



BARTONVILLE TOWN COUNCIL AGENDA

June 20, 2023 at 7:00 PM

Town Hall - 1941 E. Jeter Road, Bartonville, TX 76226

- A. CALL MEETING TO ORDER**
- B. PLEDGE OF ALLEGIANCE**
- C. PRESENTATIONS**
- D. PUBLIC PARTICIPATION**

If you wish to address the Council, please fill out a "Public Meeting Appearance Card" and present it to the Town Secretary, preferably before the meeting begins. Pursuant to Section 551.007 of the Texas Government Code, citizens wishing to address the Council for items listed as public hearings will be recognized when the public hearing is opened. For citizens wishing to speak on a non-public hearing item, they may either address the Council during the Citizen Comments portion of the meeting or when the item is considered by the Town Council.

- E. APPOINTED REPRESENTATIVE/LIAISON REPORTS**

- 1. Police Chief Report - Department Statistics/Activities May 2023.
- 2. Town Administrator - Monthly Reports May 2023: Financial, Animal Control, Code Enforcement, Engineering, Municipal Court, Permits, and Denton County Emergency Services District #1.

- F. CONSENT AGENDA**

This agenda consists of non-controversial or "housekeeping" items required by law. Items may be approved with a single motion. Items may be removed from the Consent Agenda by any Councilmember by making such request prior to a motion and vote on the Consent Agenda.

- 1. Consider approval of the May 16, 2023, regular meeting minutes.
- 2. Consider approval of the May 18, 2023, special meeting minutes.

- G. REGULAR ITEMS**

- 3. Discuss and consider approval of a resolution appointing Shannon Montgomery as Town Secretary.
- 4. Presentation and consideration of the Fiscal Year 2021-2022 Audit.
- 5. First reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Denmiss, LLC.

6. First reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and JBJBM, LLC dba Luminous Glow Spa.
7. Discuss and consider approval of an ordinance amending the Town of Bartonville Code of Ordinances, Chapter 12, "Traffic and Vehicles," Article 12.02, "Traffic Control Devices"; to authorize the erecting of stop signs at the Porter Road/Rockgate Road 3-way intersection.
8. Second reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Denmiss, LLC.
9. Second reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and JBJBM, LLC dba Luminous Glow Spa..
10. Clarify appointments to the ad hoc Special Events Advisory Committee.
11. Discuss and consider approval of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Denmiss, LLC.
12. Discuss and consider approval of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and JBJBM, LLC dba Luminous Glow Spa.
13. Discuss adjusting the start time of Regular meetings of the Town Council.

H. CLOSED SESSION

Pursuant to the Open Meetings Act, Chapter 551, the Town Council will meet in a Closed Executive Session in accordance with the Texas Government Code.

1. Section 551.074 Personnel Matters to deliberate and consider the appointment and employment of public officers or employees; to wit: Town Administrator.
2. Section 551.071 Consultation with Town Attorney to seek legal advice of its attorney regarding legal issues related to the Town's Extraterritorial Jurisdiction (ETJ), issues related to the Furst Ranch Development, issues related to amending the Town's Development Ordinance, and any and all legal issues related thereto.
3. Section 571.071 Consultation with Town Attorney to seek legal advice of its attorney regarding a funding request from Denton County Emergency Services District #1, and any and all legal issues related thereto.
4. Section 551.071 Consultation with Town Attorney to seek legal advice of its attorney regarding Police operations and any and all legal issues related thereto.
5. Section 551.071 Consultation with Town Attorney, and Section 551.072 Deliberation regarding real property, and any and all legal issues related thereto.

I. RECONVENE OPEN MEETING

The Town Council to reconvene into an open meeting and consider action, if any, on items discussed in closed session.

J. FUTURE ITEMS

K. ADJOURNMENT

I hereby certify that this Notice of Meeting was posted on the Town Website, and on the bulletin board, at Town Hall of the Town of Bartonville, Texas, a place convenient and readily accessible to the public at all times. Said Notice was posted on the following date and time; and remained posted continuously prior to the scheduled time of said meeting and shall remain posted until meeting is adjourned.

/s/ Mary J. Kayser, Interim Town Secretary

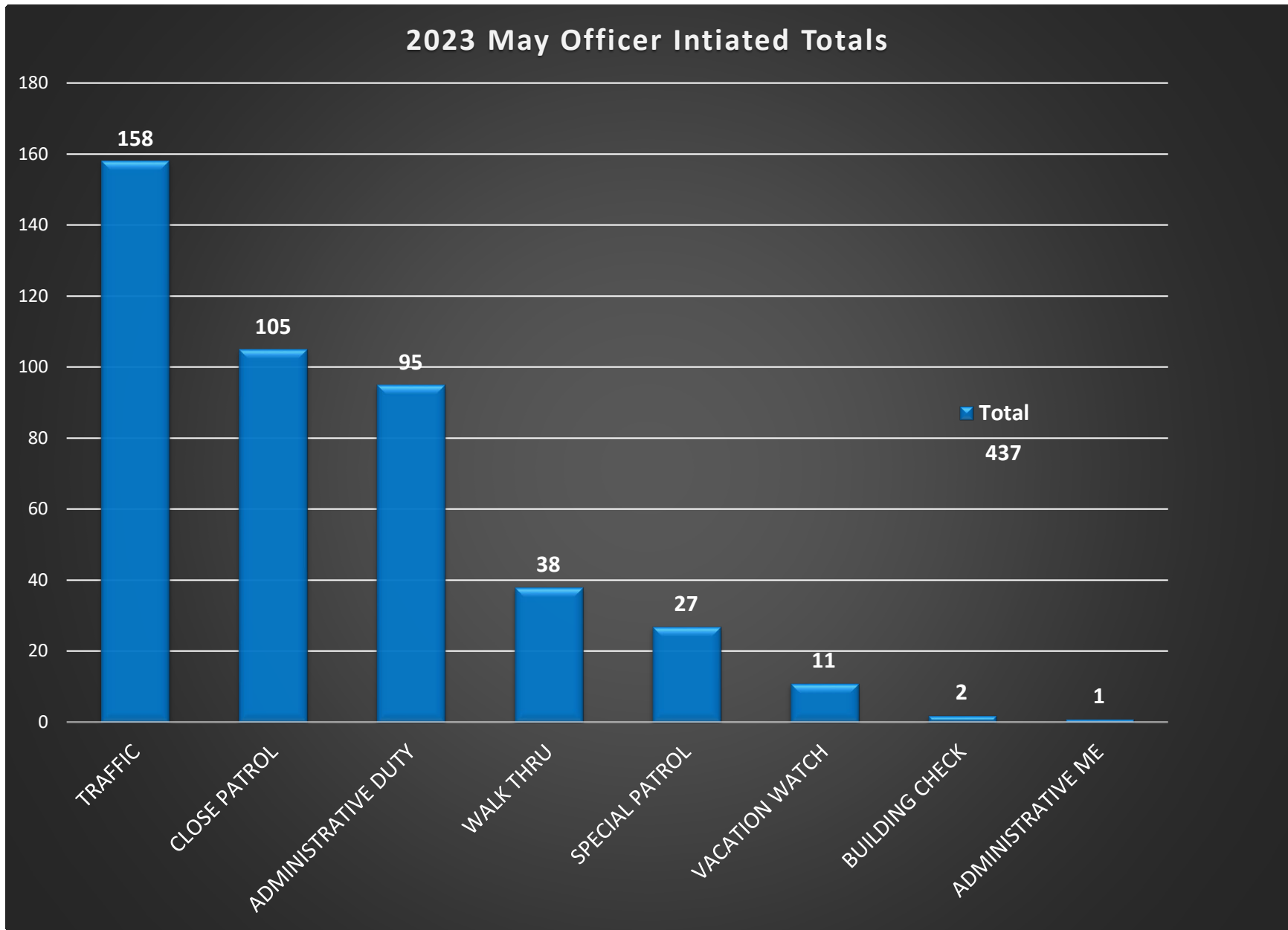
Posted: June 15, 2023 at 5:00 PM

The Town Council reserves the right to adjourn into executive session during the course of this meeting to discuss any item on the posted agenda as authorized by Chapter 551 of the Texas Government.

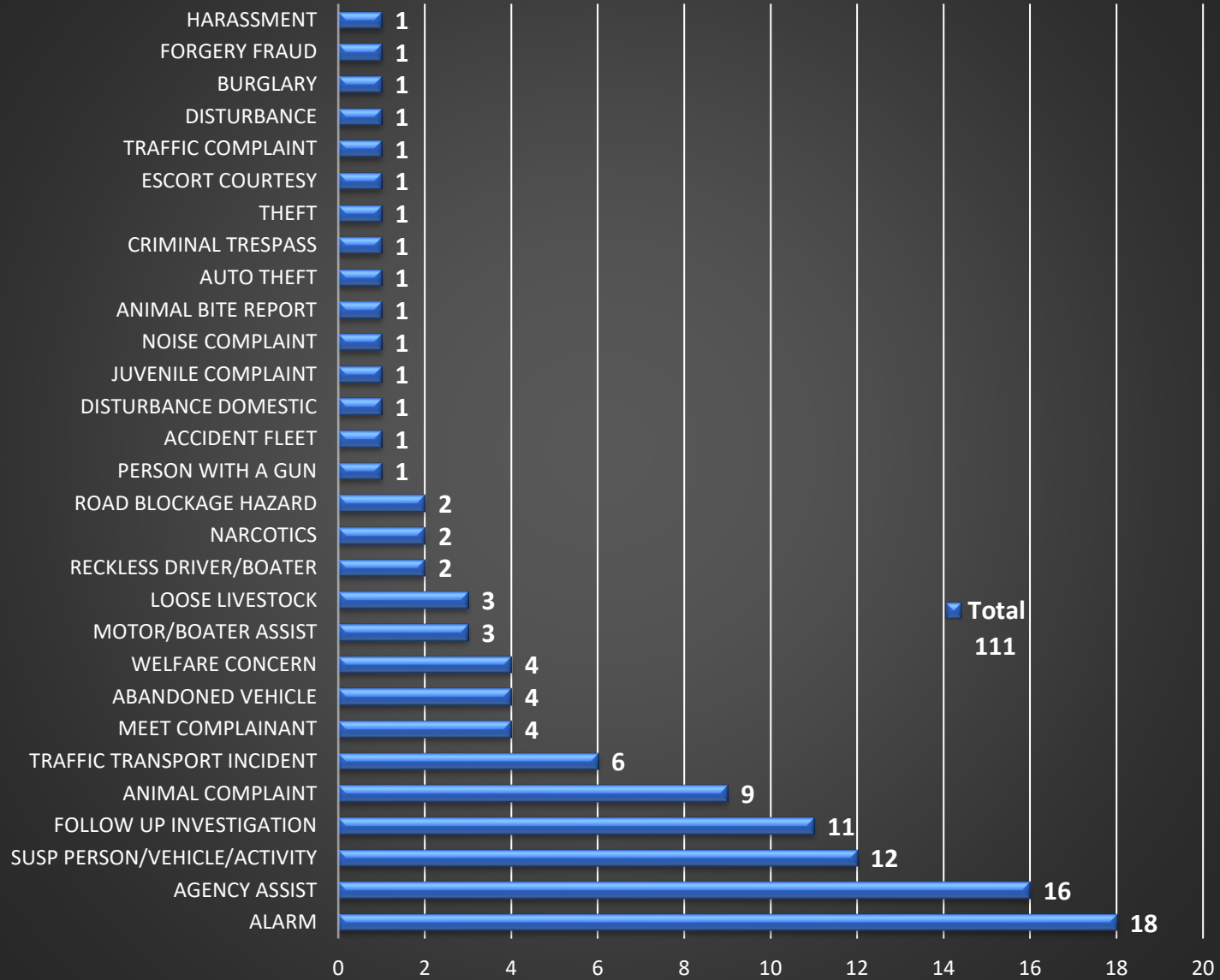
Bartonville Police Department

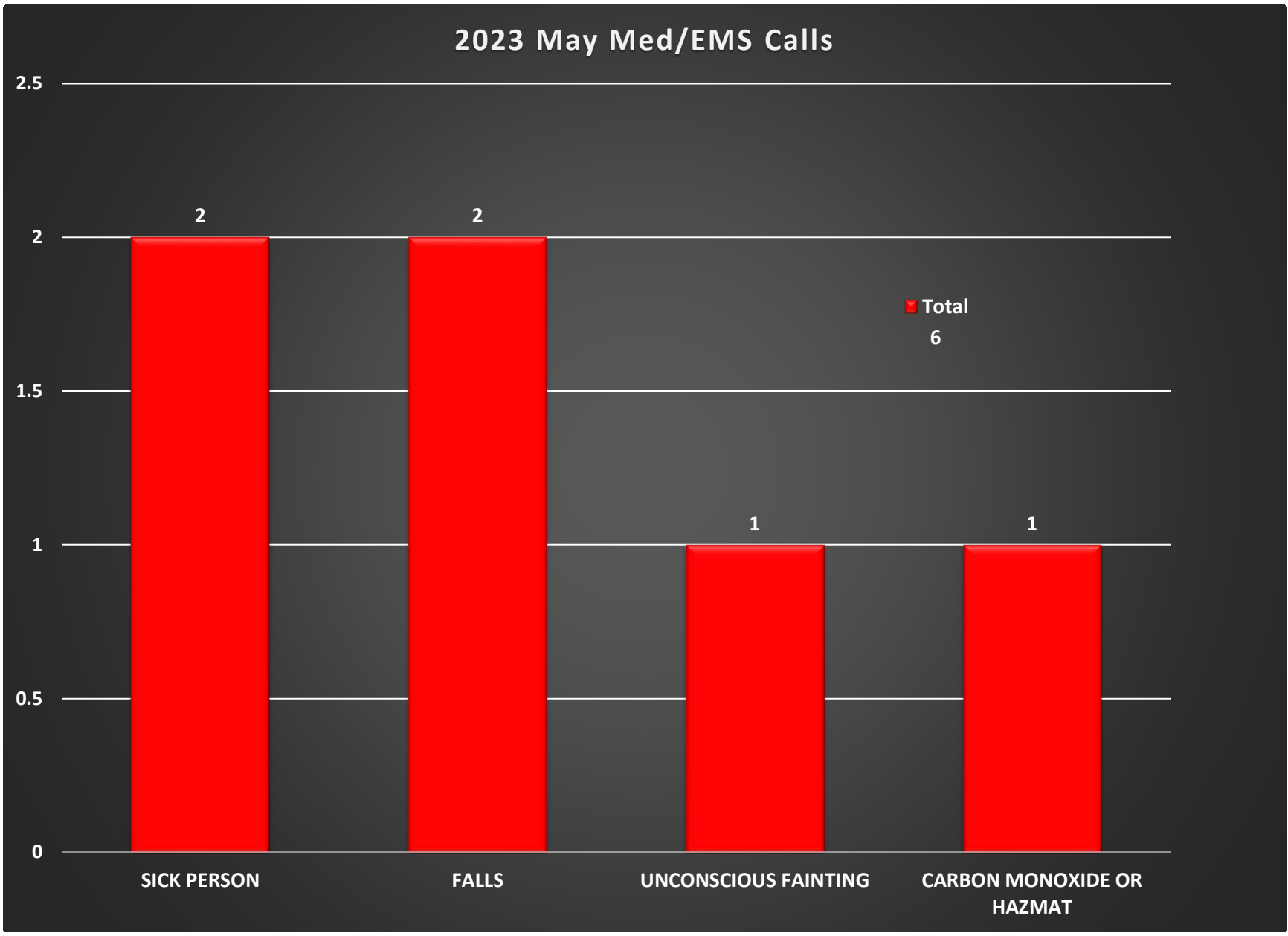
Monthly Report

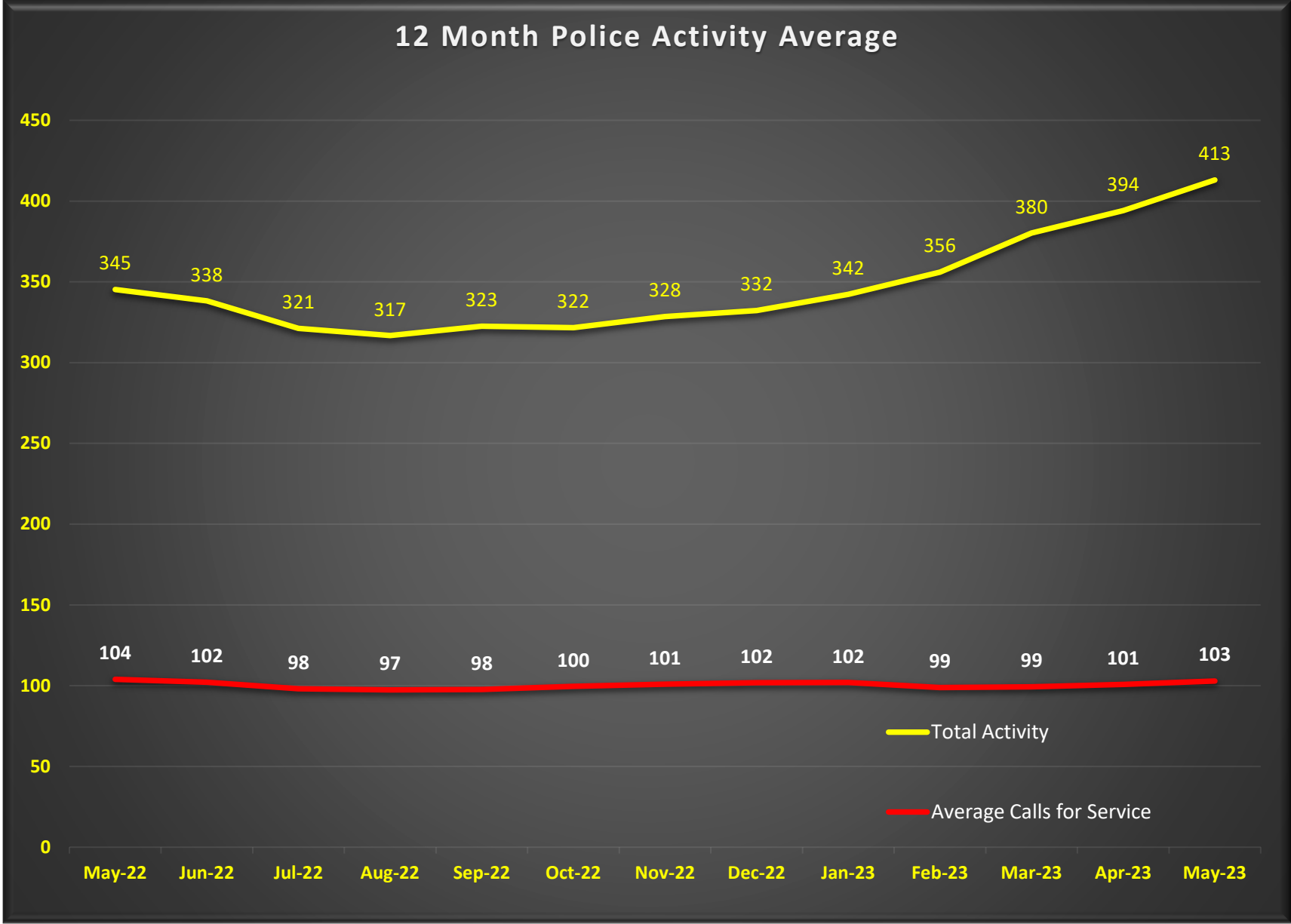




2023 May Calls for Service Totals







Location	Notes	Code
May 30, 2023 10:38 AM 1941 JETER RD E	Patrolled city focusing on stray animals. spoke to thad	Animal Control
May 23, 2023 11:28 AM 1941 JETER RD E	Patrolled city focusing on stray animals. spoke to thad	Animal Control
May 22, 2023 10:38 AM 1232 saddlebrook	picked up a stray dog from this location	Animal Control
May 16, 2023 4:24 PM 1941 JETER RD E	Patrolled city focusing on stray animals. spoke to thad	Animal Control
May 9, 2023 10:13 AM 1941 JETER RD E	Patrolled city focusing on stray animals. spoke to thad	Animal Control
May 6, 2023 10:30 AM jeter @ mcmakin	we responded to the area for a loose dog in traffic. we could not locate the animal upon arrival	Animal Control
May 2, 2023 4:23 PM 1941 JETER RD E	Patrolled city focusing on stray animals. spoke to thad	Animal Control
May 1, 2023 10:00 AM 1161 gibbons rd	we picked up a kitten at this address	Animal Control

Location	Notes	Code
May 30, 2023 10:38 AM	Patrolled city focusing on code issues. spoke to thad	Code Enforcement
May 23, 2023 11:29 AM	Patrolled city focusing on code issues. spoke to thad	Code Enforcement
May 23, 2023 11:20 AM 1201 redbud	Issued a warning for tall grass and weeds.	Code Enforcement
May 23, 2023 11:20 AM 1213 brasher	Issued a warning for tall grass and weeds. Issued a warning for trash and debris:	Code Enforcement
May 16, 2023 4:39 PM 1261 e jeter	Issued a warning for tall grass and weeds.	Code Enforcement
May 16, 2023 4:38 PM prop id 678236 & 678234	Issued a warning for tall grass and weeds.	Code Enforcement
May 16, 2023 4:37 PM 799 e jeter	Issued a warning for tall grass and weeds.	Code Enforcement
May 16, 2023 4:36 PM prop id 1009148	Issued a warning for tall grass and weeds.	Code Enforcement
May 16, 2023 4:25 PM	Patrolled city focusing on code issues. spoke to kim	Code Enforcement

