TOWN COUNCIL BUDGET WORKSHOP AND REGULAR MEETING

Wednesday, July 15, 2026 at 6:00 PM

Fulton Council Chambers, 201 N. 7th Street

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE – U.S. Flag and Texas Flag

OBSERVE A MOMENT OF SILENCE/PRAYER

CITIZENS TO BE HEARD (PUBLIC FORUM)

Public participation is valued and at this time, comments limited to three (3) minutes will be taken from persons who have signed the Speaker's Card located on the table inside the Council Chambers and delivered to the City Secretary before the meeting begins. Written comments received by submission to the City Secretary in person or emailed to citysec@fultontexas.org by 3:00 p.m. on the day of the meeting, on any subject matter that is not on the agenda, will be read and summarized in the minutes of the meeting. Persons wishing to address the Council and who have registered using the Speaker's Card will have up to three (3) minutes to speak. In accordance with the Open Meetings Act, Council may not discuss or take action on any item that has not been posted on the agenda. While civil public criticism is not prohibited; disorderly conduct or disturbance of the peace as prohibited by law shall be cause for the chair to terminate the offender's time to speak.

CONSENT AGENDA

All consent agenda items listed are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

1. **Discuss/Approve/Disapprove** minutes of the Regular Meeting held on June 17, 2026.
2. **Discuss/Approve/Disapprove** the 2026 May financials.
3. **Discuss/Approve/Disapprove** of the Town's 2027 TMRS Contribution Rate.
4. **Discuss/Approve/Disapprove** the SOC-1 Type 2 Report for TMRS (5_1_25 to 4_30_26); Independent Service Auditors Report.

ITEMS FOR CONSIDERATION

5. **Discuss/Approve/Disapprove** revisions to Job Titles and Pay Ranges.
6. **Discuss/Approve/Disapprove** credit application for Great Lakes Petroleum Co.

7. **Discuss/Approve/Disapprove** Resolution No. R-05-2026 amending the Town's schedule of fees pursuant to Ordinance No. 305; adopting a revised fee schedule; providing for an effective date; and providing for related matters.

BUDGET WORKSHOP

8. Presentation and general discussion of proposed FY 2026 - 2027 Budget.

CLOSED SESSION

The Town Council may elect to go into closed session pursuant to Chapter 551, Government Code on any Agenda item where appropriate and particularly Sections 551.071 (consultation with attorney) and 551.074 (personnel matters), Government Code.

OPEN SESSION

Discuss/Approve/Disapprove *any and all action necessary with regard to the preceding matter(s).*

ANNOUNCEMENTS

9. Mayor's Update.

10. The next Regular Fulton Town Council Meeting will be held Wednesday, August 5, 2026, beginning at 6:00 pm.

EXECUTIVE SESSION - ***PUBLIC NOTICE*** *is given that the Town Council may elect to go into executive session at any time during the meeting in order to discuss any matters listed on the agenda when authorized by the Open Meetings Act, Chapter 551, Texas Government Code. If the Council elects to go into executive session regarding an agenda item, the section or sections of the Open Meetings Act authorizing the executive session will be publicly announced by the Mayor. The Council may deliberate and take action in open session on any issue that may be discussed in executive session.*

ADJOURNMENT

NOTICE

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/729-5533 or by email at citysec@fultontexas.org for further information. Braille Is Not Available. The Town of Fulton reserves the right to convene into Closed Session under Government Code 551.071-551.074 and 551-086.

CERTIFICATION

I certify that the above notice of meeting was posted at Town Hall, 201 N. Seventh Street, Fulton, Texas, on Thursday, July 9, 2026, at 4:00 p.m., and at the U.S. Post Office located at 301 Cactus Street, Fulton, Texas. I further certify that the following News Media were properly notified of this meeting as stated above: The Rockport Pilot.

/S/ Stephanie Garcia, City Secretary

TOWN COUNCIL REGULAR MEETING

Wednesday, June 17, 2026 at 6:00 PM

Fulton Council Chambers, 201 N. 7th Street

MINUTES

CALL TO ORDER

PRESENT
Mayor Kelli Cole
Mayor Pro Tem Robert Loflin
Place 3 MaryAnn Pahmiyer
Place 4 Elizabeth Hackleman
Place 5 Laura McCorkle

ABSENT
Place 2 Chris Garis Place

STAFF PRESENT
Stephanie Garcia, City Secretary
Hal George, Town Attorney
Ty Gerstenberger, Chief of Police

Mayor Cole called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE – U.S. Flag and Texas Flag

Mayor Cole led everyone in the pledges.

