affecting or relating to Contractor's services for the City, business operations of the City and/or employee data or other data of City. Contractor agrees:

- (a) To use reasonable network and data security to protect City.
- (b) Not to reproduce confidential information or use the information for any purpose other than the performance of the Services.
- (c) Upon request or upon termination of this Agreement, to deliver to City any notes, documents, equipment or material created by or originating from his activities for City.

12. **Release and Waiver of Rights.** Contractor agrees that City is not responsible for the payment of taxes or withholding a portion of the compensation for the payment of taxes resulting from Contractor's engagement with City. Contractor irrevocably and unconditionally releases City and its current and former elected and appointed officials, and its current and former directors, officers, managers, agents, employees, representatives, attorneys and affiliates, jointly and individually, and all persons acting by, through or with any of them (collectively referred to as the "Releasees"), from any and all claims, complaints, liabilities, damages, losses, causes of action, suits, proceedings, rights, costs, fees, and expenses (including attorneys' fees) of any nature or kind whatsoever, known or unknown, arising under federal, state or local law, which Contractor now has, or which he had at any time prior to the execution of the Agreement, against each, all, or any of the Releasees (collectively "Claims" and each a "Claim"). This release and waiver of rights is binding upon the parties and their heirs, administrators, representatives, executors, successors and assigns.

13. **Liability Protection.** To the extent permitted by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the City agrees to defend, hold harmless, and indemnify Contractor from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Contractor if the incident(s) which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose

or does arise in the future from an act or omission of Contractor, as a contractor of the City, acting within the course and scope of the Contractor's performance under this Agreement, excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that the Contractor committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the City or by the Contractor.

14. **Applicable Law and Venue.** This Agreement shall be governed by the laws of the State of Texas, and venue for any disputes shall reside in Stephens County, Texas.

15. **Amendments.** This Agreement represents the full and complete agreement between City and Contractor and supersedes any and all prior written or verbal agreements. This Agreement may be modified or amended only by a written instrument signed by the parties.

16. **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal or unenforceable provision was not included.

17. **Counterparts.** This Agreement may be executed by the parties in multiple counterparts, each of which when executed and delivered shall be an original. All such counterparts shall constitute an original if signed by only one party, but together signed by all the parties to the Agreement.

18. **Immunity.** The Parties agree that the City has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.

19. **Waiver.** Waiver by either Party of a breach, default, delay or omission under this Agreement shall not be construed as a waiver of any subsequent breach of the same or other provisions.

## CITY OF BRECKENRIDGE, TEXAS

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Cynthia Northrop, City Manager

ATTEST:

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Jessica Sutter, City Secretary

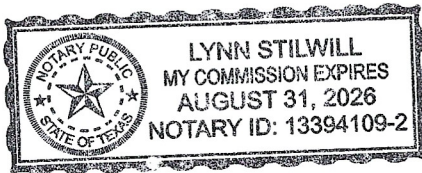
**CONTRACTOR**

Wayne Eichel

STATE OF TEXAS §  
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared Wayne Eichel known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 6<sup>th</sup> day of February, 2024.



Notary Public, State of Texas





## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding approval of BEDC recommendation for Elite Submersible Pump incentive

**Department:** Administration

**Staff Contact:** Cynthia Northrop

**Title:** City Manager

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### BACKGROUND INFORMATION:

The BEDC has offered a job creation incentive to Elite Submersible Pumps as part of our construction of their building and subsequent lease to them. The incentive will be \$5,000 per new full-time employee with a residence in Stephens County. The incentive will last for 4 years and has a maximum incentive of \$50,000/year.

### FINANCIAL IMPACT:

### STAFF RECOMMENDATION:

Consider BEDC recommendation for Elite Submersible Pump incentive as presented.

## JOB GROWTH INCENTIVE AGREEMENT ELITE SUBMERSIBLE PUMPS, INC.

This agreement is executed and entered into pursuant to the application of Elite Submersible Pumps, Inc. (ESP) for job growth assistance, pursuant to the determination of the Board of Directors of the Breckenridge Economic Development Corporation (BEDC) and by the City of Breckenridge (City), that the expenditures contemplated by this agreement promote gainful employment and the development of new and expanded business enterprise and the development of jobs in Breckenridge, Stephens County, Texas.