Location	Notes	Code
May 9, 2023 4:58 PM 1201 broome	Issued a warning for tall grass and weeds. ditch	Code Enforcement
May 9, 2023 4:57 PM 239 porter	Issued a warning for tall grass and weeds. ditch	Code Enforcement
May 9, 2023 4:55 PM 1606 broome	remove concrete blocks from waterway	Code Enforcement
May 9, 2023 4:54 PM 1609 broome	Issued a warning for tall grass and weeds. ditch	Code Enforcement
May 9, 2023 4:04 PM 1606 porter	issued warning for concrete bricks in the ditch	Code Enforcement
May 9, 2023 4:03 PM 175 porter	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 4:02 PM 237 porter	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 4:02 PM 1201 broome	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 4:01 PM 1023 gene perry	owner called in and we discussed ways to abate	Code Enforcement

Location	Notes	Code
May 9, 2023 4:00 PM 1023 gene perry	Issued a warning for junk vehicle:	Code Enforcement
May 9, 2023 3:59 PM 1536 broome	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 3:59 PM 1589 broome	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 3:58 PM 250 mcmakin	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 3:58 PM 240 mcmakin	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 3:57 PM 1200 rockgate	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 3:56 PM 800 stonewood dr	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 3:56 PM 218 stonewood blvd	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 3:55 PM 946 timberidge	Issued a warning for tall grass and weeds.	Code Enforcement

Location	Notes	Code
May 9, 2023 3:54 PM 1161 gibbons	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 3:54 PM 1690 broome	Issued a warning for tall grass and weeds.	Code Enforcement
May 9, 2023 10:36 AM	Patrolled city focusing on code issues. spoke to kim	Code Enforcement
May 2, 2023 4:31 PM 1206 redbud	pictures taken for court	Code Enforcement
May 2, 2023 4:30 PM 1212 Redbud	pictures taken for court	Code Enforcement
May 2, 2023 4:24 PM	Patrolled city focusing on code issues. spoke to thad	Code Enforcement



Westwood

Town of Bartonville Status Report

Date: June 12, 2023

Plan and Plat Review:

- Whataburger CUP
- 405 Stonewood
- Montalcino Estates (Flood Study)
- HWP2001 (Flood Study/LOMR)

ROW Permits

- CoServ Wolf Run
- Charter – 2200 E. Jeter Road

Subdivision Construction

- Deer Hollow
 - Final Walkthrough/Punch List 6/7/2023
- Eagle Ridge
 - Project Acceptance

Street Fund

- Spring Work Order
 - Rustic Court
 - Country Court
 - Seals Road
 - McMakin Road
 - E. Jeter Road (pot holes)
- Survey for E. Jeter Road Reconstruction Phase 1 and Stonewood Blvd Rehabilitation
 - Design begin in June and expected to be complete Mid-July
- Traffic Ad-Hoc Committee Meeting – Stop Sign on Porter/Rockgate

General Consultation

- Drainage Improvements for 630 Badminton
- Drainage Improvements/Issues at 135 Hawk Creek Lane and Culvert at 1501 Landfall Circle
- Comprehensive Plan Update

Town of Bartonville
Municipal Court Council Report
From 5/1/2023 to 5/31/2023

6/1/2023 3

Item E2.

Violations by Type

Traffic	Penal	City Ordinance	Parking	Other	Total
94	0	0	0	1	95

Financial

State Fees	Court Costs	Fines	Tech Fund	Building Security	Total
\$6,093.38	\$1,734.50	\$8,958.00	\$272.91	\$334.31	\$17,393.10

Warrants

Issued	Served	Closed	Total
0	0	0	0

FTAs/VPTAs

FTAs	VPTAs	Total
0	0	0

Dispositions

Paid	Non-Cash Credit	Dismissed	Driver Safety	Deferred	Total
34	0	12	11	17	74

Trials & Hearings

Jury	Bench	Appeal	Total
0	0	1	1

Omni/Scofflaw/Collection

Omni	Scofflaw	Collections	Total
6	0	6	12

PermitReport

6/1/2023 9:5

Item E2.

Permit #	Contact	Property	Permit Type	Issued Date	Estimated Value	Square Footage	Paid Amount
22-00374-01	Terry's Donuts	3600 FM 407 Unit 130	Food Establishment Permit	5/23/2023			\$300.00
23-00090-01	ABC Home and Commercial Services	601 McMakin Rd	Plumbing Permit	5/18/2023			\$130.00
23-00117-01	Valerie and Franco Garcia	900 Ridgewood Cir	Addition/REmodel Permit (AC)	5/4/2023	\$50,000.00	407.00	\$524.55
23-00126-01	Elements Systems	1620 Gibbons Rd S	OSSF Application - Modification	5/3/2023			\$200.00
23-00131-01	The Barrel	2648 FM 407 Unit 150	Special Event	5/5/2023			\$50.00
23-00133-01	Forrest Construction Group, LLC	1157 W Jeter Rd	Addition/REmodel Permit (AC)	5/1/2023		64.00	\$301.60
23-00134-01	Incredible Air Conditioning		Contractor Registration - Mechanical	5/1/2023			\$0.00
23-00135-01	Larry Gabbard / Gabbard's Backhoe	1103 Brasher	OSSF Permit - Residential	5/31/2023			\$410.00
23-00137-01	BlackTie Plumbing		Contractor Registration - Plumbing	5/3/2023			\$0.00
23-00138-01	E.D. Miller Service Company LLC		Contractor Registration - Mechanical	5/4/2023			\$0.00
23-00139-01	Forrest Construction Group, LLC	1157 W Jeter Rd	Addition/REmodel Permit (AC)	5/4/2023	\$600,000.00	1200.00	\$1,170.00
23-00140-01	Aire Serv of Flower Mound dba Summer Sun Heat & Air, LLC		Contractor Registration - Mechanical	5/5/2023			\$0.00
23-00141-01	Benjamin Franklin Plumbing		Contractor Registration - Plumbing	5/5/2023			\$0.00
23-00142-01	Benjamin Franklin Plumbing	1416 W Jeter Rd	Plumbing Permit	5/5/2023	\$3,000.00	2962.00	\$130.00
23-00143-01	Aire Serv of Flower Mound dba Summer Sun Heat & Air, LLC	250 Pin Oak Ct	Mechanical Permit	5/5/2023	\$10,000.00		\$130.00
23-00144-01	Mesquite Heating and Air		Contractor Registration - Mechanical	5/5/2023			\$0.00
23-00145-01	JTP Mechanical, Inc. dba Posey Plumbing		Contractor Registration - Plumbing	5/5/2023			\$0.00
23-00147-01	Dyoungco Construction Services & Design LLC	405 Stonewood Blvd	Demolition Permit	5/9/2023	\$25,000.00		\$125.00
23-00149-01	Windsor Crest Homes, Inc.	1620 Gibbons Rd S	Addition/REmodel Permit (AC)	5/9/2023	\$659,000.00	2932.00	\$2,295.80
23-00149-02	Windsor Crest Homes, Inc.	1620 Gibbons Rd S	Addition/REmodel (Non AC)	5/9/2023	\$659,000.00	447.00	\$201.15
23-00151-01	Eagle Ridge Barn Builders, LLC		Contractor Registration - General	5/10/2023			\$125.00
23-00152-01	Eagle Ridge Barn Builders, LLC	1040 Rockgate Road	Accessory Bldg (201 - 1000 sq ft)	5/11/2023			\$220.00
23-00153-01	Pure Design		Contractor Registration - General	5/12/2023			\$125.00
23-00154-01	Whitecap, LLC		Contractor Registration - Mechanical	5/12/2023			\$0.00
23-00155-01	A.G. Heating and Cooling		Contractor Registration - Mechanical	5/12/2023			\$0.00
23-00156-01	Pure Design	1361 Bridle Bit Rd	Pool/Spa (inground)	5/16/2023		1400.00	\$650.00
23-00158-01	On the Hook Fish & Chips	2201 E. FM 407	Temporary Food Permit	5/17/2023			\$35.00
23-00159-01	BMR Pool and Patio	1325 Saddlebrook Ct	Plumbing Permit	5/17/2023			\$130.00
23-00160-01	Denton County Emergency Services District No. 1		Special Event	5/17/2023			\$0.00
23-00161-01	Titan Plumbing Professionals		Contractor Registration - Plumbing	5/18/2023			\$0.00
23-00162-01	Anthony Melissa Machnicki	1103 Brasher	New Residence Permit	5/31/2023	\$100,000.00	1487.00	\$966.55
23-00163-01	BMR Pool and Patio	870 Blenheim	Pool/Spa (inground)	5/22/2023	\$318,000.00	919.00	\$650.00
23-00164-01	Little Electric LLC		Contractor Registration - Electrical	5/19/2023			\$0.00
23-00165-01	Milestone Electric and Air		Contractor Registration - Mechanical	5/22/2023			\$0.00
23-00166-01	Milestone Electric and Air	582 Wolf Run Rd	Residential Mechanical	5/22/2023	\$13,347.00		\$130.00
23-00167-01	Milestone Electric		Contractor Registration - Electrical	5/22/2023			\$0.00
23-00168-01	Little Electric LLC	1205 Chestnut Dr	Electrical Permit	5/23/2023	\$1,500.00		\$130.00
23-00169-01	Milestone Electric	582 Wolf Run Rd	Electrical Permit	5/23/2023	\$4,927.00		\$130.00
23-00170-01	Aqua Group Inc.		Contractor Registration - Plumbing	5/23/2023			\$0.00
23-00172-01	Fence Fanatics		Contractor Registration - General	5/26/2023			\$125.00
23-00174-01	CR Plumbing	1710 Glenview Ln	Plumbing Permit	5/25/2023	\$2,450.00		\$130.00
23-00175-01	CR Plumbing	64 McMakin Rd	Plumbing Permit	5/30/2023			\$130.00
23-00176-01	Carl E. Smith Inc.		Contractor Registration - General	5/30/2023			\$125.00

Denton County

ESD No. 1

Monthly Report



Monthly Activity Report

MAY 2023



Table of Contents

Basic Analytics	Page
DCESD 1 Personnel	3
Incident Counts	4-5
Municipality Volume	6
Response Times	7
Community Outreach Events	8
Fire Inspection Report	8



Denton County ESD No. 1

MAY 2023

DCESD1 Personnel

Operations

Captains	9
Apparatus Operators (Engineers)	9
Full-Time Fire Fighters	17
Part-Time Employees	14
Full-Time Off-Duty due to Injury	2
Vacancies	0
Total	51
Full-Time Paramedics	31
Part-Time Paramedics	12

Fire Administration

Fire Chief	1
Assistant Chief	1
Division Chief	1
Administrative Assistant	1
Director of Communications & Public Outreach	1
Total	5

Department Total	56
Sworn Staff	54
Civilians	2

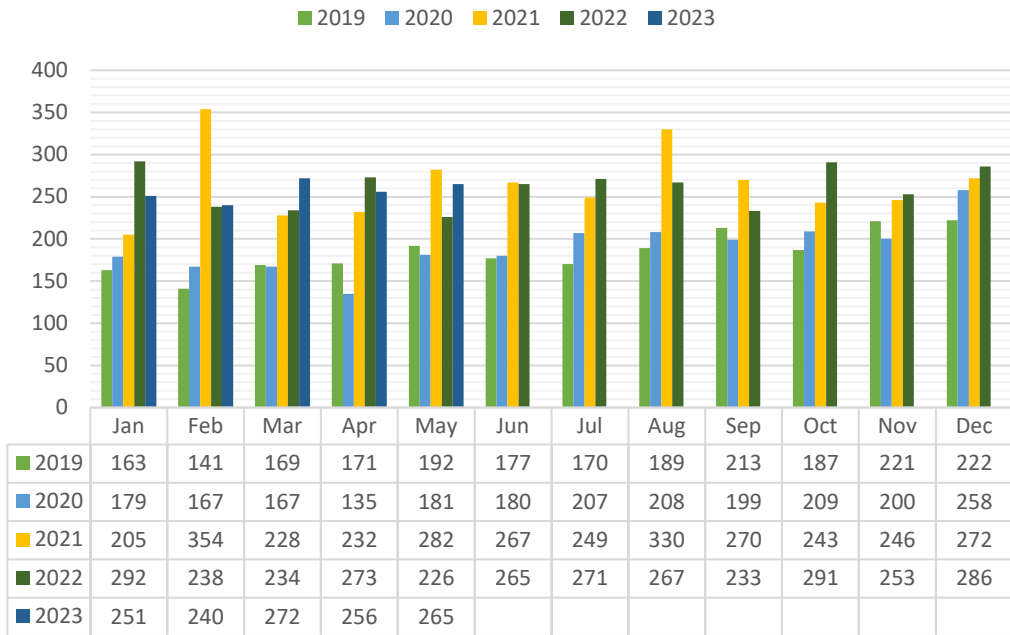


Denton County ESD No. 1

MAY 2023

DCESD Total Incident Count

Comparison of Incidents Over the past 5 years Month-by-Month



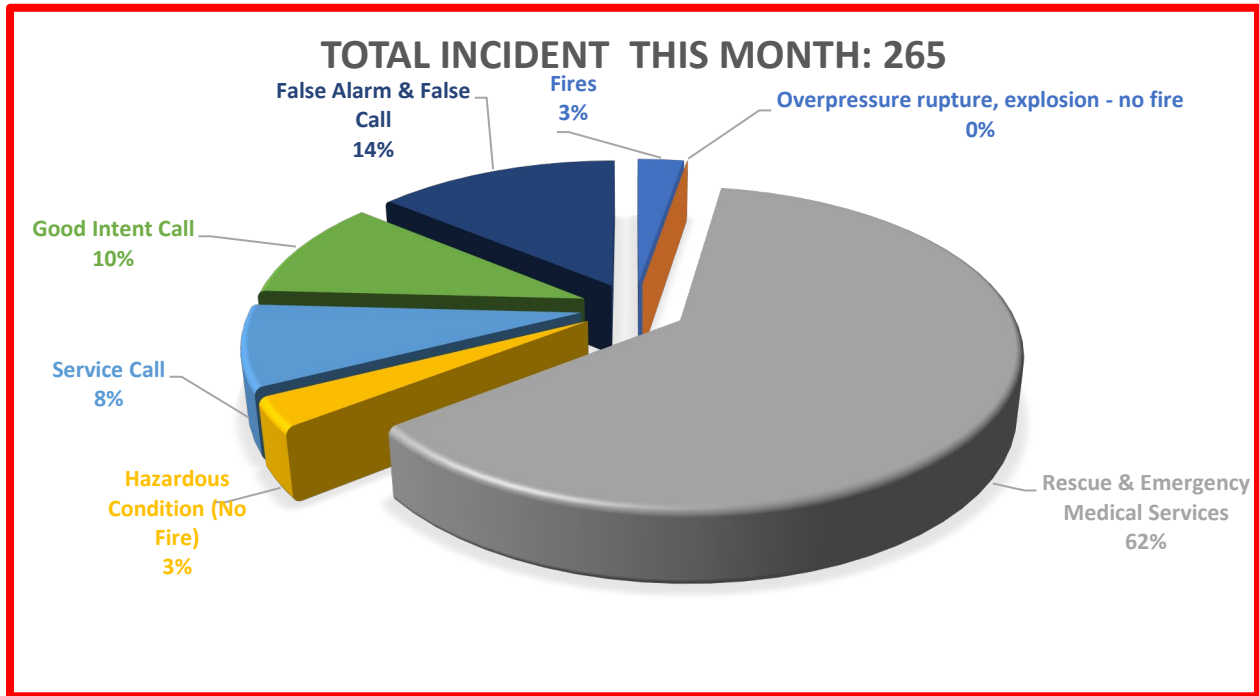
Year-to-Date Totals



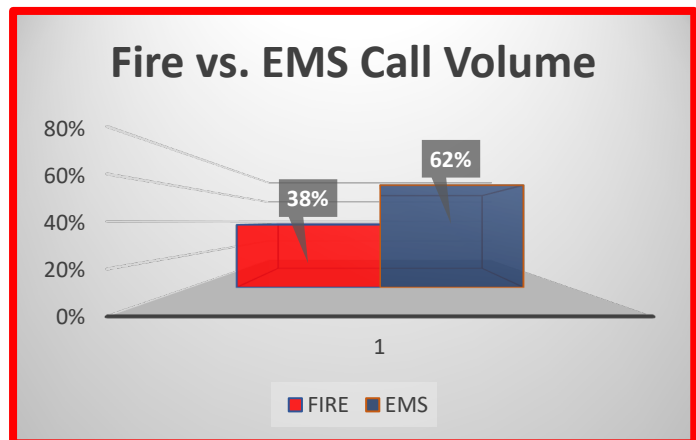
DCESD	YTD
2018	611
2019	836
2020	829
2021	1301
2022	1263
2023	1284



INCIDENT STATISTICS



Major Incident Types	
Fires	7
Rescue & Emergency Medical Services	164
Overpressure rupture, explosion – no fire	0
Hazardous Condition (No Fire)	8
Service Call	22
Good Intent Call	27
False Alarm & False Call	37

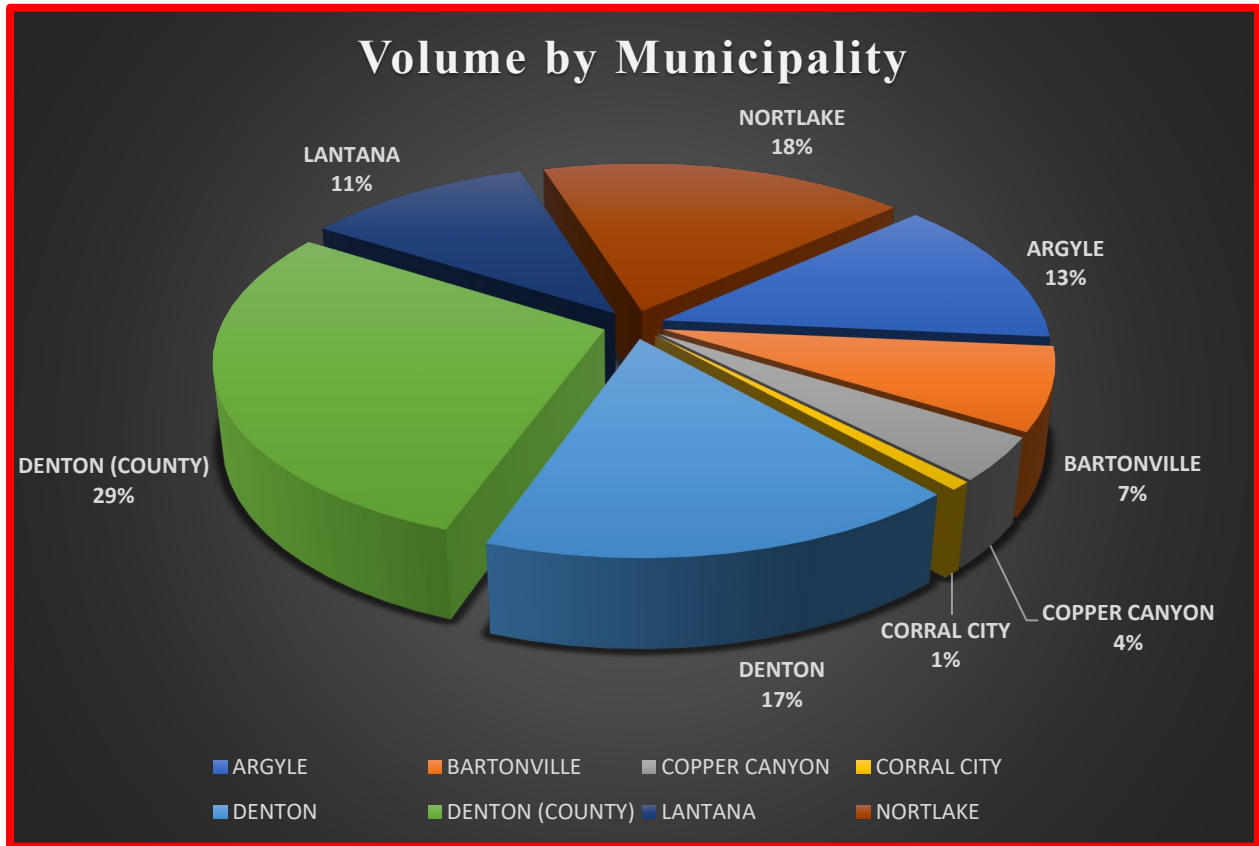


Percentage of Overlapping Calls

Overlapping Calls	
# OVERLAPPING	% OVERLAPPING
72	27.17%



Municipality Volume



Volume per Municipality	
MUNICIPALITY	# INCIDENTS
ARGYLE	34
BARTONVILLE	19
COPPER CANYON	10
CORRAL CITY	2
ROBSON RANCH (Denton)	44
DENTON (COUNTY)	74
LANTANA	29
NORTLAKE	47

MUTUAL AID GIVEN:	
Flower Mound FD	1
Justin FD	3
Trophy Club FD	2
MUTUAL AID RECEIVED:	
Denton FD	1
Flower Mound FD	9
Justin FD	3



Denton County ESD No. 1

MAY 2023

Incident Response Times

90th Percentile Assessment

Lights and Sirens – 90 th Percentile Time (Dispatch to Arrival)	
Overall	10:11
FIRE	09:23
EMS	10:09

Internal Compliance Goal: Less than 8-minute response time from dispatch to first unit on arrival time. Assessment is performed by taking the total number of incidents where lights and sirens were utilized while responding to the incident.