OBSERVE A MOMENT OF SILENCE/PRAYER

Mayor Cole led everyone in a moment of silence.

CITIZENS TO BE HEARD (PUBLIC FORUM)

Public participation is valued and at this time, comments limited to three (3) minutes will be taken from persons who have signed the Speaker's Card located on the table inside the Council Chambers and delivered to the City Secretary before the meeting begins. Written comments received by submission to the City Secretary in person or emailed to citysec@fultontexas.org by 3:00 p.m. on the day of the meeting, on any subject matter that is not on the agenda, will be read and summarized in the minutes of the meeting. Persons wishing to address the Council and who have registered using the Speaker's Card will have up to three (3) minutes to speak. In accordance with the Open Meetings Act, Council may not discuss or take action on any item that has not been posted on the agenda. While civil public criticism is not prohibited; disorderly conduct or disturbance of the peace as prohibited by law shall be cause for the chair to terminate the offender's time to speak.

Cheryl Bangert introduced herself and addressed the Council regarding information she provided on the RPZ backflow installed by the City of Rockport. Ms. Bangert indicated that this device is an environmental safety hazard. She reviewed the danger she believes this device creates and explained how it works. She has contacted TCEQ regarding this matter. She has also tried to conduct a public information act with the City of Rockport who have not responded. She is asking that it be placed on the next agenda for discussion.

CONSENT AGENDA

All consent agenda items listed are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

1. **Discuss/Approve/Disapprove** minutes of the Regular Meeting held on May 20, 2026.

2. **Discuss/Approve/Disapprove** the April 2026 financials.

   Motion made by Place 5 McCorkle, Seconded by Place 4 Hackleman to approve the Consent Agenda as presented.

   Voting Yea: Place 1 Loflin, Place 3 Pahmiyer, Place 4 Hackleman, Place 5 McCorkle

ITEMS FOR CONSIDERATION

3. **Discuss/Approve/Disapprove** Resolution R-04-2026, a Resolution of the Town Council of the Town of Fulton Approving and Adopting an Investment Policy.

   Mayor Cole read the item and informed the Council that this is an annual update. The only change is the date of the document. There were no questions at this time.

   Motion made by Place 1 Loflin, Seconded by Place 5 McCorkle to approve the Resolution R-04-2026, a Resolution of the Town Council of the Town of Fulton Approving and Adopting an Investment Policy.

   Voting Yea: Place 1 Loflin, Place 3 Pahmiyer, Place 4 Hackleman, Place 5 McCorkle

CLOSED SESSION

The Town Council may elect to go into closed session pursuant to Chapter 551, Government Code on any Agenda item where appropriate and particularly Sections 551.071 (consultation with attorney) and 551.074 (personnel matters), Government Code.

Council did not convene into Closed Session.

OPEN SESSION

Discuss/Approve/Disapprove *any and all action necessary with regard to the preceding matter(s).*

ANNOUNCEMENTS

4. Mayor's Update.

   Mayor Cole updated the Council regarding the air conditioning problems at Fulton Convention Center. The City Secretary gave additional details relating to the problems. Mayor Cole reminded the Council to do their cybersecurity training.

   PD: Chief Gerstenberg informed the Council that the Town has hired a new patrol officer, Braylin Ellison. He is a cadet graduating from the DelMar program and will start on June 22, 2026. He also shared that Investigator Camacho had a minor injury while testing drugs that were apprehended in a stop.

5. The next Regular Fulton Town Council Meeting will be held Wednesday, July 1, 2026, beginning at 6:00 pm.

   Mayor Cole announced the date and time of the next meeting.

ADJOURNMENT

There being no further business, Mayor Cole entertained a motion to adjourn.

Motion made by Place 4 Hackleman, Seconded by Place 1 Loflin to adjourn the meeting.

Voting Yea: Place 1 Loflin, Place 3 Pahmiyer, Place 4 Hackleman, Place 5 McCorkle

The meeting was adjourned at 6:16 p.m.

____

Kelli Cole, Mayor

____

Stephanie Garcia, City Secretary

TMRS

June 4, 2026

City # 00493

Town of Fulton
209 N. Seventh St.
Fulton, TX 78358

Subject: 2027 City Contribution Rate

Your city's 2027 total contribution rate is shown below. This rate includes your city's full retirement rate and supplemental death benefit rate, if applicable. These rates were determined by your city's December 31, 2025 actuarial valuation to achieve a 100% or greater funded ratio over time.