ESP leases facilities owned by BEDC, which have resulted in job creation. ESP is requesting assistance to provide for an increase in economic activity in the community and employment stability. BEDC, as a unit of the City, proposes to provide an incentive to ESP to provide for job retention and expansion based upon the actual increased local payroll of ESP under the terms of this agreement and subject to the limitation and conditions provided herein. The actions of BEDC hereunder were duly approved at its regular meeting on October 24, 2023

The following terms are defined for purposes of this agreement:

1. "Initial Employment" is the number of individuals actually employed by ESP at the Breckenridge facility, and is, for purposes of this agreement, deemed to be 13 (thirteen) individuals.
2. "Full-time eligible employee" is a new employee that lives in Stephens County or within 20 miles of Breckenridge.
3. "Job Growth Incentive" is the total determined amount of incentive earned, based upon the total new full-time job created at an average annual salary rate of \$40,000.00. The payroll used for purposes of this agreement shall exclude expenditures for the employer's share of FICA, Medicare deductions or employer furnished health care, retirement, or other such benefits, and shall exclude the salary or payroll of any employee not regularly physically stationed at the Breckenridge facility, but allocated for accounting purposes to the Breckenridge facility. In order to be eligible, the additional employee must be employed by ESP for a minimum of nine (9) months during the calendar year to qualify for an incentive payment in that period.

An employee whose nine-month period is completed after December 31 of that calendar year would be eligible for the following year's incentive payment. If an employee's nine-month period is not completed before December 31, 2027, the employee will not qualify for an incentive payment.

Each FTE job created will result in a **\$5,000.00 job creation incentive** due to ESP from BEDC (maximum of ten per calendar year).

*Example 1: If ESP adds 10 (ten) new full-time jobs with a total annual payroll increase of at least \$400,000.00, will justify an incentive of \$5,000.00 per job, or \$50,000.00 for that year.*

*Example 2: If ESP adds 1 new full-time job on January 1, 2024 with a total annual payroll increase of at least \$40,000.00, will justify a \$5,000.00 incentive payment if they remain employed through September 30, 2024.*

In order to compensate ESP for job growth and development, BEDC agrees to provide an incentive payment to ESP on or before March 15 of the year following the year the incentive was earned. Incentive payment periods will be January 1 through December 31 for the years 2024 through 2027.

Before the incentive payment is made by BEDC, ESP agrees to provide annually to BEDC, documentation, certified by ESP's chief financial officer, that details the increase in ESP's individual payroll amount and number of employees added for the previous year as of December 31. This documentation shall include copies of the detailed report from the last payroll of the year, and the filed Texas Workforce Commission Employer's Quarterly Report or Federal 941 form for each quarter of the previous year. Each year's job growth incentive will be considered subject to the limitations herein provided, to wit:

- A. The Increased Job Growth shall not include any individual retained or employed for the construction of expanded facilities.
- B. ESP will use its best efforts to increase the number of individuals employed above its initial employment.
- C. Each application for the incentive payment shall be submitted to BEDC at P.O. Box 1466, Breckenridge, TX 76424, on or before February 15 of each year of the incentive program, beginning with a submission on or before February 15, 2021 of the "Job Growth Incentive Application" form attached hereto.
- D. A **maximum payment** for any annualized period shall be \$50,000.00. The total incentive payments may reach **\$200,000.00** by the end of the four-year term of this agreement.
- E. The benefits and rights hereunder are not assignable by ESP.
- F. The payments provided under this agreement are expressly subject to the restrictions and limitations of the authority provided to Type B Economic Development Corporations under the Development Corporation Act of 1979 (with revisions). BEDC shall not be obligated to pay any sums not authorized hereunder.
- G. In the event BEDC shall reasonably believe that the certification for payment is inaccurate or in error, BEDC shall provide a written request to ESP for supporting employment information prior to February 25 following the receipt of such certification by ESP. The supporting employment information requested may include a copy of the Form 941 submitted to the Internal Revenue Service for the annualized period. Any information supplied shall be provided to the presiding officer of BEDC or its other designated officer who shall utilize such information for confirmation or correction of the certification only, and shall not divulge the contents thereof to any individual or entity not privy thereto without the consent of ESP except as may be

BEDC / ESP Job Growth Incentive

required for verification of the certification to BEDC. Upon review of such supporting documents, the same shall be returned to ESP.

In the event BEDC, after review of the supporting documents, finds that the certification is inaccurate or in error, it shall provide a written statement of the basis for such finding in writing. If, based upon such finding, BEDC determines that the certification was inaccurate or in error so that it would have not authorized an incentive payment if originally accurately submitted, BEDC shall not provide an incentive payment for the period.