NFPA 1710 Response Recommendations: Key performance objectives for...

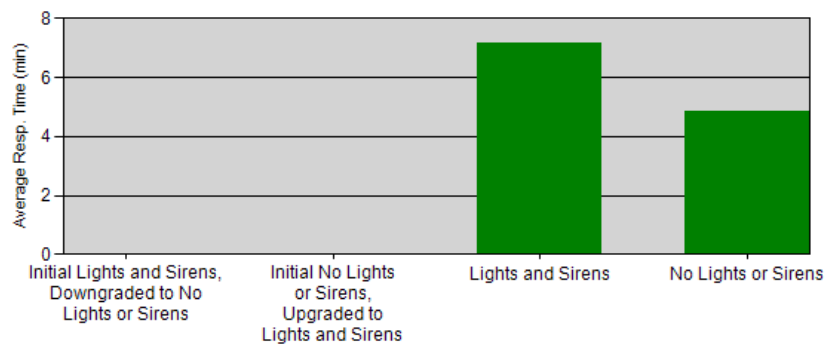
FIRE Response: (bunker gear required)

1. Turnout time: < 80 seconds (1 minute: 20 seconds)
2. First Unit on scene: < 240 seconds (4 minutes)

EMS Response: (no bunker gear required)

1. Turnout time: < 60 seconds (1 minute)
2. First Unit on scene: < 240 seconds (4 minutes)

Average Response Time Assessment



RESPONSE MODE	CALLS	AVERAGE RESPONSE TIME (minutes)
Initial Lights and Sirens, Downgraded to No Lights or Sirens	0	0:00
Initial No Lights or Sirens, Upgraded to Lights and Sirens	1	5:00
Lights and Sirens	394	7:19
No Lights or Sirens	14	4:53



Denton County ESD No. 1

MAY 2023

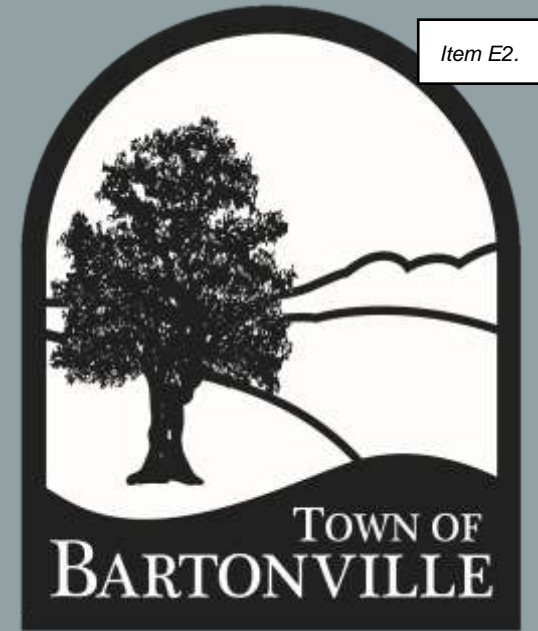
Community Outreach Events

Fire Station Tours	3
Public Education Events	15
Ride Along	10
Community CPR Classes	0
- Number of CPR Students	0

Total Events 28

Fire Inspection Report

OCCUPANCY	COUNT
INSPECTION TYPE: Certificate of Occupancy	
Business Office	3
Day Care	1
High School	1
Medical, Surgical, Psychiatric	1
INSPECTION TYPE: Fire Protection System Inspection	
Business Office	3
Low Hazard Storage	2
Medical/Dental Office	1
Multi-Family Residential	2
Single Family Residence	11
INSPECTION TYPE: Hood and Duct Inspection	
Assembly	1
Total # of Inspections:	26



Town of Bartonville

Monthly Financial Report

Month Ending
May 31, 2023

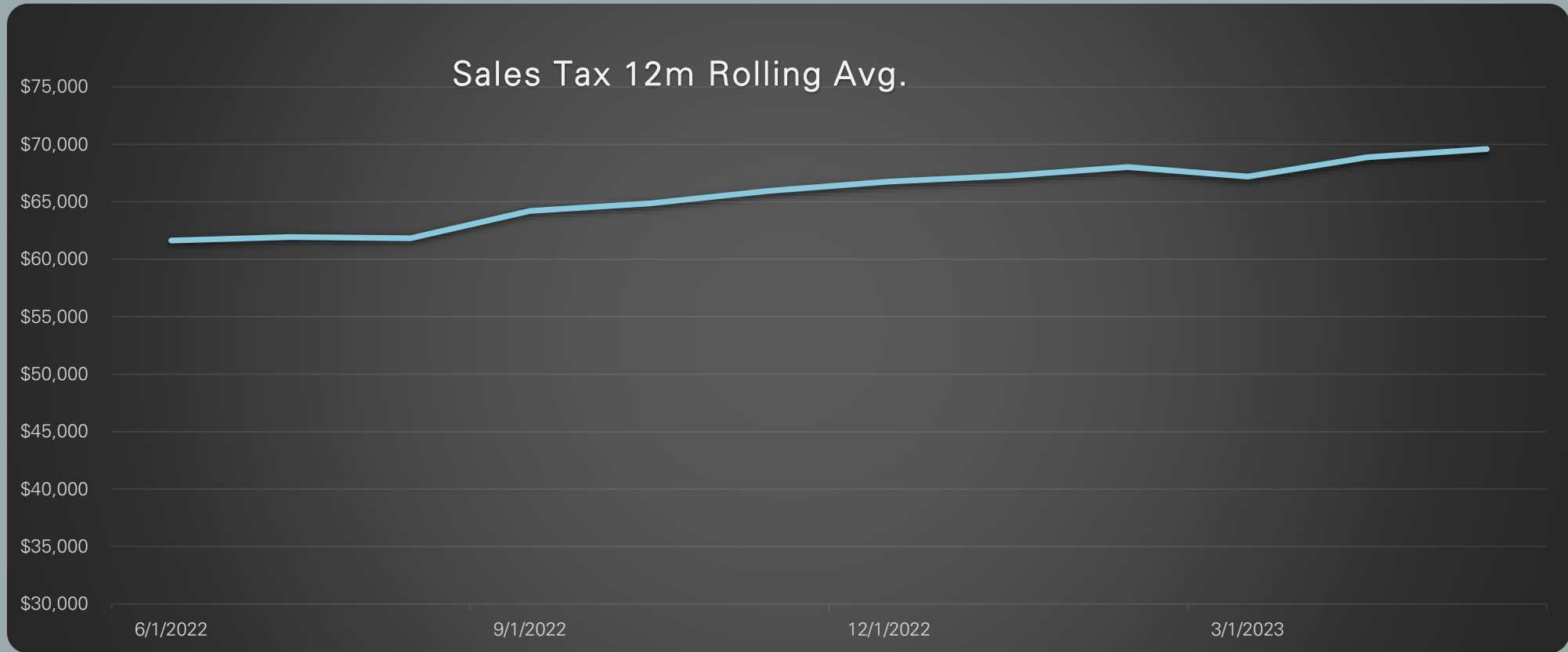
PRESENTED:
JUNE 20, 2023

All General Fund Revenues

	May 2023 Revenue	Year to Date Revenue	Current Year Budget	Projected Revenue Remaining	% of Budgeted Revenue Remaining	Prior year YTD	Prior year ending balance
Sales Tax	\$98,966.71	\$564,308.59	\$759,800.00	\$195,491.41	25.73%	\$499,705.03	\$779,406.91
Property Tax	\$11,837.68	\$966,839.18	\$943,000.00	(\$23,839.18)	(2.53)%	\$798,221.06	\$810,247.20
Franchise Fees	\$7,670.01	\$179,220.52	\$157,500.00	(\$21,720.52)	(13.79)%	\$144,888.49	\$211,360.40
Other/Transfer	\$6,925.54	\$130,558.98	\$134,000.00	\$3,441.02	2.57%	\$15,545.00	\$15,179.04
Development Fees	\$0.00	\$105,414.24	\$30,000.00	(\$75,414.24)	(251.38)%	*	*
Permit Fees	\$9,442.60	\$139,049.08	\$132,900.00	(\$6,149.08)	(4.42)%	*	*
Municipal Court	\$10,173.64	\$61,214.85	\$60,000.00	(\$1,214.85)	(2.02)%	\$27,484.06	\$56,295.24
Total Revenue	\$145,016.18	\$2,146,605.44	\$2,217,200.00	\$70,594.56	3.18%	*	*

* "Development Fees" are being moved to a receivables account due to the audit. This impacts the other listed accounts.

Sales Tax Collections



All General Fund Expenditures

	May 2023 Expenditures	Year to Date Expenditures	Current Year Budget	Budget Balance Remaining	% of Balance Remaining	Prior Year YTD Balance	Prior year FY Ending Balance
Administration	\$114,000.66	\$722,640.68	\$1,092,716.00	\$370,075.32	33.87%	*	*
Police	\$51,094.88	\$460,147.13	\$780,986.00	\$320,838.87	41.08%	\$323,937.56	\$537,727.68
Municipal Court	\$450.00	\$3,350.00	\$5,400.00	\$2,050.00	37.96%	\$3,900.00	\$6,000.00
Transfers	\$35,948.25	\$243,407.54	\$241,600.00	(\$1,807.54)	(0.75%)	\$251,466.91	\$307,035.89
Total Expenses	\$201,493.79	\$1,429,545.35	\$2,120,702.00	\$691,156.65	32.59%	*	*

* "Development Fees" are being moved to a receivables account due to the audit. This impacts the other listed accounts.

Expenditures by Department

Administration

	May 2023 Expenditures	YTD Expenditures	Current Year Budget	Budget Balance Remaining	% Balance Remaining	Prior Year YTD Balance	Prior Year FY End Bal.
Salary & Benefits	\$34,403.95	\$282,921.26	\$502,256.00	\$219,334.74	43.67%	\$171,603.50	\$276,241.26
Supplies	\$20,875.09	\$44,345.14	\$52,500.00	\$8,154.86	15.53%	\$23,918.62	\$37,727.88
Maintenance	\$3,058.50	\$25,841.66	\$37,500.00	\$11,658.34	31.09%	\$19,431.77	\$34,364.04
Contracted Service	\$51,910.90	\$256,073.19	\$338,490.00	\$82,416.81	24.35%	*	*
Fees & Service Charges	\$22.50	\$544.00	\$1,170.00	\$626.00	53.50%	\$609.67	\$1,237.84
Other	\$3,729.72	\$75,224.83	\$160,800.00	\$85,575.17	53.22%	\$10,455.57	\$63,985.26
Total Administration:	\$114,000.66	\$722,640.68	\$1,092,716.00	\$370,075.32	33.87%	*	*

* "Development Fees" are being moved to a receivables account due to the audit. This impacts the other listed accounts.

Expenditures by Department

Police

	May 2023 Expenditures	YTD Expenditures	Current Year Budget	Budget Balance Remaining	% Balance Remaining	Prior Year YTD Balance	Prior Year FY End Bal.
Salary & Benefits	\$47,374.99	\$413,138.88	\$709,486.00	\$296,347.12	41.77%	\$278,819.87	\$446,681.36
Supplies	\$1,924.89	\$13,682.35	\$30,000.00	\$16,317.65	54.39%	\$8,460.33	\$23,174.72
Maintenance	\$945.00	\$24,788.27	\$28,000.00	\$3,211.73	11.47%	\$28,720.63	\$58,407.99
Contracted Service	\$0.00	\$6,722.00	\$9,500.00	\$2,778.00	29.24%	\$7,152.21	\$8,082.21
Other	\$850.00	\$1,815.63	\$4,000.00	\$2,184.37	54.61%	\$752.52	\$1,381.40
Total Police Department:	\$51,094.88	\$460,147.13	\$780,986.00	\$320,838.87	41.08%	\$323,937.56	\$537,727.68



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Consider approval of the May 16, 2023, regular meeting minutes.

SUMMARY:

The Town Council held a regular meeting on May 16, 2023.

FISCAL INFORMATION:

N/A

RECOMMENDED MOTION OR ACTION:

Approve the meeting minutes for the regular meeting held on May 16, 2023.

ATTACHMENTS:

May 16, 2023, regular meeting minutes.

The Town Council met in a regular meeting with the following members present:

Jaclyn Carrington, Mayor
Clay Sams, Mayor Pro Tem
Jim Roberts, Councilmember Place 1
Matt Chapman, Councilmember Place 2
Keith Crandall, Councilmember Place 4
Josh Phillips, Councilmember Place 5

And with the newly elected member Margie Arens, Place 5 (after canvassing)

constituting a quorum with the following members of the Town Staff participating: Thad Chambers, Town Administrator; Tammy Dixon, Town Secretary; Bobby Dowell, Chief of Police; and Ed Voss, Town Attorney.

A. CALL REGULAR MEETING TO ORDER

Mayor Carrington called the regular meeting to order at 7:00 p.m.

B. PLEDGE OF ALLEGIANCE

Mayor Carrington led the pledge of allegiance.

C. PRESENTATIONS

1. Issue Certificates of Election, Statement of Elected Official, and provide the Oath of Office to newly elected Officials.

Mayor Carrington distributed the Certificates of Election and administered the Oaths of Office to Jim Roberts, Clay Sams, and Margie Arens.

2. Recognition of Outgoing Town Councilmember Josh Phillips.

Mayor Carrington provided Josh Phillips with a personalized street sign and thanked him for his six years of service on the Town Council.

Mayor Carrington recessed the meeting at 7:05 p.m. and reconvened the meeting at 7:08 p.m.

3. Announcement from newly elected Town Councilmember Margie Arens.

Councilmember Arens stated she was honored to serve as an elected official and would do her best to serve the citizens of Bartonville.

4. Recognition of Tammy Dixon, Town Secretary.

Mayor Carrington thanked Tammy Dixon for her 11 ½ years of service to the Town and presented her with a personalized street sign.

5. Proclamations

Mayor Carrington invited Del Knowler to the lectern and read aloud a Proclamation in celebration of his 90th birthday.

Mayor Carrington invited Chief Dowell to the lectern and read aloud a Proclamation in observance of Police Week.

D. PUBLIC PARTICIPATION

Rusty Rice, 1086 Broome Road, spoke about allowing fireworks under special conditions.

E. APPOINTED REPRESENTATIVE/LIAISON REPORTS

- 1. Denton County Emergency Services District #1 (DCESD#1) – No Report.
- 2. Police Chief Report - Department Statistics/Activities April 2023.

Chief Dowell reviewed the April statistics and answered questions from the Town Council. He reminded everyone the department was sponsoring a blood drive event for May 20th at the Bartonville Store. Chief Dowell also stated he would be participating in the DCESD#1 Carry The Load walk on May 20th to honor and remember fallen military and first responders.

- 3. Town Administrator - Monthly Reports April 2023: Financial, Animal Control, Code Enforcement, Engineering, Municipal Court, Permits.

Mr. Chambers reviewed the April financials and answered questions from the Town Council.

F. CONSENT AGENDA

- 1. Consider approval of the April 18, 2023, regular meeting minutes.
- 2. Consider approval of an Interlocal Cooperation Agreement between Denton County and the Town of Bartonville for Shared Governance Communications & Dispatch Services System for Fiscal Year 2023-2024 in the amount of \$6343.00; and authorize the Town Administrator and Chief of Police to execute same on behalf of the Town.
- 3. Consider approval of Resolution 2023-07 nominating Sue Tejml to a slate of nominees for the Board of Managers of the Denco Area 9-1-1 District.
- 4. Consider approval of Resolution 2023-08 approving and adopting the 2023 Denton County Hazard Mitigation Plan.

Councilmember Roberts moved to approve consent agenda items 1-4. Councilmember Crandall seconded the motion.

VOTE ON THE MOTION

AYES: Arens, Crandall, Chapman, Sams, Roberts
NAYS: None
VOTE: 5/0

G. REGULAR ITEMS

- 5. First reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Cloud 9 Management LLC.

Ms. Dixon provided the first reading.

- 6. First reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Sakhouse Investments, LLC.

Ms. Dixon provided the first reading.

- 7. Discuss and consider approval of an ordinance amending the Town of Bartonville Code of Ordinances, Chapter 6, "Health and Sanitation," Article 6.05 "Refuse, Garbage, Rubbish and Junk," to establish regulations as to placement time of waste and recycling receptacles, and other amendments.

Councilmember Crandall stated this item was discussed at the April meeting regarding the placement and removal times of waste and recycling receptacles.

Councilmember Crandall moved to approve Ordinance No. 747-23 amending the Town of Bartonville Code of Ordinances, Chapter 6, "Health and Sanitation," Article 6.05 "Refuse, Garbage, Rubbish and Junk," to establish regulations as to placement time of waste and recycling receptacles, and other amendments. Councilmember Roberts seconded the motion. The caption of the ordinance reads as follows:

ORDINANCE NO. 747-23

AN ORDINANCE OF THE TOWN OF BARTONVILLE, TEXAS, AMENDING THE TOWN OF BARTONVILLE CODE OF ORDINANCES, CHAPTER 6, "HEALTH AND SANITATION," ARTICLE 6.05 "REFUSE, GARBAGE, RUBBISH AND JUNK," TO ESTABLISH REGULATIONS AS TO PLACEMENT TIME OF WASTE AND RECYCLING RECEPTACLES, AND OTHER AMENDMENTS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING FOR PUBLICATION; AND PROVIDING FOR AN EFFECTIVE DATE.

VOTE ON THE MOTION

AYES: Arens, Crandall, Chapman, Sams, Roberts

NAYS: None

VOTE: 5/0

- 8. Second reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Cloud 9 Management LLC.

Ms. Dixon provided the second reading.

- 9. Second reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Sakhouse Investments, LLC.

Ms. Dixon provided the second reading.

10. Discuss and consider approval of an ordinance amending the Town's Budget for the Fiscal Year beginning October 1, 2022, and ending September 30, 2023, as adopted by Ordinance No. 735-22; and amended by Ordinance 738-22 providing for adjustments to the General Fund, Vehicle Computer Fund, and creating an Opioid Abatement Fund.

Ms. Dixon stated the budget amendment provided revenue and expenditure adjustments for the following:

- \$50,000 transfer from the Bartonville Community Development Corporation for the Denton County Interlocal Agreement for construction improvements associated with the Hilltop Road project approved last year.
- The reimbursable grant provided by North Central Texas Council of Governments (NCTCOG) for tire recycling event.
- The vehicle that was approved and budgeted in Fiscal Year 2021-2022 but was not received until the current Fiscal Year and to identify the annual replacement of two computers (administration and police). Computers are on a three-year replacement cycle.
- The creation of an Opioid Abatement Fund (restricted funds) for revenues received for the Town's participation in the Opioid settlements brought by the State of Texas (Resolution No. 2021-18).

Mayor Pro Tem Sams moved to approve Ordinance No. 748-23 amending the Town's Budget for the Fiscal Year beginning October 1, 2022, and ending September 30, 2023, as adopted by Ordinance No. 735-22; and amended by Ordinance 738-22 providing for adjustments to the General Fund, Vehicle Computer Fund, and creating an Opioid Abatement Fund. Councilmember Chapman seconded the motion. The caption of the ordinance reads as follows:

ORDINANCE NO. 748-23

AMENDING THE FISCAL YEAR 2022-2023 BUDGET

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS AMENDING THE TOWN'S BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022, AND ENDING SEPTEMBER 30, 2023, AS ADOPTED BY ORDINANCE NO. 735-22; AND AMENDED BY ORDINANCE 738-22 BY PROVIDING FOR ADJUSTMENTS TO THE GENERAL FUND AND VEHICLE COMPUTER FUND PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET, AS AMENDED; PROVIDING SAVINGS; PROVIDING THAT THIS ORDINANCE IS CUMULATIVE OF ALL ORDINANCES OF THE TOWN BARTONVILLE; PROVIDING FOR SEVERABILITY; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

VOTE ON THE MOTION

AYES: Arens, Crandall, Chapman, Sams, Roberts

NAYS: None

VOTE: 5/0

11. Discuss and consider appointments to the ad hoc Special Events Advisory Committee.

Councilmember Crandall stated Margie Arens had applied to be a member; however, at the time, since she would become a councilmember, he would step down at this time to allow her to be the second Council appointed member.

Councilmember Crandall moved to appoint Margie Arens as a regular member and Keith Crandall as an alternate member to the Special Events Advisory Committee. Councilmember Roberts seconded the motion.

VOTE ON THE MOTION

AYES: Arens, Crandall, Chapman, Sams, Roberts
NAYS: None
VOTE: 5/0

- 12. Consider approval of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Cloud 9 Management LLC.

Ms. Dixon stated On May 10, 2023, the Bartonville Community Development Corporation Board approved a Performance Agreement for Cloud 9 Management LLC to provide financial assistance for Cloud 9 Salon and Spa, in the amount of \$45,000. She explained the agreement provided for \$22,500 to be paid within 30 days of commencing construction on the property and \$22,500 paid within 30 days after the issuance of a Certificate of Occupancy. The agreement includes a five-year claw back provision in the event of default.

Ms. Latham, BCDC Chair, summarized the Board’s decision to approve the Performance Agreement.

Kim Skidmore stated she was looking forward to her business opening in the Town and answered questions from the Town Council.