Normal Cost	7.19 %
Prior Service	(0.83)
Full Retirement	6.36 %
Supplemental Death Benefit	0.18
Total Contribution	**6.54 %**

These rates are final pending the TMRS Board's approval at their June 25 meeting.

Detailed information on your city's TMRS plan is contained in the attached actuarial valuation report. If you are interested in learning how to potentially pay off your unfunded liability sooner and/or increase the stability of your city's contribution rate, please review the "Rate Stabilization Techniques" section on page 1.

If you have questions about your city's contribution rate, please contact me at 512-225-3798 or koliver@tmrs.com.

Sincerely,

Kenneth Oliver

Kenneth Oliver, FCA, EA, MAAA
Director of Actuarial Services

TEXAS MUNICIPAL RETIREMENT SYSTEM
P.O. Box 149153 • Austin, Texas 78714-9153
800-924-8677 • www.tmrs.com

TMRS

Actuarial Valuation Report

As of December 31, 2025

Town of Fulton

Table of Contents

Rate Stabilization Techniques

Contribution rate stabilization for cities is a funding goal of the TMRS Board of Trustees. Since 2007, the Board has approved many actuarial changes to minimize short-term volatility in contribution rates while maximizing long-term System sustainability. Under the current funding policy in which rates are actuarially determined each year, contribution rate stabilization is fully optimized at the System level; therefore, any further rate stabilization must be achieved at the city level.

Cities with an Unfunded Liability - For cities with an Unfunded Actuarial Accrued Liability (UAAL), the most effective way for a city to stabilize its TMRS contribution rate is to determine an affordable rate that exceeds the required rate and continue to pay that same rate even when the calculated rate decreases in subsequent valuations. These additional contributions at a predetermined fixed rate accomplish the following:

- Provide a stable annual contribution rate for budgeting purposes;
- Directly reduce the UAAL dollar for dollar;
- Pay off the UAAL quicker;
- Produce cost savings over the long run; and
- Provide a cushion for future adverse plan experience.

Cities with a Surplus - For cities with an Overfunded Actuarial Accrued Liability (surplus), the contribution rate is determined by decreasing the Normal Cost Rate (the cost of the current year accruals for active Members) by a Prior Service Rate calculated to keep the funded ratio at approximately the same level. The result is a required contribution rate less than the Normal Cost. It is important to note that adverse plan experience could still result in the funded ratio dropping below 100%. TMRS encourages cities in a surplus position to consider paying the full Normal Cost Rate (or as much as possible toward the full Normal Cost Rate) until the funded ratio is at least 110%. Doing so will dampen contribution rate volatility and increase the likelihood of maintaining a funded ratio greater than 100%.

How to make Additional Contributions - No formal action needs to be taken by a city to contribute at a higher level than the required monthly minimum. Additional monthly contributions may be made during the normal payroll reporting process by simply providing the increased rate in the "Optional Employer Rate" field. Because additional contributions are entirely voluntary, a city may revert to paying the minimum required rate at any time during the year if financial circumstances change.

If your city would like to explore the impact of any of these rate stabilization techniques on your TMRS plan, please contact Actuarial Services at ActuarialServices@tmrs.com.

Executive Summary

Valuation as of	12/31/2025	12/31/2024
Membership as of the Valuation Date		
• Number of Accounts		
- Active Members	17	15
- Retirees and beneficiaries	4	4
- Inactive Members	13	11
- Total	34	30
• Prior year's payroll provided by TMRS	$ 717,611	$ 637,255
• Valuation Payroll	824,840	740,919
Benefit Accumulation Fund (BAF) Assets		
• Market BAF Balance	$ 1,075,968	$ 907,939
• BAF crediting rate	13.54 %	10.81 %
• Interest credited on beginning BAF balance	$ 122,928	$ 82,191
• Employer contributions	48,870	46,774
• Employee contributions	50,232	44,608
• Benefit and refund payments	54,002	26,301
Actuarial Value of Assets (AVA)		
• Market BAF Balance	$ 1,075,968	$ 907,939
• Actuarial Value of Assets (AVA)	1,005,893	895,669
• AVA as a Percentage of BAF	93.5 %	98.6 %
• Return on AVA	7.27	6.79
Actuarial Information		
• Actuarial Accrued Liability (AAL)	$ 830,712	$ 748,713
• Actuarial Value of Assets (AVA)	1,005,893	895,669
• Unfunded Actuarial Accrued Liability (UAAL)	(175,181)	(146,956)
• UAAL as % of pay	(24.4) %	(23.1) %
• Funded Ratio (AVA/AAL)	121.1	119.6
• Employer Normal Cost Rate	7.19	7.28
• Prior Service Rate	(0.83)	(0.77)
Contribution Rates	2027	2026
• Employee	7.00 %	7.00 %
• Full Retirement (ADEC)	6.36	6.51
• Supplemental Death Benefit	0.18	0.23
Total Employer Contribution Estimates	2027	2026
• Projected payroll	$ 847,523	$ 761,294
• Total Contribution Rate	6.54 %	6.74 %
• Estimated employer contribution	$ 55,428	$ 51,311