H. The payroll shall be applicable to each annual period and not cumulative. But, in the event ESP is not, in any year, based upon the increase in annual payroll, eligible for an incentive payment, ESP shall nevertheless file the application, which reflects its payroll on December 31 of such year with employee names and payroll.

I. ESP specifically agrees that BEDC shall only be liable to ESP for the actual amount of the money grants to be conveyed to ESP and shall not be liable to ESP for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by BEDC under the terms of this agreement. It is further specifically agreed that BEDC shall only be required to pay the grant amounts solely out of its sales tax revenue currently collected, allocated and budgeted and to be allocated, budgeted and collected for ESP during the term of this agreement. Payment by BEDC is strictly limited to those funds so allocated, budgeted and collected solely during the grant term of this agreement, being January 1, 2024 through December 31, 2027. BEDC shall use its best efforts to anticipate economic conditions and to budget accordingly. However, it is further understood and agreed that, should the actual total sales tax revenue collected for any one year be less than the total amount of grants to be paid to all contracting parties with BEDC for that year, then, in that event, all contracting parties shall receive only their pro rata share of the available sales tax revenue for that year, less BEDC's customary and usual costs and expenses, as compared to each contracting parties' grant amount for that year, and BEDC shall not be liable to ESP for any such deficiency at that time or at any time in the future. In this event, BEDC will provide all supporting documentation, as requested. Payments to be made to ESP shall also require a written request from ESP to be accompanied by all necessary supporting documentation. The payment request should be directed to David Miller, Executive Director, Breckenridge Economic Development Corporation, P.O. Box 1466, Breckenridge, Texas 76424. Payments to ESP shall be made to \_\_\_\_\_.

J. The final period providing for the incentive payments herein shall end December 31, 2027.


K. This agreement is executed and performable in Breckenridge, Stephens County, Texas.

Each party hereto represents that the foregoing agreement accurately sets out the provisions agreed upon for the purposes provided herein and that the same is executed pursuant to authority of its Board of Directors.

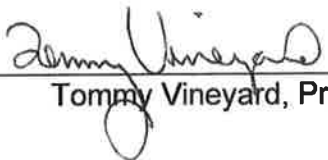


Signed this the 12<sup>th</sup> day of December, 2023

Breckenridge Economic Development Corporation

By:   
Lee Olson, President

Elite Submersible Pumps, Inc.

By:  12/12/23  
Tommy Vineyard, President and CEO



## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding approval of Resolution 2024-02 appointing Kevin Kutnink to serve on the board of Adjustments for a term set to expire November 20, 2025.

**Department:** Administration

**Staff Contact:** Jessica Sutter

**Title:** City Secretary

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### BACKGROUND INFORMATION:

The Board of Adjustments is a seven-member board tasked with conducting public hearings and grants, with or without conditions, or denies variances to the Zoning Codes, including variances from building height and building setback requirements; hears requests and renders decisions regarding special exceptions when applicants propose to expand not-conforming uses; and hears and renders decisions regarding appeals of decision or interpretations of the Building Official.

In November of 2023 Mark Reyes, Leslie Howk, Turner Baugh, and Bo Asher's term expired. Mark Reyes chose not to be re-appointed, leaving a vacancy on the Board of Adjustments.

Kevin Kutnink is interested in serving and would like to be appointed to replace Mark Reyes for a term to expire on November 30, 2025.

### FINANCIAL IMPACT:

NA

### STAFF RECOMMENDATION:

Consider approval of Resolution 2024-02 as presented.



**CITY OF BRECKENRIDGE  
BOARD OR COMMISSION  
APPLICATION FOR APPOINTMENT**  
(MUST LIVE WITHIN THE CITY LIMITS)

Name: Kevin Kutnink	Date Submitted: 10-5-2023		
Home Address:	Business Address: 300 FM 3099 Occupation: Manager at Raydon Construction		
Home Phone:	Business Phone: 800-588-5012		
E-Mail Address:	Fax Phone: N/A		
Breckenridge Resident for <u>11</u> years.	Qualified Voter: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Are you related to any City Commission Member or City Manager? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please state the relationship:			
Special knowledge or experience qualifying you for this appointment: <b>Please see biography</b>			
Boards/Commissions/Committees you have previously served on: <u>NONE</u>	Dates _____ _____ _____		
Professional and/or Community Activities: <b>Please see biography</b>			
<b><u>Number in order of preference:</u></b> We will call and confirm before we appoint			
2	Planning and Zoning Commission	4	Board of Adjustments
3	Housing Authority Board	1	Economic Development Corporation