Councilmember Chapman moved to approve Resolution No. 2023-09 concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Cloud 9 Management LLC. Mayor Pro Tem Sams seconded the motion.

VOTE ON THE MOTION

AYES: Arens, Crandall, Chapman, Sams, Roberts
NAYS: None
VOTE: 5/0

- 13. Consider approval of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Sakhouse Investments, LLC.

Ms. Dixon stated On May 10, 2023, the Bartonville Community Development Corporation Board approved a Performance Agreement for Sakhouse Investments, LLC. (aka Trios Italian Bistro) to provide financial assistance for Trios Bistro, in the amount of \$20,000. She explained the agreement provides for \$10,000 to be paid within 30 days of the effective date of the agreement and in accordance with State Law; and half when the Developer’s receipt of invoices and or receipts for the Qualified Expenditures made to the property in a minimum amount of \$55,000 are submitted to the Corporation.

Ms. Latham, BCDC Chair, summarized the Board’s decision to approve the Performance Agreement.

Tim House explained the construction additions and answered questions from the Town Council.

Councilmember Roberts moved to approve Resolution No. 2023-10 concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Sakhouse Investments, LLC. Councilmember Crandall seconded the motion.

VOTE ON THE MOTION

AYES: Arens, Crandall, Chapman, Sams, Roberts
NAYS: None
VOTE: 5/0

H./J. CLOSED SESSION/OPEN SESSION

Pursuant to the Open Meetings Act, Chapter 551, the Town Council convened into a Closed Executive Session at 7:54 p.m. and reconvened into open session 7:51 p.m. in accordance with the Texas Government Code regarding:

- 1. Section 551.074 Personnel Matters to deliberate and consider the appointment and employment of public officers or employees; to wit: Mayor Pro Tem.

Councilmember Crandall moved to appoint Matt Chapman as Mayor Pro Tem. Councilmember Roberts seconded the motion.

VOTE ON THE MOTION

AYES: Arens, Crandall, Chapman, Sams, Roberts
NAYS: None
VOTE: 5/0

- 2. Section 551.071 Consultation with Town Attorney to seek legal advice of its attorney regarding solar energy device regulations, and any and all legal issues related thereto.
No Action Taken.
- 3. Section 551.071 Consultation with Town Attorney to seek legal advice of its attorney regarding an Economic Development Agreement between the Town of Bartonville and NewQuest Properties and related matters.
No Action Taken.
- 4. Section 551.071 Consultation with Town Attorney to seek legal advice of its attorney regarding a funding request from the Denton County Emergency Services District #1, and any and all legal issues related thereto.
No Action Taken.

J. FUTURE ITEMS

There were none.

K. ADJOURNMENT

Mayor Carrington declared the meeting adjourned at 8:54 p.m.

APPROVED this the 20th day of June 2023.

Approved:

Jaclyn Carrington, Mayor

Attest:

, Town Secretary



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Consider approval of the May 18, 2023, special meeting minutes.

SUMMARY:

The Town Council held a special meeting on May 18, 2023.

FISCAL INFORMATION:

N/A

RECOMMENDED MOTION OR ACTION:

Approve the meeting minutes for the special meeting held on May 18, 2023.

ATTACHMENTS:

May 18, 2023, special meeting minutes.

THE BARTONVILLE TOWN COUNCIL SPECIAL MEETING HELD ON THE 18th DAY OF MA 2023, AT 1941 E. JETER ROAD, BARTONVILLE, TEXAS 7:00 P.M.

Item F2.

The Town Council met in a regular meeting with the following members present:

- Jaclyn Carrington, Mayor
- Clay Sams, Mayor Pro Tem
- Jim Roberts, Councilmember Place 1
- Matt Chapman, Councilmember Place 2
- Keith Crandall, Councilmember Place 4
- Margie Arens, Place 5

constituting a quorum with the following members of the Town Staff participating: Thad Chambers.

A. CALL SPECIAL MEETING TO ORDER

Mayor Carrington called the special meeting to order at 7:00 p.m.

B./C. CLOSED SESSION/OPEN SESSION

Pursuant to the Open Meetings Act, Chapter 551, the Town Council convened into a Closed Executive Session at 7:00 p.m. and reconvened into open session 7:51 p.m. in accordance with the Texas Government Code regarding:

1. Section 551.074, *Personnel Matters*: Deliberate and consider the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public offer or employee, to wit: Interview candidates for the position of Town Secretary.

Mayor Pro Tem Chapman moved to authorize Mayor Carrington to make an offer of employment as discussed in Executive Session. Council Member Arens seconded the motion.

VOTE ON THE MOTION

- AYES:** Arens, Crandall, Chapman, Sams, Roberts
- NAYS:** None
- VOTE:** 5/0

D. ADJOURNMENT

Mayor Carrington declared the meeting adjourned at 7:53 p.m.

APPROVED this the 20th day of June 2023.

Approved:

Jaclyn Carrington, Mayor

Attest:

, Town Secretary



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Discuss and consider approval of a resolution appointing Shannon Montgomery as Town Secretary.

SUMMARY:

Section 22.071 of the Texas Local Government Code requires the appointment or election of a Town Secretary. Staff has prepared the attached resolution for the Town Council to Appoint Shannon Montgomery as Town Secretary.

RECOMMENDED MOTION OR ACTION: Move to approve the resolution, appointing Shannon Montgomery Town Secretary.

**TOWN OF BARTONVILLE, TEXAS
RESOLUTION**

A RESOLUTION OF THE TOWN OF BARTONVILLE, DENTON COUNTY, TEXAS, PROVIDING FOR THE APPOINTMENT OF SHANNON MONTGOMERY AS TOWN SECRETARY OF THE TOWN OF BARTONVILLE, TEXAS.

WHEREAS, Section 22.071 of the Texas Local Government Code requires the appointment or election of a Town Secretary; and

WHEREAS, Section 22.073 of the Texas Local Government Code sets for the duties a Town Secretary; and

WHEREAS, the Bartonville Town Council finds that the appointment of Shannon Montgomery as Town Secretary is in the best interests of the Town of Bartonville; and

THEREFORE, BE IT RESOLVED, that Shannon Montgomery is appointed Town Secretary of the Town of Bartonville effective immediately from and after its passage.

ADOPTED this 20th day of June 2023, by the Town Council of the Town of Bartonville.

Jaclyn Carrington, Mayor
Town of Bartonville, Texas

ATTEST:

Shannon Montgomery, Town Secretary
Town of Bartonville, Texas



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Presentation and consideration of the Fiscal Year 2021-2022 Audit.

SUMMARY:

The Local Government Code states a “municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit.”

The annual audit includes an examination of the financial statements of all accounts and funds of the Town and all component entities. The examination is made in accordance with all generally accepted auditing standards for local governments as established by the American Institute of Certified Public Accountants and in accordance with all applicable federal and state laws. The annual audit also reports on the adequacy of the Town’s system of internal accounting controls and policies.

Cheryl Davenport, Financial Consultant, provided the year end bookkeeping services for the fiscal year ending September 30, 2022; and the 2021-2022 Fiscal Year Audit was conducted by the MWH Group. Valerie Halverson will present the audit during the June 20, 2023, meeting.

FISCAL INFORMATION: N/A

LEGAL REVIEW: N/A

RECOMMENDED MOTION OR ACTION: Move to accept the Fiscal Year 2021-2022 Audit as prepared by MWH Group.

ATTACHMENTS:

- Draft Audit (Unavailable at time of Agenda Packet; will be sent out as soon as available)



June 16, 2023

To the Honorable Mayor and
Town Council
Town of Bartonville, Texas

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Bartonville, Texas for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 14, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Bartonville, Texas are described in Note 1 to the financial statements. In 2022, the City implemented GASB Statement No. 87 *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. There were no significant adjustments as a result of the implementation of this standard. We noted no transactions entered into by the Town of Bartonville, Texas 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. The most sensitive estimates affecting the Town's financial statements were:

Management's estimate of the depreciable lives and residual value of capital assets is based on historical experience in collections. We evaluated the key factors and assumptions used to develop the depreciable lives and residual value of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates of its net pension liability and total OPEB liability are based on reports received from the Texas Municipal Retirement System (TMRS). The net pension liability and total OPEB liability reported by TMRS is based on actuarial valuations that utilize various assumptions including the remaining amortization period, discount rate, expected rates of investment return, salary increases, payroll growth rates and mortality rates. The financial statements of the TMRS plan were audited by CliftonLarsonAllen, LLP. These financial statements received unmodified opinions. We evaluated the audited financial statements, census data submitted by the Town to TMRS and the Town's controls over the census submission process that were used to develop the estimate of its net pension liability and total OPEB liability to determine that the estimate is reasonable in relation to the financial statements taken as a whole.

Honorable Mayor and
Town Council
Town of Bartonville, Texas
June 16, 2023

Page 2

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of the defined benefit pension plan and postemployment benefits other than pensions (OPEB) in Notes 6 and 7 to the financial statements are based on various reports provided by TMRS. The reports are based on the audited financial statements of the pension plan and actuarial reports provided by a third party.

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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 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 June 16, 2023.

Management Consultations 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 Town'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 Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Honorable Mayor and
Town Council
Town of Bartonville, Texas
June 16, 2023

Page 3

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios, Texas Municipal Retirement System Schedule of Contributions, and Texas Municipal Retirement System 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 Budget to Actual Schedules for the Capital Improvement Fund, Community Development Corporation and Crime control and Prevention District, 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.

Restriction on Use

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

Sincerely,

MWH Group, P.C.

MWH GROUP, P.C.



June 16, 2023

MWH Group, P.C.
P.O. Box 97000
Wichita Falls, Texas 76307-7000

This representation letter is provided in connection with your audit of the financial statements of the Town of Bartonville, Texas, which comprise the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 16, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 14, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

MWH Group, P.C.
Wichita Falls, Texas
June 16, 2023

Page 2

Information Provided

- 10) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the City and involves:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

Government - specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 23) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

MWH Group, P.C.
Wichita Falls, Texas
June 16, 2023

Page 3

- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparing the financial statements, proposing adjustments, maintaining the depreciation schedule, and preparing the government-wide conversion. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related disclosures.
- 28) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements include all fiduciary activities required by GASBS No. 84 .
- 32) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended.
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

MWH Group, P.C.
Wichita Falls, Texas
June 16, 2023

Page 4

- 42) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: _____ Signature: _____

Title: _____ Title: _____

TOWN OF BARTONVILLE, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2022



**TOWN OF BARTONVILLE, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

TABLE OF CONTENTS

	Page	Exhibit
INDEPENDENT AUDITOR'S REPORT	1	
CITY OFFICIALS	4	
REQUIRED SUPPLEMENTARY INFORMATION:		
Management's Discussion and Analysis	5-10	
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		
Statement of Net Position	11	A-1
Statement of Activities	12	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds	13	A-3
Reconciliation of the Government Funds		
Balance Sheet to the Statement of Net Position	14	A-4
Statement of Revenues, Expenditures and		
Changes in Fund Balance - Governmental Funds	15	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balance of Governmental Funds to the Statement of Activities	16	A-6
Notes to Financial Statements	17 - 33	
REQUIRED SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - General Fund	34	B-1
Notes to Required Supplementary Information	36	
Schedule of Changes in Net Pension Liability and Related Ratios	37	B-2
Schedule of Pension Contributions	38	B-3
Schedule of Changes in Total OPEB Liability and Related Ratios	39	B-4
OTHER SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - Capital Improvement Fund	40	C-1
Budgetary Comparison Schedule - Community Development Corporation	41	C-2
Budgetary Comparison Schedule - Crime Control & Prevention District	42	C-3
INTERNAL CONTROL AND COMPLIANCE SECTION:		
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	43	

Financial Section



Independent Auditor's Report on Financial Statements

Honorable Mayor and Town Council
Town of Bartonville, Texas
1941 E. Jeter Road
Bartonville, Texas 76226

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Bartonville, Texas, as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the Town of Bartonville, Texas basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Bartonville, Texas, as of September 30, 2022, and the respective changes in financial position 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 Town of Bartonville, 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Town of Bartonville, Texas 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 misstatement, 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 judgment 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 judgment 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 Town of Bartonville, Texas' internal control. Accordingly, no such opinion is 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Bartonville, Texas' 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, Budgetary Comparison Schedule – General Fund, Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios, Texas Municipal Retirement System Schedule of Contributions, and Texas Municipal Retirement System Schedule of Changes in Total OPEB Liability and Related Ratios on pages 5 through 10 and 34 through 39, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 June 16, 2023, on our consideration of the Town of Bartonville, Texas' 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 Town of Bartonville, Texas' 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 Town of Bartonville, Texas' internal control over financial reporting and compliance.

Respectfully submitted,

Handwritten signature in black ink that reads "MWH Group, P.C." in a cursive style.

MWH GROUP, P.C.

Wichita Falls, Texas
June 16, 2023

TOWN OF BARTONVILLE, TEXAS

TOWN OFFICIALS

September 30, 2022

MAYOR	Jaclyn Carrington
MAYOR PRO TEM	Clay Sams
COUNCIL MEMBERS	Keith Crandall
	Josh Phillips
	Jim Roberts
	Matt Chapman
TOWN ADMINISTRATOR	Thad Chambers
TOWN SECRETARY	Tammy Dixon
POLICE CHIEF	Bobby Dowell
MUNICIPAL COURT JUDGE	Robin Ramsay
ATTORNEY	Ed Voss



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Bartonville, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2022. The information provided here should be used in conjunction with the basic financial statements.

Management's discussion and analysis ("MD&A") has been designed to (1) assist readers and interested parties in focusing on significant financial issues (2) provide an overview of the Town's financial activity, (3) identify changes in the Town's financial position, including its ability to address the next and subsequent years challenges, (4) identify material deviations from the approved budgets adopted by the Town Council (those charged with governance), and (5) identify individual fund issues or concerns.

Because MD&A focuses on the current year's activity, resulting changes and currently known facts, you are encouraged to read it in conjunction with the basic financial statements including notes thereto, required supplemental information, and other supplementary data provided below.

FINANCIAL HIGHLIGHTS

- The Town's government-wide assets and deferred outflows exceeded its government-wide liabilities and deferred inflows at September 30, 2022, by \$7,526,737, an increase of \$1,270,178 from the prior year.
- At September 30, 2022, the Town's governmental funds reported combined fund balances of \$5,151,824, an increase of \$1,100,554 from the prior year.
- The Town's capital assets, reported at cost less accumulated depreciation, total \$3,220,101 at September 30, 2022, while the Town's long-term debt totaled \$614,000 at September 30, 2022.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Reporting the Town as a Whole - Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The Statement of Net Position (page 11) presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities (page 12) presents information showing how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences). Capital grant funds are reported as revenues in the Statement of Activities.

The Town currently only provides Governmental type activities. Governmental activities include basic services such as police, municipal court, inspection, streets, and general administration. Permit revenues, sales taxes, and franchise fees finance most of these activities. The Town does not provide any Business-type activities such as water or sewer systems and related fees.

Reporting the Town's Most Significant Funds

Fund Financial Statements

All of the Town's activities are accounted for in governmental funds. Governmental funds focus on how money flows into and out of the funds and the balances left at the end of the year that is available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 17.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net position is as follows:

NET POSITION GOVERNMENTAL ACTIVITIES		
	2022	2021
Current and Other Assets	\$ 5,543,309	\$ 4,512,852
Capital Assets	3,220,101	3,445,466
Total Assets	8,763,410	7,958,318
Deferred Outflows of Resources	74,718	70,001
Current Liabilities	663,337	775,937
Net Pension & OPEB Liability	252,779	350,212
Long-Term Liabilities	311,000	614,000
Total Liabilities	1,227,116	1,740,149
Deferred Inflows of Resources	84,275	31,611
Net Position:		
Invested in Capital Assets, net of debt	2,658,490	2,587,438
Restricted	1,513,801	841,967
Unrestricted	3,354,446	2,827,154
Total Net Position	\$ 7,526,737	\$ 6,256,559

The Town's net position increased by \$1,270,178 during the fiscal year ended September 30, 2022, to \$7,526,737. A large portion of the Town's net position is its investment in capital assets (land, building, equipment, and infrastructure.) The Town uses these capital assets to provide services to the Town's citizens; consequently these assets are not available for future spending.

Analysis of Town's Operations

For the fiscal year ended September 30, 2022, the Town's revenues totaled \$3,403,291, an increase of \$575,713 (20%) from 2021. Contributions and grants increased \$485,751 (315%) in 2022 due to the receipt of Coronavirus Local Fiscal Recovery grant funds. Sales and beverage tax revenue increased \$80,966 (5.9%) due to the increase in residential and development projects in 2022. Franchise fee revenues increased \$61,441 (41%) from 2021. Property tax revenues decreased (\$30,938) due to the decrease in tax rate and adjustments to tax roll.

Total government-wide expenses increased \$127,242 (6%) in 2022 compared to 2021. General government expenses increased \$146,710 (14.9%) in 2022 compared to 2021. The increase was primarily due to the increase in contract expenses (\$99,799), engineering expenses (\$59,161), and other expenses related to internet services (\$37,650).

Public safety expenditures increased \$6,849 (1.2%) in 2022. Personnel costs increased \$9,786 (2%) but this increase was offset by a decrease in other operating expenses.

Public works expenditures decreased \$19,358 (4.4%) due a decrease in street maintenance expenditures in 2022 compared to 2021.

A summary of the Town's operations for the years ended September 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
REVENUES		
Program Revenues:		
Permits & Fees	\$ 199,931	\$ 189,308
Municipal Court	62,262	89,615
Contributions & Grants	639,891	154,140
General Revenues:		
Property Taxes	811,846	842,784
Sales & Beverage Taxes	1,462,904	1,381,938
Franchise Fees	211,360	149,919
Interest Income	15,097	19,874
Total Revenues	<u>3,403,291</u>	<u>2,827,578</u>
PROGRAM EXPENSES		
General Government	1,129,106	982,396
Public Safety	564,809	557,960
Public Works	421,492	440,850
Interest on Long-Term Debt	17,706	24,665
Total Expenses	<u>2,133,113</u>	<u>2,005,871</u>
Increase in Net Position	<u>\$ 1,270,178</u>	<u>\$ 821,707</u>

GOVERNMENTAL FUND ANALYSIS

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

A comparison of fiscal years 2022 and 2021 fund basis revenues is as follows:

	<u>2022</u>	<u>2021</u>
REVENUES		
Property Taxes	\$ 810,247	\$ 839,966
Sales & Beverage Taxes	1,462,904	1,381,938
Franchise Taxes	211,360	149,919
Permits & Fees	198,010	178,128
Municipal Court	62,262	89,615
Intergovernmental	593,898	150,840
Grants & Donations	5,780	3,300
Interest Income	15,095	19,874
Other Income	1,922	11,180
Total Revenues	<u>\$ 3,361,478</u>	<u>\$ 2,824,760</u>

The Town's property and sales taxes revenues increased \$51,247 (2%) from 2021 to 2022 primarily due to an increase in commercial businesses sales in 2022 compared to 2021. The Town's property tax rate decreased from \$0.19294 in 2021 to \$0.173646 in 2022.

A comparison of fiscal years 2022 and 2021 fund basis expenditures is as follows:

	2022	2021
EXPENDITURES		
General Government	\$ 1,033,906	\$ 952,201
Public Safety	644,457	548,100
Public Works	152,845	175,394
Capital Outlay - Public Works	-	128,081
Capital Outlay - General Government	112,474	28,518
Debt Service - Principle	296,000	290,000
Debt Service - Interest	21,242	28,130
Total Expenditures	<u>\$ 2,260,924</u>	<u>\$ 2,150,424</u>

Total governmental fund basis expenditures increased \$110,500 primarily due to an increase in general government expenditures (\$81,705) and public safety expenditures (\$96,357) in 2022 compared to 2021. General government expenditures increased primarily due to an increase in contract and engineering services. Public safety expenditures increased due to an increase in personnel costs and public works expenditures decreased due to a decrease in street maintenance expenditures in 2022 compared to 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original 2022 budget was amended by the Town Council. The amendments were made to more accurately reflect changes in revenues and expenses incurred by the Town.

The Town's actual General Fund revenues were \$500,870 more than budgeted revenues. Sales and beverage taxes were \$206,545 over the budgeted amount and intergovernmental revenues were \$406,248 over the budgeted amount. The intergovernmental revenue variance is due to the receipt of Coronavirus Local Fiscal Recovery grant funds of \$443,172 that were not included in 2022 budgeted revenues. The full amount of the grant funds was expended by September 30, 2022.

General Fund expenditures totaled \$2,121,129 which was \$479,174 under budgeted General Fund expenditures. The Town's engineering expenditures were \$159,829 under budget and street expenditures were \$177,818 under budget.

The Town budgeted for the General Fund to have a deficit of \$56,985 while the actual General Fund surplus was \$923,059.

CAPITAL ASSETS

The Town's investment in capital assets as of September 30, 2022, amounts to \$3,220,101 (net of depreciation). The investment in capital assets includes land, buildings, equipment, and infrastructure. The Town's capital assets, net of accumulated depreciation, are as follows:

	2022	2021
Land	\$ 119,275	\$ 119,275
Buildings	252,624	272,732
Equipment	150,362	86,972
Infrastructure	2,697,840	2,966,487
Total	<u>\$ 3,220,101</u>	<u>\$ 3,445,466</u>

Additional information on the Town's capital assets can be found in Note 4.