Note: Results from prior year reflect the plan provisions shown on the next page.

Your City's TMRS Benefits

Plan provisions are adopted by your city's governing body from the options available in the TMRS Act. Your city's plan provisions in effect as of April 1, 2026 were as follows:

Employee Contribution Rate	7%
City Matching Ratio	2 : 1
Years Required for Vesting	5
Retirement Eligibility (Age/Service)	60/5, AnyAge/20
Updated Service Credit	0%
Retiree Cost of Living Adjustment (COLA)	0% of CPI
Supplemental Death Benefit to Active Members	Yes
Supplemental Death Benefit to Retirees	Yes

If you have any questions about your city's benefit provisions or would like to discuss plan changes, please contact the City Services Department at cityservices@tmrs.com.

Calculation of Contribution Requirements

	From Valuation Report as of	
	December 31, 2025	December 31, 2024
1. Prior year's payroll reported to TMRS	$ 717,611	$ 637,255
2. Valuation Payroll	824,840	740,919
3. Employer Normal Cost Rate	7.19 %	7.28 %
4. Actuarial Accrued Liability		
a. Active Members	$ 533,806	$ 394,828
b. Inactive Members	62,537	113,899
c. Annuitants	234,369	239,986
d. Total Actuarial Accrued Liability	$ 830,712	$ 748,713
5. Actuarial Value of Assets	1,005,893	895,669
6. Unfunded Actuarial Accrued Liability (4d - 5)	$ (175,181)	$ (146,956)
7. Funded Ratio (5 / 4d)	121.1 %	119.6 %
8. Equivalent single amortization period*	N/A	N/A
9. Assumed payroll growth rate	2.75 %	2.75 %
Contribution Rates:	2027	2026
10. Full Retirement		
a. Normal Cost	7.19 %	7.28 %
b. Prior Service	(0.83)	(0.77)
c. Full Retirement	6.36 %	6.51 %
11. Supplemental Death Benefit	0.18	0.23
12. Total Contribution	6.54 %	6.74 %

* New losses are laddered over a 20-year period.

UAAL/OAAL Amortization Bases and Payments

Year Established	Description	Years Remaining	Remaining Base	Payment
2025	2025 Overfunded	N/A	$ (175,181)	$ (6,820)
	Total		(175,181)	(6,820)

TMRS amortizes the UAAL/OAAL through the process of laddering each base created during the valuation process. The city's UAAL/OAAL equals the total of the remaining amortization bases. The city's Prior Service Rate equals the total amortization payments divided by the Valuation Payroll (Item 2 of the prior page).

Reconciliation of Full Retirement Rate from Prior Actuarial Valuation Report

Actuarial valuations are based on long-term assumptions, and results in a specific year can, and almost certainly will, differ as actual plan experience deviates from the assumptions. The following table provides a detailed breakdown of changes in your city's Full Retirement Rate (ADEC) from 2026 to 2027. A brief description of such changes follows the table.

Change in Full Retirement Rate		
Full Retirement Rate from 12/31/2024 Valuation (2026 Rate)		6.51 %
Benefit Changes	0.00 %	
Return on Actuarial Value of Assets	(0.04)	
Contributions/Fully Amortized Prior Bases	(0.01)	
Payroll Growth	0.08	
Normal Cost	(0.09)	
Liability Growth	(0.09)	
Total Change	(0.15) %	
Full Retirement Rate from 12/31/2025 Valuation (2027 Rate)		6.36 %

Benefit Changes - Shows the increase or decrease in the contribution rate associated with any plan changes.