*Kevin Kutnink*

*10-5-2023*

Please complete and return to: City Secretary, City of Breckenridge, 105 N Rose Ave., Breckenridge, TX 76424  
Phone: 254-559-8287 Fax: 254-559-7322 Email: [jsutter@breckenridgetx.gov](mailto:jsutter@breckenridgetx.gov)

## Kutnink Holdings of Texas, Inc.

9/8/2023

## Kevin Kutnink



Kevin Kutnink is the Chief Executive Officer for Kutnink Holdings of Texas, Inc., and the National Operations Manager for Abilene High Lift Aerial since 2012. Kevin has experience in new business development, residential construction, project planning, contract negotiation, renewable energy, alternative energy, and specifically wind turbines. Kevin's experience in the wind field came through projects with Vestas, Siemens and Gamesa. As a project manager with Vestas Kevin assisted with the building of several wind farms in North America.

Kutnink Holdings has a project under development to increase the efficiency of any wind turbine by more than 60%. When completed it is planned that two new W2E turbines will be equipped with the CADDE system and field tested at the Deer Camp Ridge site in Sweetwater Texas. Upon completion the system will be marketed and licensed across the wind industry, worldwide. Kevin has received a preliminary patent on the C.A.D.D.E system technology. The Patent number is #1.

Kutnink Holdings is focusing on developing hybrid power plants all across Texas. The goal is to have 3 of these plants built and operational in the next four years. These plants will be in operation for a life time, and offer steady good paying jobs to employees for many years. Kevin also continues to manage his partnership with a construction services company and his aerial high lift business.

#### High lift business:

Kevin Kutnink is the managing partner and is responsible for the day to day operations of Abilene High Lift Aerial, INC. We operate the world's largest aerial lift truck. We lend support services to a wide variety of companies, and wind farm operations.

In 2017 and 2018 we filmed the world aerobatics championships in Dallas Texas for Red Bull. We have several projects planned with Red Bull for 2019. We have had an ongoing relationship with Bass Pro Shops and participated in the construction of their world's largest facility in Memphis TN. That opened in May of 2015.

We participated in the construction of the Vikings stadium in Minneapolis. We have had ongoing contracts to perform an extensive amount of work for the new Minnesota Vikings stadium in Minneapolis Minnesota. 2015-2020 Ongoing work was delayed due to Covid.

We have a continuous relationship with the US ARMY for maintenance on facilities on the East Coast.

Received the "Best of Business award in 2014" from the city of Abilene. Kevin Kutnink and Abilene High Lift have been featured in several magazine articles.

#### In the construction field:

Kevin holds a fiduciary relationship with Raydon Construction Inc., they have ongoing relationship with Abilene High Lift and Kutnink Holdings. Raydon Construction will be the lead contractor in all Wind Farm projects. Darrell Shortes will oversee all road construction, pad building, and lay-down yard construction at all new wind farm projects. Raydon Construction – White Construction will be jointly involved in the building of the foundations for the wind farm part of the power plants we are building. Development started in 2012 - Present

Please see: [KutninkHoldings.com](http://KutninkHoldings.com)    [Abilenehighlift.com](http://Abilenehighlift.com)    [Raydon-Inc.com](http://Raydon-Inc.com)

**To whom it may concern:**

Here are three examples of wind projects that I personally directed during the years I was employed with Vestas and Siemens.

**Maple Ridge Wind Farm:** This site is located on the Tug Hill plateau in Northern New York State. Maple Ridge is a Vestas site and is one of the largest wind farms in New York State with 195 turbines in operation. At full output at the time it could produce 321 MW of power. I was there for the first phase of construction to its completion in 2006. The phase one portion of this project exceeded \$400 million USD. I over-saw a staff of 200 and 20 subcontractors on a daily basis. I then returned to oversee the repair of a blade defect in 2008.

**Buffalo Gap Wind Farm:** This site is located in Nolan and Taylor Counties in Texas. This site is located between Abilene Texas and Sweetwater Texas. This wind farm was built out in three phases and now has a total capacity of 524 megawatts. I was involved in the first phase of construction 2007. Buffalo Gap 1 started with 67 Vestas V-80's rated at 1.8 MW each. This was a \$170 million dollar project. I was called back to Maple Ridge to manage the warranty repairs of the blades at that site. I left Vestas in December 2009.