DEBT ADMINISTRATION

There were no new debt issuances in fiscal year 2022. Outstanding long-term debts are as follows:

	2022	2021
Tax Notes	<u>614,000</u>	<u>910,000</u>
Total	<u>\$ 614,000</u>	<u>\$ 910,000</u>

Additional information on the Town's long-term debts can be found in Note 5.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budgeted General Fund revenues for fiscal year 2023 are \$2,147,200 and exceed expenditures by \$73,119. Included in these 2023 budgeted revenues are property tax revenues of \$943,000, based upon a tax rate of 0.173646 per \$100 of valuation. The property tax rate remained the same in 2022 and 2023. The 2023 budget anticipates the Town collecting \$759,800 of sales and beverage tax revenues, \$157,500 of franchise fees and \$162,900 of permits and fee revenues.

Budgeted General Fund expenditures total \$2,074,081 including \$307,310 for contracted services, \$496,384 for administrative staff personnel costs, \$692,948 for the police department personnel costs, \$210,000 for sales tax economic development grant payments, \$10,000 for building improvements and \$21,600 for vehicles and equipment capital additions.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Town of Bartonville. If you have questions about this report or need any additional information, contact the Town Secretary at 1941 E. Jeter Road, Bartonville, TX 76226 or at (817) 430-4052.

Basic Financial Statements

TOWN OF BARTONVILLE, TEXAS
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

		Governmental Activities
Assets		
Cash	\$	1,110,063
Receivables		452,511
Prepaid expenses		3,872
Restricted cash & cash equivalents		3,976,863
Capital assets		
Land		119,275
Buildings & improvements		551,111
Equipment		546,664
Infrastructure		7,618,058
Less: accumulated depreciation		<u>(5,615,007)</u>
Capital assets, net		<u>3,220,101</u>
Total assets		<u><u>8,763,410</u></u>
Deferred outflows of resources		
Deferred outflows of resources related to pension		65,873
Deferred outflows of resources related to OPEB		<u>8,845</u>
Total deferred outflows of resources		<u><u>74,718</u></u>
Liabilities		
Accounts payable		310,294
Accrued liabilities		23,202
Accrued compensated absences		19,505
Accrued interest payable		7,336
General obligation bonds due within one year		303,000
General obligation bonds due in more than one year		311,000
Net pension liability		211,862
Total OPEB liability		<u>40,917</u>
Total liabilities		<u><u>1,227,116</u></u>
Deferred inflows of resources		
Deferred inflows of resources related to pension		<u>84,275</u>
Total deferred inflows of resources		<u><u>84,275</u></u>
Net position		
Invested in capital asset, net of related debt		2,658,490
Restricted for:		
Community development		787,006
Crime control & prevention		215,034
Other purposes		511,761
Unrestricted		<u>3,354,446</u>
Total net position	\$	<u><u>7,526,737</u></u>

TOWN OF BARTONVILLE, TEXAS
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	
Governmental activities:				
General Government	\$ (1,129,106)	\$ 199,931	\$ 483,385	\$ -
Public Safety	(564,809)	62,262	6,506	-
Public Works	(421,492)	-	150,000	-
Interest on Long-Term Debt	(17,706)	-	-	-
Total Governmental activities	\$ (2,133,113)	\$ 262,193	\$ 639,891	\$ -
		General Revenues:		
			Property Taxes	811,846
			Sales Taxes	1,462,904
			Franchise Fees	211,360
			Interest Income	15,097
			Total general revenues	2,501,207
			Change in net position	1,270,178
			Net position, beginning	6,256,559
			Net position, ending	\$ 7,526,737

TOWN OF BARTONVILLE, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	Capital Improvement Fund	Community Development Fund	Crime Control & Prevention District	Total Governmental Funds
Assets:					
Cash	\$ 4,105,141	\$ 45,444	\$ 734,279	\$ 202,062	\$ 5,086,926
Receivables:					
Sales & beverage taxes, franchise fees & other	311,933	-	41,521	18,164	371,618
Developer	22,904	-	-	-	22,904
Property taxes	17,776	-	-	-	17,776
Grants	40,213	-	-	-	40,213
Prepaid expenses	3,872	-	-	-	3,872
Total Assets	\$ 4,501,839	\$ 45,444	\$ 775,800	\$ 220,226	\$ 5,543,309
Liabilities:					
Accounts payable	\$ 303,785	\$ -	\$ 1,317	\$ 5,192	\$ 310,294
Accrued liabilities	23,202	-	-	-	23,202
Interfund	12,523	-	(12,523)	-	-
Total Liabilities	339,510	-	(11,206)	5,192	333,496
Deferred inflows:					
Unavailable revenue-property taxes	57,989	-	-	-	57,989
	57,989	-	-	-	57,989
Fund balance:					
Non-spendable - prepaid expenses	3,872	-	-	-	3,872
Restricted for:					
Community development	-	-	787,006	-	787,006
Crime control & prevention	-	-	-	215,034	215,034
Covid-19	443,863	-	-	-	443,863
Court related	15,509	-	-	-	15,509
Street Improvements	52,389	-	-	-	52,389
Committed To:					
Capital improvements	-	45,444	-	-	45,444
Debt service	914,854	-	-	-	914,854
Vehicle & equipment replacement	70,150	-	-	-	70,150
Streets	1,228,404	-	-	-	1,228,404
Unassigned	1,375,299	-	-	-	1,375,299
Total Fund balance	4,104,340	45,444	787,006	215,034	5,151,824
Total Liabilities, deferred inflows and fund balances	\$ 4,501,839	\$ 45,444	\$ 775,800	\$ 220,226	\$ 5,543,309

TOWN OF BARTONVILLE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Fund Balance - governmental funds balance sheet	\$ 5,151,824
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Fund Balance Sheet.	3,220,101
Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the Fund Balance Sheet.	57,989
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Fund Balance Sheet:	
2019 Tax Notes	(614,000)
Accrued compensated absences	(19,505)
Accrued interest	(7,336)
Net OPEB Liability and related deferred inflows and deferred outflows of resources	(32,072)
Net Pension Liability and related deferred inflows and deferred outflows of resources	(230,264)
Net position of governmental activities - statement of net position	\$ <u><u>7,526,737</u></u>

TOWN OF BARTONVILLE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	COMMUNITY DEVELOPMENT CORPORATION	CRIME CONTROL & PREVENTION DISTRICT	TOTAL GOVERNMENTAL FUNDS
Revenues					
Property taxes	\$ 810,247	\$ -	\$ -	\$ -	\$ 810,247
Sales & beverage taxes	1,169,045	-	194,815	99,044	1,462,904
Franchise fees	211,360	-	-	-	211,360
Permits & fees	198,010	-	-	-	198,010
Municipal court	62,262	-	-	-	62,262
Intergovernmental revenues	593,898	-	-	-	593,898
Grants & donations	-	-	-	5,780	5,780
Miscellaneous revenues	1,922	-	-	-	1,922
Interest income	12,444	143	2,028	480	15,095
Total revenues	<u>3,059,188</u>	<u>143</u>	<u>196,843</u>	<u>105,304</u>	<u>3,361,478</u>
Expenditures					
General government	981,409	-	52,497	-	1,033,906
Public safety	584,722	-	-	59,735	644,457
Public works	152,845	-	-	-	152,845
Debt service - principal	296,000	-	-	-	296,000
Debt service - interest	21,242	-	-	-	21,242
Capital outlay	84,911	24,880	-	2,683	112,474
Total expenditures	<u>2,121,129</u>	<u>24,880</u>	<u>52,497</u>	<u>62,418</u>	<u>2,260,924</u>
Excess of revenues over (under) expenditures before other sources	<u>938,059</u>	<u>(24,737)</u>	<u>144,346</u>	<u>42,886</u>	<u>1,100,554</u>
Other financing sources (uses)					
Transfer from Community Development	10,000	-	(10,000)	-	-
Transfer from General Fund	(25,000)	25,000	-	-	-
Total other financing sources	<u>(15,000)</u>	<u>25,000</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	923,059	263	134,346	42,886	1,100,554
Fund balance - beginning	3,181,281	45,181	652,660	172,148	4,051,270
Fund balance - ending	<u>\$ 4,104,340</u>	<u>\$ 45,444</u>	<u>\$ 787,006</u>	<u>\$ 215,034</u>	<u>\$ 5,151,824</u>

TOWN OF BARTONVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net Change in Fund Balance - Governmental Funds \$ 1,100,554

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives as depreciation expense:

Capital assets recorded in the current period 112,474

Depreciation expense on capital assets (330,335)

Loss on disposal of equipment (7,504)

Repayment on debt principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position: 296,000

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Deferred revenues - property taxes 41,812

Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Compensated absences 4,155

Accrued Interest on long-term debts 3,536

Governmental funds report pension and OPEB expenses as they are paid into the retirement plan during the fiscal year. However, in the statement of activities, pension and OPEB expenses reflects the change in net pension and OPEB liabilities during the plan fiscal year (calendar year 2021): 49,486

Change in net position of governmental activities - statement of activities \$ 1,270,178

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Bartonville operates under a Council-Mayor form of government, following the laws of a General Law Town as defined by the State of Texas. The Town provides the following services: inspection, municipal court, police, public works, and general administrative services.

The Town's financial statements are prepared in accordance with generally accepted accounting principles accepted in the United States of America (GAAP) applicable to local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the Town are discussed below:

A. Reporting entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Bartonville (the primary government) and its component units. The following component units are included in the Town's reporting entity because of their operational and financial relationship with the Town.

Blended component units:

The Bartonville Community Development Corporation (the B.C.D.C.) is governed by a board of seven directors, all of whom are appointed by the Town Council of the Town of Bartonville and any of whom can be removed from office by the Town's Council at its' will. The B.C.D.C. was incorporated in the state of Texas as a non-profit industrial development corporation under the Development Corporation Act of 1979. The purpose of the B.C.D.C. is to promote economic development within the Town of Bartonville.

At its May 2010 election the citizens of the Town of Bartonville approved the creation of the Town of Bartonville Crime Control and Prevention District (the B.C.C.D.) an adopted a local sales and use tax of one-quarter of one percent (.25%) to fund the B.C.C.D. The District is governed by a board of seven directors, all of whom are appointed by the Town Council of the Town of Bartonville. The purpose of the B.C.C.D. is to provide training for the Town's police officers, purchase necessary equipment and technology needed to provide a higher level of crime prevention and crime control in the District and to provide avenues to inform and educate the citizens of the District in multiple crime control topics and applications. The B.C.C.D. began collecting sales tax revenues in October 2010.

Individual audited financial statements of the component units are not issued. Management issued financial statements can be obtained from the Town's administrative offices.

B. Basic Financial Statements - Government-wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's inspection, police, municipal court, parks, public works, and general administrative services are classified as governmental activities. The Town does not provide any business-type activities.

In the government-wide Statement of Net Position governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts- invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net costs of each of the Town's Functions (general government, public safety, and public works). The functions are also supported by general government revenues (property, sales, and franchise taxes). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, inspection). Operating grants include operating-specific and discretionary grants while capital grants reflect capital specific grants. Developer contributions for public works infrastructure are included in capital grants.

The net costs (by function) are normally covered by general revenue (property, sales, franchise taxes).

The Town does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The Town only provides Governmental Fund type activities. The Town has presented the following major funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources not accounted for in other funds.

Capital Improvement Fund - The Capital Improvement Fund is used to account for funds restricted or designated for future capital improvements.

Community Development Corporation Fund - The Community Development Corporation Fund is used to account for the financial resources of the Bartonville Community Development Corporation, a blended component unit of the Town. The fund balance of the Community Development Corporation is reserved to signify amounts that are restricted to be used for economic development within the scope of the Bartonville Community Development Corporation's by-laws.

Crime Control and Prevention District - The Crime Control and Prevention District Fund is used to account for the financial resources of the Bartonville Crime Control and Prevention District, a blended component unit of the Town. The fund balance of the Crime Control and Prevention District is reserved to signify amounts that are restricted to be used for crime control and prevention within the scope of the Bartonville Crime Control and Prevention District's governing code.

The Town does not provide any Business-type activities or have any Fiduciary Funds.

D. Measurement Focus / Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied.

1. Government-wide financial statements: These financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total assets. Under the accrual basis of accounting revenues are recognized when earned and expensed are recognized at the time the liability is incurred.
2. Governmental fund financial statements: These financial statements are presented using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (typical within 60 days after year end). Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized only when payment is due.
3. Revenue Recognition: The Town considers property, sales, and franchise taxes as available if collected within 60 days after year end. All other governmental revenues are recognized when received.
4. Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles to local governments in the United States of America requires management and those charged with governance to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Financial Statement Amounts

1. Cash and Cash Equivalents

The Town has defined cash and cash equivalents to include cash on hand and demand deposits and time deposits with an original maturity of 90 days or less.

2. Capital Assets

Capital assets which include land, buildings, office equipment, police equipment and infrastructure (roads, bridges, and drainage systems) purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, or improvements and other capital outlays that significantly extend the useful lives of assets are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is provided using the straight-line basis over the following estimated useful lives:

Buildings	5 - 40 years
Equipment	3 - 10 years
Infrastructure	15 years

3. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available the Town first applies restricted resources.

4. Compensated Absences

The Town accrues accumulated unpaid compensated and vacation time when earned by the employee. Unused compensatory time is paid upon termination. All comp and vacation time is accrued in the government-wide statements. A liability for these amounts is not recorded in the governmental fund statements and represents a reconciling item between the fund and government-wide presentations.

5. Deferred Outflows of Resources

The Town reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. Deferred outflows of resources reported in this year's financial statement include (1) for contributions made to the Town's retirement plan between the measurement date of the net pension liabilities from the plan and the end of the Town's fiscal year end and (2) differences between actuarial assumptions for demographic factors.

The deferred outflows for pension contributions will be recognized in the subsequent fiscal year. The deferred outflows related to the difference between expected and actual pension experience will be amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan. The deferred outflows related to differences between actuarial assumptions for demographic factors will be amortized over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan.

No deferred outflows of resources affect the governmental funds financial statements in the current year

6. Deferred Inflows of Resources

The Town reports increases in net assets that relate to future periods as deferred inflows of revenues. This separate financial statement element reflects an increase in net assets that applies to a future period(s). Deferred inflows of resources reported in this year's financial statements include (1) a deferred inflow of resources for revenues that are not considered available (2) the difference between expected and actual pension experience, (3) the differences between the plans' projected and actual earnings on pension assets and (4) the difference between expected and actual OPEB experience.

For revenues that are not considered available the Town will not recognize the related revenues until they are available (collected no later than 60 days after the end of the Town's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes are reported in the governmental funds balance sheet as deferred inflows of resources. The deferred inflows related to differences between expected and actual pension experience will be amortized over the expected remaining service lives of all employees participating in the plan. Deferred inflows related differences between the plans' projected and actual earnings on pension assets will be amortized over a total of five years, including the current fiscal year. The deferred inflows related to differences between expected and actual OPEB experience will be amortized over the expected remaining service lives of all employees participating in the plan.

7. 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.

8. Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Any outstanding debt is reduced by any unspent debt proceeds at the end of the fiscal year before the reduction.
- b. Restricted net position - Consists of net assets with constraints placed on the use either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

- c. Unrestricted net position - All other net assets that do not meet the criteria of “restricted” or “invested in capital assets, net of related debt.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable (prepaid expenses), restricted (by parties outside of the government or by enabling legislation), committed (by Town Council ordinance or resolution) and unassigned.

F. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1st, the Town Secretary submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1st, the budget is legally enacted through the passage of an ordinance.
4. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year.

For the fiscal year ending September 30, 2022, no departments had expenditures that exceeded appropriations.

NOTE 2: DEPOSITS

At September 30, 2022, the Town’s cash and cash equivalents were made up of the following:

Petty cash accounts	\$	200
Held at a local bank		5,034,338
Held at LOGIC		52,388
Total Cash & Cash Equivalents	\$	<u>5,086,926</u>

Cash and cash equivalents include the Town’s investments in LOGIC a Texas Local Government Investment Pools. These investment pool funds are readily available and are recorded at cost.

Deposit and Investment risk Disclosures:

- (1) Custodial credit risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of outside parties.

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

At September 30, 2022, the Town's bank balances (per bank) totaled \$5,042,337. Of the bank balances, \$250,000 was covered by federal depository insurance and \$4,792,337 was secured by collateral held by the pledging Bank's agent in the name of the Town. The Town was not exposed to custodial credit risk at September 30, 2022.

Securities pledged by the Town's depository institution at September 30, 2022, are as follows:

	<u>PAR</u>	<u>FMV</u>
YSLETA TX ISD GO CALL	\$ 4,500,000	\$ 5,082,583
US TREASURY BOND	250,000	267,706
PANTHER CREEK TX CONS ISD BQ	435,000	435,000
FHLMC #SB8155	50,000	47,171
US TREASURY N/B	400,000	402,858
Total	<u>\$ 5,635,000</u>	<u>\$ 6,235,318</u>

(2) Credit Risk:

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. The Town does not currently own any investments and, therefore, is not exposed to credit risk.

(3) Concentration of credit risk:

This is the risk of loss attributable to the magnitude of the Town's investment in a single issuer. The Town does not currently own any investments and, therefore, is not exposed to concentration of credit risk.

(4) Interest rate risk:

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not currently own any investments and, therefore, is not exposed to interest rate risk.

NOTE 3: COMMITTED CASH

By Town Council resolution funds held in the "Capital Improvement" account at a local Bank are committed for Town capital improvements. At September 30, 2022, the Town had committed capital improvement funds totaling \$45,444.

By Town Council resolution funds held in the "Vehicle & Equipment" account at a local Bank are committed for future vehicle and equipment purchases. At September 30, 2022, the Town had committed vehicle and equipment funds totaling \$70,150.

By Town Council resolution funds held in the "Street Maintenance" accounts at a local Bank are committed for Town road improvements. At September 30, 2022, the Town had committed road improvement funds totaling \$1,228,404.

By Town Council resolution funds held in the "Debt Service" accounts at a local Bank are committed for Town future debt service needs. At September 30, 2022, the Town had committed debt service funds totaling \$914,854.

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022, is as follows:

Governmental activities:	Beginning	Increases	Decreases	Ending
Capital assets not being depreciated				
Land	\$ 119,275	\$ -	\$ -	\$ 119,275
Capital assets being depreciated:				
Building & Improvements	547,211	3,900	-	551,111
Equipment	77,473	31,658	(16,201)	92,930
Police Equipment	412,800	76,916	(35,982)	453,734
Infrastructure	7,618,058	-	-	7,618,058
Total assets being depreciated	8,655,542	112,474	(52,183)	8,715,833
Total assets as historical cost	8,774,817	112,474	(52,183)	8,835,108
Less: accumulated depreciation				
Building & Improvements	274,479	24,008	-	298,487
Equipment	28,887	14,817	(8,697)	35,007
Police Equipment	374,414	22,863	(35,982)	361,295
Infrastructure	4,651,571	268,647	-	4,920,218
Total accumulated depreciation	5,329,351	330,335	(44,679)	5,615,007
Total capital assets, net	\$ 3,445,466	\$ (217,861)	\$ (7,504)	\$ 3,220,101

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 38,825
Police	22,863
Public Works	268,647
Total depreciation expense	\$ 330,335

NOTE 5: LONG-TERM DEBT

General long-term debt activity for the fiscal year is as follows:

	Beginning	Additions	Payments	Ending	Current Portion
2019 Tax Notes	\$ 910,000	\$ -	\$ 296,000	\$ 614,000	\$ 303,000
Total Tax Notes	910,000	-	296,000	614,000	303,000
Compensated Absences	23,660	-	4,155	19,505	-
Total Long-term Debt	\$ 933,660	\$ -	\$ 300,155	\$ 633,505	\$ 303,000

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

A description of the Town's long-term debt is as follows:

Tax Notes:

In June 2019, the Town issued \$1,477,000 of tax notes for the purpose of constructing and improving streets within the Town. The notes bear interest at 2.37%, require annual principal and interest payments and have a final maturity date of August 2024. The notes are secured by an annual ad valorem tax to be assessed by the Town for payment of the notes.

Annual note payments for the Town's tax notes are as follows:

YEAR ENDING SEPTEMBER 30,	PRINCIPAL	INTEREST	TOTAL
2023	\$ 303,000	14,552	317,552
2024	311,000	7,371	318,371
Total	\$ 614,000	\$ 21,923	\$ 635,923

NOTE 6: RETIREMENT PLAN

A. Plan Description

The Town participates as one of 901 plans in the non-traditional, joint contributory, hybrid defined benefit plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the 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) can be obtained at www.TMRS.com.

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

B. Benefits provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the Town-financed monetary credits with interest were used to purchase an annuity. Members choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial 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.

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

The Town has adopted the following plan provisions:

	Plan Year 2021	Plan Year 2022
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5 or 0/20	60/5 or 0/20

At the December 31, 2021, valuation and measurement date, the following number of employees were covered by the benefit terms was:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	14
Active employees	5
	<u>27</u>

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6% or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 16.13% and 14.93% for the calendar years 2021 and 2022, respectively. The Town's contributions to TMRS for the fiscal year ended September 30, 2022, were \$81,880 and were equal to the required contributions.

D. Net Pension Liability or Assets

The Town's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net pension Liability was determined by actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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 tables for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, 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% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions were developed from the actuarial investigation of the experience of TMRS over the four-year period December 31, 2014, through 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 Rates (APRs) is 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.75%
Core Fixed Income	6.00%	2.00%
Non-Core Fixed Income	20.00%	5.68%
Real Return	12.00%	7.22%
Real Estate	12.00%	6.85%
Absolute Return	5.00%	5.35%
Private Equity	10.00%	10.00%
Total	100.0%	

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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 employee 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 Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2020	\$ 1,407,039	\$ 1,091,969	\$ 315,070
Service Cost	65,561	-	65,561
Interest	95,065	-	95,065
Change in benefit terms	-	-	-
Differences between expected and actual results	(13,067)	-	(13,067)
Changes in assumptions	-	-	-
Contributions - employer	-	75,670	(75,670)
Contributions - employee	-	33,064	(33,064)
Net investment income	-	142,687	(142,687)
Benefit Payments, including refunds of employee contributions	(62,905)	(62,905)	-
Administrative expense	-	(659)	659
Other	-	5	(5)
Net Changes	<u>84,654</u>	<u>187,862</u>	<u>(103,208)</u>
Balance at December 31, 2021	<u>\$ 1,491,693</u>	<u>\$ 1,279,831</u>	<u>\$ 211,862</u>

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town'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%)
Town's Net Pension Liability	<u>\$ 418,169</u>	<u>\$ 211,862</u>	<u>\$ 44,242</u>

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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.tmr.com.

E: Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the Town recognized pension expense of \$27,724.

At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
	<u> </u>	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ -	\$ (11,123)	\$ (11,123)
Differences in assumptions	487	-	487
Differences between projected and actual investment earnings	-	(73,152)	(73,152)
To be recognized in the future	<u>487</u>	<u>(84,275)</u>	<u>\$ (83,788)</u>
Contributions subsequent to the measurement date	<u>65,386</u>	<u>-</u>	
Total	<u>\$ 65,873</u>	<u>\$ (84,275)</u>	

The \$65,386 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,		
2022	\$	(20,754)
2023		(33,773)
2024		(15,466)
2025		(13,795)
2026		-
Thereafter		-
	<u>\$</u>	<u>(83,788)</u>

NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Benefit Plan Description

The Town participates in the Texas Municipal Retirement System (TMRS) administered defined benefit group-term life insurance plan known as the Supplemental Death benefits Fund (SBDF). 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 employer’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. As the SBDF covers both active and retiree participants, with no segregation of assets, the SBDF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

The member Town contributes to the SBDF 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 SBDF 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 employee’s entire careers.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

At the December 31, 2021, valuation and measurement date, the following number of employees were covered by the SBDF benefit plan:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	2
Active employees	5
	<u>13</u>

B. Total OPEB Liability

The Town’s Total OPEB Liability was measured as of December 31, 2021, and the Total OPEB Liability was determined by actuarial valuation as of that date.

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Inflation	2.50%
Salary increases	3.5% to 11.5% including inflation
Discount rate	1.84%
Retiree's share of benefit costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and are accounted for under reporting requirements under GASB Statement NO. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Morality Tables, the rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward 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 discount rate was based on the Fidelity Index's "20-year Municipal GO AA index" rate as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience study for the period December 31, 2014, to December 31, 2018.

Changes in Total OPEB Liability:

Balance at December 31, 2020	\$	35,142
Changes for the year		
Service Cost		1,275
Interest ON Total OPEB Liability		712
Changes in benefit terms		-
Differences between expected and actual experience		2,631
Changes in assumptions or other inputs		1,535
Benefit Payments *		(378)
Net Changes		<u>5,775</u>
Balance at December 31, 2021	\$	<u>40,917</u>

* Due to SDBF being considered an unfunded OPEB plan under GASB No. 75, benefit payments are treated as being equal to employer's yearly contribution for retirees

Sensitivity of the OPEB liability to changes in the discount rate:

The following presents the Total OPEB liability of the Town, calculated using the discount rate of (1.84)%, as well as what the Town's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Item G4.

	1% Decrease (0.84%)	Current (1.84%)	1% Increase (2.84%)
Total OPEB Liability	\$ <u>52,315</u>	\$ <u>40,917</u>	\$ <u>32,566</u>

C. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the Town recognized OPEB expense of \$3,894.

At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 1,410	\$ -	\$ 1,410
Differences in assumptions	6,816	-	6,816
To be recognized in the future	8,226	-	<u>\$ 8,226</u>
Contributions subsequent to the measurement date	619	-	
Total	<u>\$ 8,845</u>	<u>\$ -</u>	

The \$619 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2022	\$ 2,274
2023	2,506
2024	2,418
2025	1,028
2026	-
Thereafter	-
	<u>\$ 8,226</u>

NOTE 8: PROPERTY TAX

Property tax is levied each October 1 on the assessed (appraised) value as of the prior January 1 for all real and personal property located in the Town. Taxes are due October 1, the levy date, and are delinquent after the following January 31. Property taxes at the fund level are recorded as receivables and deferred revenues at the time taxes are assessed. Revenues are recognized as the related taxes are collected.

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9: RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is a member of the Texas Municipal League Intergovernmental Risk Pool (“TMLIRP”) which is a public entity insurance risk pool. Annual contributions to TML are reported in the general fund. Management believes coverage presently purchased from TMLIRP is sufficient to preclude significant uninsured losses to the Town.

NOTE 10: SUBSEQUENT EVENTS

The Town has evaluated all events and transactions that occurred after September 30, 2022, through the date the financial statement were available to be issued. During this period there were no subsequent events requiring disclosure.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

TOWN OF BARTONVILLE, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenues:				
Property taxes	\$ 822,950	\$ 825,238	\$ 810,247	\$ (14,991)
Sales & beverage taxes	822,500	962,500	1,169,045	206,545
Franchise fees	157,500	161,000	211,360	50,360
Permits & development fees	132,900	279,400	198,010	(81,390)
Municipal court	65,700	56,700	62,262	5,562
Intergovernmental revenues	154,600	187,650	593,898	406,248
Grants & donations	-	59,700	-	(59,700)
Other revenues	40,500	14,600	1,922	(12,678)
Interest income	11,830	11,530	12,444	914
Total revenues	\$ 2,208,480	\$ 2,558,318	\$ 3,059,188	\$ 500,870
Expenditures:				
Administration				
Salaries & wages	\$ 219,142	\$ 220,000	\$ 209,778	\$ 10,222
Payroll taxes	3,178	4,000	2,984	1,016
Retirement	33,403	32,500	32,196	304
Employee medical insurance	38,864	28,864	23,296	5,568
Accounting & auditing services	6,000	8,700	8,700	-
Animal control	12,800	13,315	13,312	3
Appraisal & tax collection services	9,000	9,000	6,522	2,478
Building inspections	40,000	45,000	41,305	3,695
Gas well inspections	24,750	18,750	18,603	147
Codification Services	2,700	2,700	1,080	1,620
Health inspections	10,000	12,325	12,325	-
Engineering services	40,000	259,000	99,171	159,829
Legal services	100,000	85,000	83,308	1,692
Planning services	25,000	30,000	25,153	4,847
Advertising & public notices	3,000	8,200	5,370	2,830
Banners & signs	10,000	10,000	2,194	7,806
Copier lease & supplies	5,000	5,000	3,139	1,861
Covid-19 supplies & grants	4,600	37,650	1,268	36,382
Contract labor	-	100,000	99,799	201
Dues & memberships	2,400	4,000	2,131	1,869
Economic development grants	200,000	200,000	221,305	(21,305)
Election expenses	12,500	4,500	4,104	396
Insurance	4,750	5,050	4,979	71
IT services & software	27,500	25,000	22,097	2,903
Other expenses	1,850	1,850	38,887	(37,037)
Records management	6,000	5,500	4,750	750
Repairs & maintenance	23,000	21,000	18,633	2,367
Supplies, postage & printing	13,500	16,380	10,910	5,470
Town meetings & events	11,800	11,800	7,404	4,396
Travel & training	8,000	5,425	5,440	(15)
Utilities	18,700	15,700	14,414	1,286
Capital outlay	62,600	62,600	12,428	50,172
Debt services	317,567	317,567	317,242	325
Total administration	1,297,604	1,626,376	1,374,227	252,149

TOWN OF BARTONVILLE, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Police				
Salaries & wages	440,622	330,968	327,398	3,570
Payroll taxes	6,389	4,889	4,653	236
Retirement	67,162	50,000	49,684	316
Employee medical insurance	77,728	66,500	50,143	16,357
Insurance	28,172	18,297	16,513	1,784
Vehicle fuel	12,000	12,000	11,041	959
Vehicle maintenance	8,000	8,000	5,105	2,895
Supplies & contract services	14,525	17,505	11,429	6,076
IT services & software	48,800	51,800	24,490	27,310
Dues & memberships	1,000	1,000	270	730
Telephone	4,900	5,075	5,072	3
Uniforms	3,500	5,330	5,330	-
Travel & training	2,000	2,000	1,111	889
Capital outlay	-	59,700	72,483	(12,783)
Total police	<u>714,798</u>	<u>633,064</u>	<u>584,722</u>	<u>48,342</u>
Municipal court				
Judge & prosecutor	6,600	6,600	6,000	600
Court security	1,035	1,000	778	222
Court technology	2,600	2,600	2,557	43
Total municipal court	<u>10,235</u>	<u>10,200</u>	<u>9,335</u>	<u>865</u>
Streets				
Street Maint. & Engineering	180,000	295,000	100,456	194,544
Street Improvements	35,663	35,663	52,389	(16,726)
Total streets	<u>215,663</u>	<u>330,663</u>	<u>152,845</u>	<u>177,818</u>
Total expenditures	<u>2,238,300</u>	<u>2,600,303</u>	<u>2,121,129</u>	<u>479,174</u>
Transfers & other sources				
Transfer to capital improvement fund	(10,000)	(25,000)	(25,000)	-
Transfer from community development	10,000	10,000	10,000	-
Total transfers & other sources	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ (29,820)</u>	<u>\$ (56,985)</u>	923,059	<u>\$ 21,696</u>
Fund balance - beginning of year			3,181,281	
Fund balance - end of year			<u>\$ 4,104,340</u>	

TOWN OF BARTONVILLE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2022

Budget and Budgetary Accounting

The Town Council adopts an annual budget for the general fund. The general fund budget is legally adopted on a modified accrual basis.

The following procedures are followed in establishing the budgetary data reflected in the Basic Financial Statements:

Prior to the beginning of the fiscal year, the Town prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them. A meeting of the Town Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must have been given. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the Town Council.

Once a budget is approved, it can only be amended by approval of a majority of the members of Town Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of Town Council and are not made after fiscal year end. All budget appropriations lapse at year end.

Budget Amendments

The budget was amended three times during the year ended September 30, 2022.

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2021

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability								
Service Cost	\$ 57,705	\$ 55,319	\$ 64,881	\$ 59,627	\$ 59,355	\$ 60,133	\$ 67,596	\$ 65,561
Interest (on the total pension liability)	55,080	60,634	66,333	71,891	77,079	82,839	89,720	95,065
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	13,373	15,412	5,787	(1,885)	8,185	15,336	(13,394)	(13,067)
Change of assumptions	-	32,978	-	-	-	5,524	-	-
Benefit payments, including refunds of employee contributions	(37,472)	(53,782)	(51,439)	(52,636)	(52,636)	(66,706)	(64,544)	(62,905)
Net change in pension liability	88,686	110,561	85,562	76,997	91,983	97,126	79,378	84,654
Total pension liability - beginning	776,746	865,432	975,993	1,061,555	1,138,552	1,230,535	1,327,661	1,407,039
Total pension liability - ending	865,432	975,993	1,061,555	1,138,552	1,230,535	1,327,661	1,407,039	1,491,693
Plan fiduciary net position								
Contributions - Employer	\$ 53,669	\$ 40,164	\$ 46,233	\$ 54,423	\$ 62,240	\$ 64,889	\$ 74,337	\$ 75,670
Contributions - Employee	32,275	27,483	30,177	28,394	28,974	29,727	33,463	33,064
Net investment income	29,988	889	41,694	94,693	(24,205)	127,143	74,162	142,687
Benefit payments, including refunds of employee contributions	(37,472)	(53,782)	(51,439)	(52,636)	(52,636)	(66,706)	(64,544)	(62,905)
Administrative expense	(313)	(541)	(470)	(490)	(467)	(717)	(479)	(659)
Other	(26)	(27)	(25)	(24)	(24)	(22)	(19)	5
Net change in plan fiduciary net position	78,121	14,186	66,170	124,360	13,882	154,314	116,920	187,862
Net fiduciary position - beginning	524,016	602,137	616,323	682,493	806,853	820,735	975,049	1,091,969
Net fiduciary position - ending	\$ 602,137	\$ 616,323	\$ 682,493	\$ 806,853	\$ 820,735	\$ 975,049	\$ 1,091,969	\$ 1,279,831
Net pension liability (a) - (b)	\$ 263,295	\$ 359,670	\$ 379,062	\$ 331,699	\$ 409,800	\$ 352,612	\$ 315,070	\$ 211,862
Plan fiduciary net position as a percentage of total pension liability	69.58%	63.15%	64.29%	70.87%	66.70%	73.44%	77.61%	85.80%
Covered employee payroll	\$ 461,070	\$ 392,611	\$ 431,101	\$ 405,629	\$ 413,912	\$ 424,666	\$ 478,049	\$ 472,345
Net pension liability as a percentage of covered payroll	57.11%	91.61%	87.93%	81.77%	99.01%	83.03%	65.91%	44.85%

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF PENSION CONTRIBUTIONS
SEPTEMBER 30, 2022

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 38,174	\$ 45,993	\$ 54,687	\$ 57,849	\$ 66,194	\$ 71,613	\$ 81,958	\$ 81,880
Contributions in relation to the actuarially determined contribution	38,174	45,993	54,687	57,849	66,194	71,613	81,958	81,880
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 356,343	\$ 430,043	\$ 428,159	\$ 386,369	\$ 431,475	\$ 459,929	\$ 510,933	\$ 547,707
Contributions as a percentage of covered employee payroll	10.71%	10.69%	12.77%	14.97%	15.34%	15.57%	16.04%	14.95%

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	3.5% to 11.5%, 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	<p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.</p> <p>Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the Generational Employee table used for females. The rates are projected on a fully generational basis with scale UMP.</p>

Other Information:

Notes There were no benefit changes during the year

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2021

Plan Year	2017	2018	2019	2020	2021
TOTAL OPEB LIABILITY					
Total OPEB Liability Beginning of Year	\$ 18,434	\$ 22,062	\$ 21,721	\$ 28,553	\$ 35,142
Changes for the year					
Service Cost	852	952	849	1,482	1,275
Interest on Total OPEB Liability	712	745	820	804	712
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(61)	(195)	(948)	2,631
Change of assumptions or other inputs	2,105	(1,894)	5,443	5,347	1,535
Benefit payments	(41)	(83)	(85)	(96)	(378)
NET CHANGE IN OPEB LIABILITY	<u>3,628</u>	<u>(341)</u>	<u>6,832</u>	<u>6,589</u>	<u>5,775</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u><u>\$ 22,062</u></u>	<u><u>\$ 21,721</u></u>	<u><u>\$ 28,553</u></u>	<u><u>\$ 35,142</u></u>	<u><u>\$ 40,917</u></u>
Covered employee payroll	\$ 405,629	\$ 413,912	\$ 424,666	\$ 478,049	\$ 472,345
OPEB Liability as a percentage of covered payroll	5.44%	5.25%	6.72%	7.35%	8.66%

NOTES TO SCHEDULE

Changes of assumptions:

Changes of assumptions and other inputs reflect the change in the municipal bond rate index, which is used as a basis for the discount rate.

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

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

TOWN OF BARTONVILLE, TEXAS
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Interest income	\$ 300	\$ 300	\$ 143	\$ (157)
Total revenues	<u>300</u>	<u>300</u>	<u>143</u>	<u>(157)</u>
Expenditures:				
Capital Outlay				
Equipment purchases	15,000	25,000	24,880	120
Total Capital Outlay	<u>15,000</u>	<u>25,000</u>	<u>24,880</u>	<u>120</u>
Transfers & other uses				
Transfer from General Fund	10,000	25,000	25,000	-
Excess of revenues over (under) expenditures	<u>\$ (4,700)</u>	<u>\$ 300</u>	263	<u>\$ (37)</u>
Fund balance - beginning of year			45,181	
Fund balance - end of year			<u>\$ 45,444</u>	

TOWN OF BARTONVILLE, TEXAS
COMMUNITY DEVELOPMENT CORPORATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Sales taxes	\$ 185,000	\$ 194,815	\$ 9,815
Interest income	2,500	2,028	(472)
Total revenues	187,500	196,843	9,343
Expenditures:			
Administration			
Accounting & auditing services	250	100	150
Consulting fees	50,000	-	50,000
Development grants	80,000	9,900	70,100
IT services & software	4,000	4,000	-
Legal services	6,000	1,578	4,422
Marketing	18,500	10,961	7,539
Old Town maintenance & repair	40,000	20,433	19,567
Postage	625	-	625
Professional development	500	125	375
Supplies	625	-	625
Traffic study	5,000	5,400	(400)
Total administration	205,500	52,497	153,003
Transfers & other uses			
Transfer to General Fund	(10,000)	(10,000)	-
Excess of revenues over (under) expenditures	\$ (28,000)	134,346	\$ 162,346
Fund balance - beginning of year		652,660	
Fund balance - end of year		\$ 787,006	

TOWN OF BARTONVILLE, TEXAS
CRIME CONTROL & PREVENTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Original</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Sales taxes	\$ 80,000	\$ 99,043	\$ 19,043
Grants & donations	500	5,780	5,280
Interest income	500	481	(19)
Total revenues	<u>81,000</u>	<u>105,304</u>	<u>24,304</u>
Expenditures:			
Administration			
Accounting & auditing services	250	100	(150)
Blue Santa & National Night Out	3,000	6,150	3,150
Denton County software support	-	-	-
Insurance	300	-	(300)
Law enforcement software	9,478	10,221	743
Supplies	500	48	(452)
Traffic control equipment lease	50,000	35,765	(14,235)
Training	2,000	1,050	(950)
Uniforms	6,450	6,401	(49)
Capital outlay	-	2,683	2,683
Total administration	<u>71,978</u>	<u>62,418</u>	<u>(9,560)</u>
Excess of revenues over (under) expenditures	<u>\$ 9,022</u>	42,886	<u>\$ 14,744</u>
Fund balance - beginning of year		172,148	
Fund balance - end of year		<u>\$ 215,034</u>	

Internal Control and Compliance



Independent Auditors' Report

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

Town Council
Town of Bartonville, 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, each major fund, and the aggregate remaining fund information of Town of Bartonville, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Town of Bartonville, Texas' basic financial statements, and have issued our report thereon dated June 16, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Bartonville, Texas' internal control over financial reporting (internal control) as a basis for designing 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 Town of Bartonville, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Bartonville, Texas' 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 Town of Bartonville, Texas' 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.

Respectfully submitted,

MWH Group, P.C.

MWH GROUP, P.C.

June 16, 2023

**TOWN OF BARTONVILLE, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

A. Summary of Auditor's Results - Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	____ Yes <u> X </u> No
Significant deficiency identified that is not considered to be material weaknesses?	____ Yes <u> X </u> No
Noncompliance material to financial statements noted?	____ Yes <u> X </u> No

B. Financial Statement Finding

There were no findings to report for the year ended September 30, 2022.



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: First reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Denmiss, LLC.

SUMMARY:

On June 14, 2023, the Bartonville Community Development Corporation Board held a public hearing and approved with a 4-0 vote a request from Denmiss, LLC to provide financial assistance, in the amount of \$20,000 construction costs of electric vehicle charging stations.

The Performance Agreement provides a total incentive of \$20,000 to be paid when the Developer's receipt of invoices and or receipts for the Qualified Expenditures made to the property in a minimum amount of \$35,000 are submitted to the Corporation.

State law provides that a Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings. There are no provisions that prohibit both readings to occur during the same meeting.

In accordance with the Development Corporation Act, Section 505.159(a) of the Texas Local Government Code, a public hearing is required to receive public input regarding the funding of the project. The BCDC conducted the public hearing on June 14, 2023

FISCAL INFORMATION: BCDC Budget \$20,000

LEGAL REVIEW: The resolution and performance agreement were prepared by Jeff Moore, BCDC Attorney.

RECOMMENDED MOTION OR ACTION: First reading of resolution.

ATTACHMENTS:

- Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, APPROVING A TYPE B ECONOMIC DEVELOPMENT PROJECT AND PERFORMANCE AGREEMENT, BY AND BETWEEN THE BARTONVILLE COMMUNITY DEVELOPMENT CORPORATION, AND DENMISS, LLC, A TEXAS LIMITED LIABILITY COMPANY, TO PROVIDE A FINANCIAL INCENTIVE FOR ECONOMIC DEVELOPMENT PURPOSES, AUTHORIZED PURSUANT TO SECTIONS 501.103 AND 505.158 OF THE TEXAS LOCAL GOVERNMENT CODE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Bartonville Community Development Corporation (hereinafter referred to as the “BCDC”) is a Type B Community development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 505.158 of the Texas Local Government Code provides that “[f]or a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, “project” also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation’s board of directors to promote new or expanded business development.” Further, the statute provides that “[a] Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings”; and

WHEREAS, BCDC has approved a project with Denmiss, LLC, a Texas limited liability company, and the Performance Agreement is attached hereto as *Exhibit A*; and

WHEREAS, the Town Council of the Town of Bartonville, Texas, finds and determines that the expenditure as specified in the Performance Agreement attached hereto as *Exhibit A*, will promote new or expanded business development, and otherwise meets the definition of “project,” as that term is defined by Sections 501.103 and 505.158 of the Texas Local Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, AS FOLLOWS:

Section 1. That the foregoing recitals are hereby found to be true and correct findings of the Town of Bartonville, Texas, and are fully incorporated into the body of this Resolution.