**Harvest Wind Farm:** This project is located in south Washington State. It is located on a plateau 27 miles north of the Columbia River and is an extremely isolated facility. This project was a 43 unit Siemens 2.3 megawatt turbine installation generating 99 MW/h. This project had higher than normal cost's due to its location. A 30 mile run of high-tension lines had to be installed to connect to the grid. This added \$30 million in overall cost, this project cost \$168 million to complete. This site came on line at the end of 2009.

**Independent Contract Position**

**BP OIL SPILL VOO Program (Vessels of opportunity) Manager.**

I was hired by Parson's Technologies to manage the three marina locations in Mississippi and Alabama. There were 600 boats under contract to do oil skimming operations near shore in the Gulf of Mexico. All together at the three sites we had 2500 people working three shifts a day for about 11 months. I had a staff of five managers and two administrative assistants, in the field we had fifteen site supervisors and six boat rescue personnel. I worked in the main operations and control center at the Ft. Morgan Marina.

We organized and managed skimming operations out of the marina at Bayou Labatrie Mississippi, Ft. Morgan Marina and Sports Man Marina's in Alabama. We were able to extract over three tons of oil a day from operations. The budget for these locations exceeded \$18 million a month.

My contract was picked up by the US Navy at the end of 2010, I supervised the repair and decontamination of oil skimmers into 2012.

I have hazwopper training for hazardous materials handling along with government security clearance.

**Abilene High Lift:** I joined Abilene High Lift in December of 2012 - PRESENT. I have supervised a wide variety of projects all across America. Including projects with: Senate Wind Farm: blade work, Barton Chapel Wind Farm: blade repairs, The Minnesota Vikings Stadium, Bass Pro-shops Pyramid: Memphis, The Texas Motor Speed way, Red Bull Air Championships, A High Security Facility repair for the US ARMY.

**Abilene High Lift will be the back bone for all service activities on all owned wind farms.**

## RESOLUTION NO. 2024-02

### A RESOLUTION OF THE CITY OF BRECKENRIDGE, STEPHENS COUNTY, TEXAS, APPOINTING A MEMBER TO SERVE ON THE BOARD OF ADJUSTMENT

**WHEREAS**, Section 2-30 of the Code of Ordinances of the City of Breckenridge creates the Board of Adjustment for the City of Breckenridge and provides appointment procedures; and,

**WHEREAS**, Members and Alternate Members of the Board of Adjustment serve in staggered two-year terms, commencing December 1<sup>st</sup> and ending November 30<sup>th</sup> as set forth below:

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF BRECKENRIDGE, STEPHENS COUNTY, TEXAS AS FOLLOWS:**

#### **SECTION 1: Appointing of Voting Member with term expiring November 30, 2025**

The following is hereby appointed to serve on the Board of Adjustment as voting member for a term, expiring November 30, 2025 or until their successors are appointed and qualified.

Kevin Kutnink

#### **SECTION 2: Effective Date**

This resolution shall be effective upon its passage.

**PASSED AND APPROVED** by the City Commission of the City of Breckenridge, Stephens County, Texas on this the 6<sup>th</sup> day of February, 2024.

APPROVED:

\_\_\_\_\_  
Bob Sims, Mayor

ATTEST:

\_\_\_\_\_  
Jessica Sutter, City Secretary



## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding consideration of updating Planning and Zoning membership requirements

**Department:** Administration

**Staff Contact:** Jessica Sutter

**Title:** City Secretary

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### BACKGROUND INFORMATION:

The Planning and Zoning Commission is composed of seven members who are appointed by the City Commission for 3-year terms. Currently P&Z Board Members are required to be residents of the City.

Staff has advertised and contacted several individuals to fill vacancies on the P&Z Board and thus far have been unsuccessful. Staff are seeking Commission direction on expanding eligibility requirements for P&Z Board Members to include owning property within the City.

### FINANCIAL IMPACT:

NA

### STAFF RECOMMENDATION:

Consider directing staff to prepare an ordinance updating P&Z membership requirements to include City residency or owning property within the City.



## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action considering an Interlocal with Stephens County for Law Enforcement Services

**Department:** Mayor/Commissioners

**Staff Contact:** Cynthia Northrop

**Title:** City Manager

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**BACKGROUND INFORMATION:**

A commissioner has requested this agenda item after being contacted by a constituent on this topic.

**FINANCIAL IMPACT:**

NA

**STAFF RECOMMENDATION:**

Provide staff direction.