Section 2. That the Town Council of the Town of Bartonville, Texas, finds and determines that the project and Performance Agreement attached hereto as *Exhibit A*, will promote new and expanded business development, and is otherwise consistent with Sections 501.103 and 505.158 of the Texas Local Government Code.

Section 3. That the Town Council of the Town of Bartonville, Texas, following the second reading of this Resolution authorizes the project and Performance Agreement, attached hereto as *Exhibit A*, and authorize the Mayor to execute this Resolution.

Section 4. That this Resolution shall become effective from and after its passage.

DULY RESOLVED by the Town Council of the Town of Bartonville, Texas, on this the _____ day of _____, 2023.

Jaclyn Carrington, Mayor
Town of Bartonville, Texas

ATTEST:

Shannon Montgomery, Town Secretary
Town of Bartonville, Texas

Exhibit A

Performance Agreement



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: First reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and JBJBM, LLC dba Luminous Glow Spa.

SUMMARY:

On June 14, 2023, the Bartonville Community Development Corporation Board held a public hearing and approved with a 4-0 vote a request from JBJBM, LLC dba Luminous Glow Spa to provide financial assistance, in the amount of \$20,000 for reimbursable qualified expenditures including promotional expenses.

The Performance Agreement provides a total incentive of \$20,000 with a three-year claw back provision with the funding to be paid within 30 days of the effective date of the agreement and in accordance and in accordance with State Law.

State law provides that a Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings. There are no provisions that prohibit both readings to occur during the same meeting.

In accordance with the Development Corporation Act, Section 505.159(a) of the Texas Local Government Code, a public hearing is required to receive public input regarding the funding of the project. The BCDC conducted the public hearing on June 14, 2023.

FISCAL INFORMATION: BCDC Budget \$20,000

LEGAL REVIEW: The resolution and performance agreement were prepared by Jeff Moore, BCDC Attorney.

RECOMMENDED MOTION OR ACTION: First reading of resolution.

ATTACHMENTS:

- Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, APPROVING A TYPE B ECONOMIC DEVELOPMENT PROJECT AND PERFORMANCE AGREEMENT, BY AND BETWEEN THE BARTONVILLE COMMUNITY DEVELOPMENT CORPORATION, AND JBJBM, LLC, A TEXAS LIMITED LIABILITY COMPANY, TO PROVIDE A FINANCIAL INCENTIVE FOR ECONOMIC DEVELOPMENT PURPOSES, AUTHORIZED PURSUANT TO SECTIONS 501.103 AND 505.158 OF THE TEXAS LOCAL GOVERNMENT CODE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Bartonville Community Development Corporation (hereinafter referred to as the “BCDC”) is a Type B Community development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 505.158 of the Texas Local Government Code provides that “[f]or a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, “project” also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation’s board of directors to promote new or expanded business development.” Further, the statute provides that “[a] Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings”; and

WHEREAS, BCDC has approved a project with JBJBM, LLC, a Texas limited liability company, and the Performance Agreement is attached hereto as *Exhibit A*; and

WHEREAS, the Town Council of the Town of Bartonville, Texas, finds and determines that the expenditure as specified in the Performance Agreement attached hereto as *Exhibit A*, will promote new or expanded business development, and otherwise meets the definition of “project,” as that term is defined by Sections 501.103 and 505.158 of the Texas Local Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, AS FOLLOWS:

Section 1. That the foregoing recitals are hereby found to be true and correct findings of the Town of Bartonville, Texas, and are fully incorporated into the body of this Resolution.

Section 2. That the Town Council of the Town of Bartonville, Texas, finds and determines that the project and Performance Agreement attached hereto as *Exhibit A*, will promote new and expanded business development, and is otherwise consistent with Sections 501.103 and 505.158 of the Texas Local Government Code.

Section 3. That the Town Council of the Town of Bartonville, Texas, following the second reading of this Resolution authorizes the project and Performance Agreement, attached hereto as *Exhibit A*, and authorize the Mayor to execute this Resolution.

Section 4. That this Resolution shall become effective from and after its passage.

DULY RESOLVED by the Town Council of the Town of Bartonville, Texas, on this the _____ day of _____, 2023.

Jaclyn Carrington, Mayor
Town of Bartonville, Texas

ATTEST:

Shannon Montgomery, Town Secretary
Town of Bartonville, Texas

Exhibit A

Performance Agreement



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Discuss and consider approval of an ordinance amending the Town of Bartonville Code of Ordinances, Chapter 12, "Traffic and Vehicles," Article 12.02, "Traffic-Control Devices," and Article 12.03, "Operation of Vehicles."

SUMMARY:

Staff received a request from a resident on Rockgate Road regarding adding stop signs on Porter Road where it intersects with Rockgate Road. This request was forwarded to the Traffic Ad Hoc Committee for consideration, and on May 22, 2023, the Traffic Ad Hoc Committee held a meeting to consider the matter and to make a recommendation to the Town Council.

The Committee heard from the requestor regarding concerns for decreased safety due to cut through traffic, truck traffic and speeding vehicles.

The Town Engineer reviewed the location and made the following observations if stop signs were recommended by the committee:

- A "Stop Ahead" sign would be required traveling south on Porter Road approaching this intersection.
- The location of the driveway for Apple Equestrian may complicate the location of the stop sign coming north on Porter Road.

Additionally, staff noted the number of signs located in this area travelling north and some of those signs will need to be relocated to reduce visual noise. Staff would also recommend rumble strips as planned for previously recommended new stop locations.

Council member Sams made the motion to recommend the placement of new stop signs on Porter Road at the intersection of Rockgate Road. Committee member Van Alstine seconded the motion and it passed 4-0.

FISCAL INFORMATION: Estimated \$2,700. A year-end budget amendment may be needed to cover this expense.

LEGAL REVIEW: The Town Attorney has reviewed the item and created a draft ordinance for consideration.

RECOMMENDED MOTION OR ACTION:

ATTACHMENTS:

- Draft Ordinance
- Location Map

**TOWN OF BARTONVILLE
ORDINANCE NO.**

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, AMENDING THE TOWN OF BARTONVILLE CODE OF ORDINANCES, CHAPTER 12, "TRAFFIC AND VEHICLES," ARTICLE 12.02, "TRAFFIC-CONTROL DEVICES"; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Bartonville, Texas, is a Type A General Law Municipality located in Denton County, Texas, created in accordance with provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the Town of Bartonville, Texas, is a general law municipality empowered under the Texas Local Government Code, Section 51.001, to adopt an ordinance or rule that is for the good government of the Town; and

WHEREAS, the Town is authorized by Chapters 542, 544 and 545 of the Texas Transportation Code to regulate traffic by police officers or traffic-control devices, to designate street intersections as a stop intersection, to place and maintain traffic-control devices on Town streets, and to erect signs giving notice of such traffic-control determinations in the Town; and

WHEREAS, the Town Council of the Town of Bartonville authorized, by Town Resolution 2022-12, dated July 26, 2022, the creation of an Ad Hoc Traffic Committee composed of certain Town Council members, interested Town citizens and other Town officials to research, develop and recommend ways and means of improving traffic conditions for safety reasons such as addressing issues regarding cut-through traffic and speeding, and provide recommendations to the Town Council; and

WHEREAS, the Ad Hoc Traffic Committee has met, discussed, and prepared recommendations for the Town Council to consider for approval to address various safety and speed mitigation measures; and

WHEREAS, the Town Council has accepted the Ad Hoc Traffic Committee's recommendation to add stops signs at the 3-way intersection of Porter Road and Rockgate Road, which must be enacted by Town ordinance; and

WHEREAS, the Town Council of the Town of Bartonville has determined that it is in the best interest of the health, safety and welfare of its citizens to amend the Town Code of Ordinances to designate stop sign traffic-control devices at the 3-way intersection of Porter Road and Rockgate Road, in the reasonable exercise of the Town's police power.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, THAT:

**SECTION 1.
INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct legislative determinations and are incorporated herein and made a part hereof for all purposes.

**SECTION 2.
AMENDMENT OF ARTICLE 12.02**

From and after the effective date of this Ordinance, the Town of Bartonville Code of Ordinances, Chapter 12, "Traffic and Vehicles," Article 12.02, entitled "Traffic-Control Devices," is hereby amended by modifying the Stop Sign provisions in § 12.02.003(a), "Locations," as follows:

"Article 12.02 TRAFFIC-CONTROL DEVICES

* * *

Sec. 12.02.003 Stop signs.

(a) Locations. Stop signs are authorized and shall be erected and maintained by the town at the following locations:

* * *

(43) Porter Road/Rockgate Road 3-way."

**SECTION 3.
SEVERABILITY**

It is hereby declared to be the intention of the Town Council of the Town of Bartonville, Texas, that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance should be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this Ordinance, since the same would have been enacted by the Town Council without incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**SECTION 4.
SAVINGS**

An offense committed before the effective date of this Ordinance is governed by prior law and the provisions of the Town of Bartonville Code of Ordinances, as amended, in effect when the offense was committed, and the former law is continued in effect for that purpose.

**SECTION 5.
ENGROSS AND ENROLL**

The Town Secretary of the Town of Bartonville is hereby directed to engross and enroll this Ordinance by copying the exact Caption and the Effective Date clause in the minutes of the Town Council of the Town of Bartonville and by filing this Ordinance in the Ordinance records of the Town.

**SECTION 6.
PUBLICATION**

The Town Secretary of the Town of Bartonville is hereby directed to publish in the Official Newspaper of the Town of Bartonville the Caption and the Effective Date of this Ordinance for two (2) days.

**SECTION 7.
EFFECTIVE DATE**

This Ordinance shall be in full force and effect upon passage and publication of its caption, as the law in such cases provides.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the Town Council of the Town of Bartonville, Texas, on this the 20th day of June, 2023.

APPROVED:

Jaclyn Carrington, Mayor

ATTEST:

Shannon Montgomery, TRMC, Town Secretary

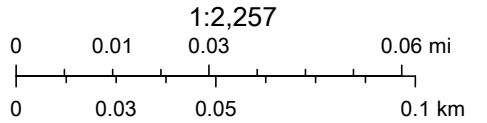
Denton CAD Web Map

Item G7.



5/18/2023, 11:12:29 AM

-  Parcels
-  Roads



Denton Central Appraisal District, dentoncad.com

Denton County Appraisal District, Harris Govern -- www.harrisgov.com
This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Second reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Denmiss, LLC.

SUMMARY:

On June 14, 2023, the Bartonville Community Development Corporation Board held a public hearing and approved with a 4-0 vote a request from Denmiss, LLC to provide financial assistance, in the amount of \$20,000 construction costs of electric vehicle charging stations.

The Performance Agreement provides a total incentive of \$20,000 to be paid when the Developer's receipt of invoices and or receipts for the Qualified Expenditures made to the property in a minimum amount of \$35,000 are submitted to the Corporation.

State law provides that a Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings. There are no provisions that prohibit both readings to occur during the same meeting.

In accordance with the Development Corporation Act, Section 505.159(a) of the Texas Local Government Code, a public hearing is required to receive public input regarding the funding of the project. The BCDC conducted the public hearing on June 14, 2023

FISCAL INFORMATION: BCDC Budget \$20,000

LEGAL REVIEW: The resolution and performance agreement were prepared by Jeff Moore, BCDC Attorney.

RECOMMENDED MOTION OR ACTION: Second reading of resolution.

ATTACHMENTS:

- Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, APPROVING A TYPE B ECONOMIC DEVELOPMENT PROJECT AND PERFORMANCE AGREEMENT, BY AND BETWEEN THE BARTONVILLE COMMUNITY DEVELOPMENT CORPORATION, AND DENMISS, LLC, A TEXAS LIMITED LIABILITY COMPANY, TO PROVIDE A FINANCIAL INCENTIVE FOR ECONOMIC DEVELOPMENT PURPOSES, AUTHORIZED PURSUANT TO SECTIONS 501.103 AND 505.158 OF THE TEXAS LOCAL GOVERNMENT CODE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Bartonville Community Development Corporation (hereinafter referred to as the “BCDC”) is a Type B Community development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 505.158 of the Texas Local Government Code provides that “[f]or a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, “project” also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation’s board of directors to promote new or expanded business development.” Further, the statute provides that “[a] Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings”; and

WHEREAS, BCDC has approved a project with Denmiss, LLC, a Texas limited liability company, and the Performance Agreement is attached hereto as *Exhibit A*; and

WHEREAS, the Town Council of the Town of Bartonville, Texas, finds and determines that the expenditure as specified in the Performance Agreement attached hereto as *Exhibit A*, will promote new or expanded business development, and otherwise meets the definition of “project,” as that term is defined by Sections 501.103 and 505.158 of the Texas Local Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, AS FOLLOWS:

Section 1. That the foregoing recitals are hereby found to be true and correct findings of the Town of Bartonville, Texas, and are fully incorporated into the body of this Resolution.

Section 2. That the Town Council of the Town of Bartonville, Texas, finds and determines that the project and Performance Agreement attached hereto as *Exhibit A*, will promote new and expanded business development, and is otherwise consistent with Sections 501.103 and 505.158 of the Texas Local Government Code.

Section 3. That the Town Council of the Town of Bartonville, Texas, following the second reading of this Resolution authorizes the project and Performance Agreement, attached hereto as *Exhibit A*, and authorize the Mayor to execute this Resolution.

Section 4. That this Resolution shall become effective from and after its passage.

DULY RESOLVED by the Town Council of the Town of Bartonville, Texas, on this the _____ day of _____, 2023.

Jaclyn Carrington, Mayor
Town of Bartonville, Texas

ATTEST:

Shannon Montgomery, Town Secretary
Town of Bartonville, Texas

Exhibit A

Performance Agreement



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Second reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and JBJBM, LLC dba Luminous Glow Spa..

SUMMARY:

On June 14, 2023, the Bartonville Community Development Corporation Board held a public hearing and approved with a 4-0 vote a request from JBJBM, LLC dba Luminous Glow Spa to provide financial assistance, in the amount of \$20,000 for reimbursable qualified expenditures including promotional expenses.

The Performance Agreement provides a total incentive of \$20,000 with a three-year claw back provision with the funding to be paid within 30 days of the effective date of the agreement and in accordance and in accordance with State Law.

State law provides that a Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings. There are no provisions that prohibit both readings to occur during the same meeting.

In accordance with the Development Corporation Act, Section 505.159(a) of the Texas Local Government Code, a public hearing is required to receive public input regarding the funding of the project. The BCDC conducted the public hearing on June 14, 2023.

FISCAL INFORMATION: BCDC Budget \$20,000

LEGAL REVIEW: The resolution and performance agreement were prepared by Jeff Moore, BCDC Attorney.

RECOMMENDED MOTION OR ACTION: Second reading of resolution.

ATTACHMENTS:

- Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, APPROVING A TYPE B ECONOMIC DEVELOPMENT PROJECT AND PERFORMANCE AGREEMENT, BY AND BETWEEN THE BARTONVILLE COMMUNITY DEVELOPMENT CORPORATION, AND JBJBM, LLC, A TEXAS LIMITED LIABILITY COMPANY, TO PROVIDE A FINANCIAL INCENTIVE FOR ECONOMIC DEVELOPMENT PURPOSES, AUTHORIZED PURSUANT TO SECTIONS 501.103 AND 505.158 OF THE TEXAS LOCAL GOVERNMENT CODE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Bartonville Community Development Corporation (hereinafter referred to as the “BCDC”) is a Type B Community development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 505.158 of the Texas Local Government Code provides that “[f]or a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, “project” also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation’s board of directors to promote new or expanded business development.” Further, the statute provides that “[a] Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings”; and

WHEREAS, BCDC has approved a project with JBJBM, LLC, a Texas limited liability company, and the Performance Agreement is attached hereto as *Exhibit A*; and

WHEREAS, the Town Council of the Town of Bartonville, Texas, finds and determines that the expenditure as specified in the Performance Agreement attached hereto as *Exhibit A*, will promote new or expanded business development, and otherwise meets the definition of “project,” as that term is defined by Sections 501.103 and 505.158 of the Texas Local Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, AS FOLLOWS:

Section 1. That the foregoing recitals are hereby found to be true and correct findings of the Town of Bartonville, Texas, and are fully incorporated into the body of this Resolution.

Section 2. That the Town Council of the Town of Bartonville, Texas, finds and determines that the project and Performance Agreement attached hereto as *Exhibit A*, will promote new and expanded business development, and is otherwise consistent with Sections 501.103 and 505.158 of the Texas Local Government Code.

Section 3. That the Town Council of the Town of Bartonville, Texas, following the second reading of this Resolution authorizes the project and Performance Agreement, attached hereto as *Exhibit A*, and authorize the Mayor to execute this Resolution.

Section 4. That this Resolution shall become effective from and after its passage.

DULY RESOLVED by the Town Council of the Town of Bartonville, Texas, on this the _____ day of _____, 2023.

Jaclyn Carrington, Mayor
Town of Bartonville, Texas

ATTEST:

Shannon Montgomery, Town Secretary
Town of Bartonville, Texas

Exhibit A

Performance Agreement



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Clarify appointments to the ad hoc Special Events Advisory Committee.

SUMMARY:

On May 16, 2023, the Town Council made a motion to appoint Margie Arens as one of the two Councilmembers on ad hoc Special Events Advisory Committee (Committee) and adding Councilmember Crandall as an alternate.

Per the Resolution, the Committee is comprised of four members who are residents of the Town who shall be appointed by the Town Council; and **two** members of the Town Council. The motion from May 16, 2023, adding Councilmember Crandall as an alternate puts three Councilmembers on the committee.

Staff believes the intent was for Councilmember Crandall to be available to assist the committee but not to be an actual alternate member.

RECOMMENDED MOTION OR ACTION: Move to clarify Councilmember Crandall's role with the committee.



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Discuss and consider approval of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Denmiss, LLC.

SUMMARY:

On June 14, 2023, the Bartonville Community Development Corporation Board held a public hearing and approved with a 4-0 vote a request from Denmiss, LLC to provide financial assistance, in the amount of \$20,000 construction costs of electric vehicle charging stations.

The Performance Agreement provides a total incentive of \$20,000 to be paid when the Developer's receipt of invoices and or receipts for the Qualified Expenditures made to the property in a minimum amount of \$35,000 are submitted to the Corporation.

State law provides that a Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings. There are no provisions that prohibit both readings to occur during the same meeting.

In accordance with the Development Corporation Act, Section 505.159(a) of the Texas Local Government Code, a public hearing is required to receive public input regarding the funding of the project. The BCDC conducted the public hearing on June 14, 2023

FISCAL INFORMATION: BCDC Budget \$20,000

LEGAL REVIEW: The resolution and performance agreement were prepared by Jeff Moore, BCDC Attorney.

RECOMMENDED MOTION OR ACTION: Move to approve a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Denmiss, LLC

ATTACHMENTS:

- Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, APPROVING A TYPE B ECONOMIC DEVELOPMENT PROJECT AND PERFORMANCE AGREEMENT, BY AND BETWEEN THE BARTONVILLE COMMUNITY DEVELOPMENT CORPORATION, AND DENMISS, LLC, A TEXAS LIMITED LIABILITY COMPANY, TO PROVIDE A FINANCIAL INCENTIVE FOR ECONOMIC DEVELOPMENT PURPOSES, AUTHORIZED PURSUANT TO SECTIONS 501.103 AND 505.158 OF THE TEXAS LOCAL GOVERNMENT CODE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Bartonville Community Development Corporation (hereinafter referred to as the “BCDC”) is a Type B Community development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 505.158 of the Texas Local Government Code provides that “[f]or a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, “project” also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation’s board of directors to promote new or expanded business development.” Further, the statute provides that “[a] Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings”; and

WHEREAS, BCDC has approved a project with Denmiss, LLC, a Texas limited liability company, and the Performance Agreement is attached hereto as *Exhibit A*; and

WHEREAS, the Town Council of the Town of Bartonville, Texas, finds and determines that the expenditure as specified in the Performance Agreement attached hereto as *Exhibit A*, will promote new or expanded business development, and otherwise meets the definition of “project,” as that term is defined by Sections 501.103 and 505.158 of the Texas Local Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, AS FOLLOWS:

Section 1. That the foregoing recitals are hereby found to be true and correct findings of the Town of Bartonville, Texas, and are fully incorporated into the body of this Resolution.

Section 2. That the Town Council of the Town of Bartonville, Texas, finds and determines that the project and Performance Agreement attached hereto as *Exhibit A*, will promote new and expanded business development, and is otherwise consistent with Sections 501.103 and 505.158 of the Texas Local Government Code.

Section 3. That the Town Council of the Town of Bartonville, Texas, following the second reading of this Resolution authorizes the project and Performance Agreement, attached hereto as *Exhibit A*, and authorize the Mayor to execute this Resolution.

Section 4. That this Resolution shall become effective from and after its passage.

DULY RESOLVED by the Town Council of the Town of Bartonville, Texas, on this the _____ day of _____, 2023.

Jaclyn Carrington, Mayor
Town of Bartonville, Texas

ATTEST:

Shannon Montgomery, Town Secretary
Town of Bartonville, Texas

Exhibit A

Performance Agreement

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** between *DENMISS, LLC*, a Delaware limited liability company (hereinafter referred to as “Developer”), and the *BARTONVILLE COMMUNITY DEVELOPMENT CORPORATION*, a Texas non-profit corporation (hereinafter referred to as the “BCDC”), is made and executed on the following recitals, terms and conditions.

WHEREAS, BCDC is an economic development corporation operating pursuant to Chapter 505 of the Texas Local Government Code, as amended (also referred to as the “Act”), and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 505.158 of the Texas Local Government Code provides that “[f]or a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, “project” also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation’s board of directors to promote new or expanded business development.” Further, the statute provides that “[a] Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings”; and

WHEREAS, Section 501.158 of the Texas Local Government Code prohibits the provision of a direct incentive unless BCDC enters into an Agreement with Developer providing at a minimum a schedule of additional payroll or jobs to be created or retained by BCDC’s investment; a schedule of capital investments to be made as consideration for any direct incentives provided by BCDC to Developer; and a provision specifying the terms and conditions upon which repayment must be made should Developer fail to meet the agreed to performance requirements specified in this Agreement; and

WHEREAS, Developer has applied to the BCDC for financial assistance for the construction and installation of Qualified Expenditures as defined herein to be made to the Property generally located at 2650 F.M. 407, Town of Bartonville, Texas; and

WHEREAS, the BCDC’s Board of Directors have determined the financial assistance provided to Developer for the Qualified Expenditures to be made to the Property is consistent with and meets the definition of “project” as that term is defined in Sections 501.103 and 505.158 of the Texas Local Government Code; and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code; and

WHEREAS, Developer agrees and understands that Section 501.073(a) of the Texas Local Government Code requires the Town Council of the Town of Bartonville, Texas, to approve all programs and expenditures of the BCDC, and accordingly this Agreement is not effective until Town Council has approved this project at a Town Council meeting called and held for that purpose.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the BCDC and Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date, as defined herein, and shall continue thereafter until **December 31, 2026**, unless terminated sooner under the provisions hereof.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Act.** The word “Act” means Chapters 501 to 505 of the Texas Local Government Code, as amended.
- (b) **Agreement.** The word “Agreement” means this Performance Agreement, together with all exhibits and schedules attached to this Performance Agreement from time to time, if any.
- (c) **BCDC.** The term “BCDC” means the Bartonville Community Development Corporation, a Texas non-profit corporation, its successors and assigns, whose corporate address for the purposes of this Agreement is 1941 East Jeter Road, Bartonville, Texas 76226.
- (d) **Developer.** The word “Developer” means Denmiss, LLC, a Delaware limited liability company, its successors and assigns, whose address for the purposes of this Agreement is 2650 F.M. 407, Suite 200 Bartonville, Texas 76226.
- (e) **Effective Date.** The words “Effective Date” mean the date of the latter to execute this Agreement by and between the Developer and the BCDC.
- (f) **Event of Default.** The words “Event of Default” mean and include any of the Events of

Default set forth below in the section entitled “Events of Default.”

- (g) **Full-Time Equivalent Employment Positions.** The words “Full-Time Equivalent Employment Position” or “Full-Time Equivalent Employment Positions” mean and include a job requiring a minimum of One Thousand Nine Hundred Twenty (1,920) hours of work averaged over a twelve (12) month period.
- (h) **Property.** The word “Property” means 2650 F.M. 407, Bartonville, Texas 76226, the Bartonville Town Center.
- (i) **Qualified Expenditures.** The words “Qualified Expenditures” mean those expenditures consisting of the construction and installation of electric vehicle charging stations located on the Property and those expenses which otherwise meet the definition of “project” as that term is defined by Sections 501.103 and 505.158 of the Act, and the definition of “cost” as that term is defined by Section 501.152 of the Act.
- (j) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.

SECTION 4. AFFIRMATIVE COVENANTS OF DEVELOPER.

Developer covenants and agrees with BCDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Qualified Expenditures.** Developer covenants and agrees to submit to the BCDC invoices, receipts, or other documentation in a form acceptable to the BCDC for the Qualified Expenditures made to the Property in a minimum amount of **Thirty-Five Thousand and No/100 Dollars (\$35,000.00)** by **December 31, 2023**. Further, the Qualified Expenditures must remain operational during the Term of this Agreement.
- (b) **Operate Facility.** Developer covenants and agrees during the Term of this Agreement to keep open to the general public the Bartonville Town Center located on the Property.
- (c) **Job Creation and Retention.** Developer covenants and agrees during the Term of this Agreement to employ and maintain or cause to be employed and maintained a minimum of twelve (12) Full-Time Equivalent Employment Positions working at the Property. Developer covenants and agrees beginning on **February 1, 2024**, and during the Term of this Agreement, Developer shall deliver to BCDC an annual compliance verification signed by a duly authorized representative of Developer that shall certify the number of Full-Time Equivalent Employment Positions, and shall disclose and certify the average wage for all Full-Time Equivalent Employment Positions (the “Annual Compliance Verification”). The Developer covenants and agrees beginning on **February 1, 2024**, and annually thereafter during the Term of this Agreement, there will be a total of **three (3)** Annual Compliance Verifications due and submitted to the BCDC covering the Full-Time Equivalent

Employment Positions created and maintained during the Term of this Agreement. All Annual Compliance Verifications shall include quarterly IRS 941 returns, or Texas Workforce Commission Employer Quarterly Reports.

- (d) **Performance.** Developer agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and BCDC.

SECTION 5. AFFIRMATIVE COVENANTS OF BCDC.

BCDC covenants and agrees with Developer that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Reimbursement for Qualified Expenditures.** BCDC covenants and agrees to submit reimbursement for Qualified Expenditures made by the Developer pursuant to Section 4(a) of this Agreement in the amount of **Twenty Thousand and No/100 Dollars (\$20,000.00)** within thirty (30) days of receipt of said documentation required by Section 4(a) of this Agreement.
- (b) **Performance.** BCDC agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and BCDC.

SECTION 6. CESSATION OF ADVANCES.

If BCDC has made any commitment to make any financial assistance to Developer, whether under this Agreement or under any other agreement, BCDC shall have no obligation to advance or disburse financial assistance if: (i) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (ii) an Event of Default occurs.

SECTION 7. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **General Event of Default.** Failure of Developer or BCDC to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer or BCDC to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and BCDC is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to the BCDC by or on behalf of Developer under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.

- (c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.
- (d) **Ad Valorem Taxes.** Developer allows its ad valorem taxes owed to the Town of Bartonville, Texas, to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure within thirty (30) days after written notice thereof from BCDC and/or Denton County Central Appraisal District is an Event of Default.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 7 of this Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default. In the event, Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the amounts provided by BCDC to Developer pursuant to Section 5(a) of this Agreement shall become immediately due and payable by Developer to BCDC.

SECTION 9. INDEMNIFICATION.

TO THE EXTENT ALLOWED BY LAW, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMAND, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT.

SECTION 10. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties

sought to be charged or bound by the alteration or amendment.

- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Denton County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Developer warrants and represents that the individual or individuals executing this Agreement on behalf of Developer has full authority to execute this Agreement and bind Developer to the same. BCDC warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **Notices.** Any notice or other communication required or permitted by this Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by facsimile (with electronic information and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to Developer:	Denmiss, LLC 2650 F.M. 407, Suite 200 Bartonville, Texas 76226 Attn: Beth C. McKellar, VP- Director of Corporate Operations Telephone: (940) 241-2104
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if to BCDC:	Bartonville Community Development Corporation 1941 East Jeter Road Bartonville, Texas 76226 Attn: Tammy Dixon Telephone: (817) 693-5280
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- (h) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to

be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

- (i) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (j) **Undocumented Workers.** Developer certifies that the Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of eight percent (8%), not later than the 120th day after the date the BCDC notifies Developer of the violation.

[The Remainder of this Page Intentionally Left Blank]

DEVELOPER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS PERFORMANCE AGREEMENT, AND DEVELOPER AGREES TO ITS TERMS. THIS PERFORMANCE AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

BCDC:

***BARTONVILLE COMMUNITY
DEVELOPMENT CORPORATION,***
a Texas non-profit corporation

By: _____
Brenda Latham, Chair

Date Signed: _____

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the _____ day of _____, 2023, by Brenda Latham, Chair of the Bartonville Community Development Corporation, a Texas non-profit corporation, on behalf of said Texas corporation.

Notary Public, State of Texas

DEVELOPER:

DENMISS, LLC,
a Delaware limited liability company,

By: _____
Name: _____
Title: _____
Date Signed: _____

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2023, by _____, _____ of the Denmiss, LLC, a Delaware limited liability company, on behalf of said Delaware company.

Notary Public, State of _____



TOWN COUNCIL COMMUNICATION

DATE June 20, 2023

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Discuss and consider approval of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and JBJBM, LLC dba Luminous Glow Spa..

SUMMARY:

On June 14, 2023, the Bartonville Community Development Corporation Board held a public hearing and approved with a 4-0 vote a request from JBJBM, LLC dba Luminous Glow Spa to provide financial assistance, in the amount of \$20,000 for reimbursable qualified expenditures including promotional expenses.

The Performance Agreement provides a total incentive of \$20,000 with a three-year claw back provision with the funding to be paid within 30 days of the effective date of the agreement and in accordance and in accordance with State Law.

State law provides that a Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings. There are no provisions that prohibit both readings to occur during the same meeting.

In accordance with the Development Corporation Act, Section 505.159(a) of the Texas Local Government Code, a public hearing is required to receive public input regarding the funding of the project. The BCDC conducted the public hearing on June 14, 2023.

FISCAL INFORMATION: BCDC Budget \$20,000

LEGAL REVIEW: The resolution and performance agreement were prepared by Jeff Moore, BCDC Attorney.

RECOMMENDED MOTION OR ACTION: Move to approve a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and JBJBM, LLC dba Luminous Glow Spa

ATTACHMENTS:

- Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, APPROVING A TYPE B ECONOMIC DEVELOPMENT PROJECT AND PERFORMANCE AGREEMENT, BY AND BETWEEN THE BARTONVILLE COMMUNITY DEVELOPMENT CORPORATION, AND JBJBM, LLC, A TEXAS LIMITED LIABILITY COMPANY, TO PROVIDE A FINANCIAL INCENTIVE FOR ECONOMIC DEVELOPMENT PURPOSES, AUTHORIZED PURSUANT TO SECTIONS 501.103 AND 505.158 OF THE TEXAS LOCAL GOVERNMENT CODE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Bartonville Community Development Corporation (hereinafter referred to as the “BCDC”) is a Type B Community development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 505.158 of the Texas Local Government Code provides that “[f]or a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, “project” also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation’s board of directors to promote new or expanded business development.” Further, the statute provides that “[a] Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings”; and

WHEREAS, BCDC has approved a project with JBJBM, LLC, a Texas limited liability company, and the Performance Agreement is attached hereto as *Exhibit A*; and

WHEREAS, the Town Council of the Town of Bartonville, Texas, finds and determines that the expenditure as specified in the Performance Agreement attached hereto as *Exhibit A*, will promote new or expanded business development, and otherwise meets the definition of “project,” as that term is defined by Sections 501.103 and 505.158 of the Texas Local Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BARTONVILLE, TEXAS, AS FOLLOWS:

Section 1. That the foregoing recitals are hereby found to be true and correct findings of the Town of Bartonville, Texas, and are fully incorporated into the body of this Resolution.

Section 2. That the Town Council of the Town of Bartonville, Texas, finds and determines that the project and Performance Agreement attached hereto as *Exhibit A*, will promote new and expanded business development, and is otherwise consistent with Sections 501.103 and 505.158 of the Texas Local Government Code.

Section 3. That the Town Council of the Town of Bartonville, Texas, following the second reading of this Resolution authorizes the project and Performance Agreement, attached hereto as *Exhibit A*, and authorize the Mayor to execute this Resolution.

Section 4. That this Resolution shall become effective from and after its passage.

DULY RESOLVED by the Town Council of the Town of Bartonville, Texas, on this the _____ day of _____, 2023.

Jaclyn Carrington, Mayor
Town of Bartonville, Texas

ATTEST:

Shannon Montgomery, Town Secretary
Town of Bartonville, Texas

Exhibit A

Performance Agreement

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** by and between **JBIBM, LLC**, d/b/a Luminous Glow Med Spa, a Texas limited liability company (hereinafter referred to as “Developer”), and the **BARTONVILLE COMMUNITY DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as the “BCDC”), is made and executed on the following recitals, terms and conditions.

WHEREAS, BCDC is an economic development corporation operating pursuant to Chapter 505 of the Texas Local Government Code, as amended (also referred to as the “Act”), and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 505.158 of the Texas Local Government Code provides that “[f]or a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, “project” also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation’s board of directors to promote new or expanded business development.” Further, the statute provides that “[a] Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings”; and

WHEREAS, Section 501.158 of the Texas Local Government Code prohibits the provision of a direct incentive unless BCDC enters into an Agreement with Developer providing at a minimum a schedule of additional payroll or jobs to be created or retained by BCDC’s investment; a schedule of capital investments to be made as consideration for any direct incentives provided by BCDC to Developer; and a provision specifying the terms and conditions upon which repayment must be made should Developer fail to meet the agreed to performance requirements specified in this Agreement; and

WHEREAS, Developer has applied to the BCDC for financial assistance for the construction of Qualified Expenditures as defined herein to be made to the Property generally located at 2652 F.M. 407E # 135, Town of Bartonville, Texas; and

WHEREAS, the BCDC’s Board of Directors have determined the financial assistance provided to Developer for the Qualified Expenditures to be made to the Property is consistent with and meets the definition of “project” as that term is defined in Sections 501.103 and 505.158 of the Texas Local Government Code; and the definition of “cost” as that term is defined by Section

501.152 of the Texas Local Government Code; and

WHEREAS, Developer agrees and understands that Section 501.073(a) of the Texas Local Government Code requires the Town Council of the Town of Bartonville, Texas, to approve all programs and expenditures of the BCDC, and accordingly this Agreement is not effective until Town Council has approved this project at a Town Council meeting called and held for that purpose.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the BCDC and Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date, as defined herein, and shall continue thereafter until **September 30, 2026**, unless terminated sooner under the provisions hereof.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Act.** The word “Act” means Chapters 501 to 505 of the Texas Local Government Code, as amended.
- (b) **Agreement.** The word “Agreement” means this Performance Agreement, together with all exhibits and schedules attached to this Performance Agreement from time to time, if any.
- (c) **BCDC.** The term “BCDC” means the Bartonville Community Development Corporation, a Texas non-profit corporation, its successors and assigns, whose corporate address for the purposes of this Agreement is 1941 East Jeter Road, Bartonville, Texas 76226.
- (d) **Developer.** The word “Developer” means JBJBM, LLC, d/b/a Luminous Glow Med Spa, a Texas limited liability company, its successors and assigns, whose address for the purposes of this Agreement is 2652 F.M. 407E # 135, Bartonville, Texas 76226.
- (e) **Effective Date.** The words “Effective Date” mean the date of the latter to execute this Agreement by and between the Developer and the BCDC.

- (f) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (g) **Full-Time Equivalent Employment Positions.** The words “Full-Time Equivalent Employment Position” or “Full-Time Equivalent Employment Positions” mean and include a job requiring a minimum of One Thousand Nine Hundred Twenty (1,920) hours of work averaged over a twelve (12) month period.
- (h) **Property.** The word “Property” means 2652 F.M. 407E # 135, Town of Bartonville, Texas.
- (i) **Qualified Expenditures.** The words “Qualified Expenditures” mean those expenditures which otherwise meet the definition of “project” as that term is defined by Sections 501.103 and 505.158 of the Act, and the definition of “cost” as that term is defined by Section 501.152 of the Act, and includes any promotional or advertising expenses which are consistent with Section 505.103 of the Act.
- (j) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.

SECTION 4. AFFIRMATIVE COVENANTS OF DEVELOPER.

Developer covenants and agrees with BCDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Qualified Expenditures.** Developer covenants and agrees to submit to the BCDC invoices, receipts, or other documentation in a form acceptable to the BCDC for the Qualified Expenditures made to the Property or for the promotion of the Property in a minimum amount of **Twenty Thousand and No/100 Dollars (\$20,000.00)** by **December 31, 2024**.
- (b) **Operate Luminous Glow Med Spa.** Developer covenants and agrees by **December 31, 2023**, and during the Term of this Agreement to keep open to the general public the Luminous Glow Med Spa located on the Property.
- (c) **Job Creation and Retention.** Developer covenants and agrees by **December 31, 2023**, and during the Term of this Agreement to employ and maintain a minimum of two (2) Full-Time Equivalent Employment Positions working at the Property. Developer covenants and agrees beginning on **February 1, 2024**, and during the Term of this Agreement, Developer shall deliver to BCDC an annual compliance verification signed by a duly authorized representative of Developer that shall certify the number of Full-Time Equivalent Employment Positions, and shall disclose and certify the average wage for all Full-Time Equivalent Employment Positions (the “Annual Compliance Verification”). The Developer covenants and agrees beginning on **February 1, 2024**, and annually thereafter during the Term of this Agreement, there will be a total of **three (3)** Annual Compliance

Verifications due and submitted to the BCDC covering the Full-Time Equivalent Employment Positions created and maintained during the Term of this Agreement. All Annual Compliance Verifications shall include quarterly IRS 941 returns, or Texas Workforce Commission Employer Quarterly Reports.

- (d) **Performance.** Developer agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and BCDC.

SECTION 5. AFFIRMATIVE COVENANTS OF BCDC.

BCDC covenants and agrees with Developer that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Reimbursement for Qualified Expenditures.** BCDC covenants and agrees to submit reimbursement for Qualified Expenditures made by the Developer pursuant to Section 4(a) of this Agreement, in the amount not to exceed **Twenty Thousand and No/100 Dollars (\$20,000.00)** within thirty (30) days of the Effective Date of this Agreement, and compliance with the Act.
- (b) **Performance.** BCDC agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and BCDC.

SECTION 6. CESSATION OF ADVANCES.

If BCDC has made any commitment to make any financial assistance to Developer, whether under this Agreement or under any other agreement, BCDC shall have no obligation to advance or disburse financial assistance if: (i) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (ii) an Event of Default occurs.

SECTION 7. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **General Event of Default.** Failure of Developer or BCDC to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer or BCDC to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and BCDC is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to the BCDC by or on behalf of Developer under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.

- (c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.
- (d) **Ad Valorem Taxes.** Developer allows its ad valorem taxes owed to the Town of Bartonville, Texas, to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure within thirty (30) days after written notice thereof from BCDC and/or Denton County Central Appraisal District is an Event of Default.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 7 of this Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default. In the event, Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the amounts provided by BCDC to Developer pursuant to Section 5(a) of this Agreement shall become immediately due and payable by Developer to BCDC as follows:

- (a) Event of Default occurs from the Effective Date through **September 30, 2024**, repay **Fifteen Thousand and No/100 Dollars (\$15,000.00)** or as much as has been advanced to Developer by BCDC;
- (b) Event of Default occurs from **October 1, 2024, to September 30, 2025**, repay **Ten Thousand and No/100 Dollars (\$10,000.00)**; and
- (c) Event of Default occurs from **October 1, 2025, to September 30, 2026**, repay **Five Thousand and No/100 Dollars (\$5,000.00)**.

SECTION 9. INDEMNIFICATION.

TO THE EXTENT ALLOWED BY LAW, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMAND, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT

ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT.

SECTION 10. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Denton County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Developer warrants and represents that the individual or individuals executing this Agreement on behalf of Developer has full authority to execute this Agreement and bind Developer to the same. BCDC warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **Notices.** Any notice or other communication required or permitted by this Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by facsimile (with electronic information and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to Developer:	JBJBM, LLC 2652 F.M. 407E # 135 Bartonville, Texas 76226
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Attn: Jennifer Buck, Managing Member
Telephone: (972) 345-8900

if to BCDC:

Bartonville Community Development Corporation
1941 East Jeter Road
Bartonville, Texas 76226
Attn: Tammy Dixon
Telephone: (817) 693-5280

- (h) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- (i) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (j) **Undocumented Workers.** Developer certifies that the Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of eight percent (8%), not later than the 120th day after the date the BCDC notifies Developer of the violation.

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DEVELOPER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS PERFORMANCE AGREEMENT, AND DEVELOPER AGREES TO ITS TERMS. THIS PERFORMANCE AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

BCDC:

***BARTONVILLE COMMUNITY
DEVELOPMENT CORPORATION,***
a Texas non-profit corporation

By: _____
Brenda Latham, Chair

Date Signed: _____

**STATE OF TEXAS §
 §
COUNTY OF DENTON §**

This instrument was acknowledged before me on the _____ day of _____, 2023, by Brenda Latham, Chair of the Bartonville Community Development Corporation, a Texas non-profit corporation, on behalf of said Texas corporation.

Notary Public, State of Texas

DEVELOPER:

JBIBM, LLC,
d/b/a Luminous Glow Med Spa,
a Texas limited liability company,

By: _____
Jennifer Buck, Managing Member

Date Signed: _____

STATE OF TEXAS §

§

COUNTY OF DENTON §

This instrument was acknowledged before me on the _____ day of _____, 2023, by Jennifer Buck, Managing Member of the JBIBM, LLC, a Texas limited liability company, on behalf of said Texas company.

Notary Public, State of Texas