Return on Actuarial Value of Assets (AVA) - Shows the change in the contribution rate associated with the return on the AVA being different than the assumed 6.75%. For the year ending December 31, 2025, the return on an AVA basis was 7.27%. The impact may show as 0.00% due to rounding.

Contributions/Fully Amortized Prior Bases - Shows the total increase or decrease in the contribution rate associated with contributions different than the Full Retirement Rate, the contribution lag (see below), and the impact of the amortization bases which become fully amortized as of this valuation since payments for those bases are no longer part of the Prior Service Rate calculation. Contributions different from the Full Retirement Rate may include contributions in excess of the Full Retirement Rate and/or lump sum contributions. The effect of the contribution lag refers to the time delay between the actuarial valuation date and the date the contribution rate becomes effective (i.e., the Actuarial Valuation as of December 31, 2025 sets the rate effective for 2027). Once the Full Retirement Rate stabilizes, this impact is expected to be immaterial for most cities.

Payroll Growth - Shows the increase or decrease in the contribution rate associated with higher or lower than expected growth in the city's overall payroll. The amortization payments were calculated assuming payroll grows at 2.75% per year. Overall payroll growth greater (less) than 2.75% will typically cause a decrease (increase) in the Prior Service Rate.

Normal Cost - Shows the increase or decrease in the contribution rate associated with changes in the average Normal Cost Rate for the city's active Members. The Normal Cost Rate for a Member is the contribution rate which, if applied to a Member's compensation throughout their period of anticipated covered service with the city, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the city's total Normal Cost Rate. The employer Normal Cost Rate is the pay-weighted average of the individual Normal Cost Rates less the Member Contribution Rate and will generally increase (decrease) as the average entry age of the group increases (decreases).

Liability Growth - Shows the increase or decrease in the contribution rate associated with larger or lower than expected growth in the city's overall plan liabilities. The most significant sources for variance will be turnover and individual salary increases differing from the assumptions.

Historical and Projected Accumulation of the BAF Balance

Year Ending December 31 (1)	Payroll for the Year (2)	Effective Retirement Contribution Rate [a] (3)	Employer Contributions for the Year (4)	Employee Contributions for the Year (5)	Benefit Payments (6)	External Cash Flow for the Year (7)	Interest Credit (8)	BAF Balance [b] (9)
		(4) / (2)				(4) + (5) + (6)		
2023	$ 519,466	6.11%	$ 31,740	$ 31,168	$ (37,366)	$ 25,542	$ 78,303	$ 760,667
2024	637,255	7.34%	46,774	44,608	(26,301)	65,081	82,191	907,939
2025	717,611	6.81%	48,870	50,232	(54,002)	45,100	122,928	1,075,968
2026	824,840	6.51%	53,697	57,739	(54,503)	56,933	72,628	1,205,529
2027	847,523	6.36%	53,902	59,327	(41,866)	71,363	81,373	1,358,265

a. Effective retirement contribution rate is the employer contribution received divided by the payroll paid.
b. BAF Balance may not sum due to rounding.

Risks Associated with Measuring the Actuarial Accrued Liability and Actuarially Determined Employer Contribution

Risk measures help with illustrating the potential volatility in the Actuarial Accrued Liability and the Actuarially Determined Employer Contribution that results from the differences between actual plan experience and the actuarial assumptions. Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of Members in payment status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

Ratio of Market Value of Assets to Payroll	1.5	
Ratio of Actuarial Accrued Liability to Payroll	1.2	
Ratio of Active Members to Retirees and Beneficiaries	4.3	
Net Cash Flow as a Percentage of Market Value of Assets	4.2	%
Duration of Liabilities	19.4	
Change in Contribution Rate with 10% Decline in Assets (Smoothed)	0.05	%
Change in Contribution Rate with 10% Decline in Assets (Unsmoothed)	0.48	%

Ratio of Market Value of Assets to Payroll - The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the Market Value of Assets is 4 times the payroll, a return on assets 5% different than assumed would equal 20% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in city contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll - The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the Actuarial Accrued Liability is 5 times the payroll, a change in liability 2% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also city contributions) as a percentage of payroll.

The relationship between the Actuarial Accrued Liability and payroll is a useful indicator of the potential longer term asset-related volatility once the current UAAL is fully amortized. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

Ratio of Active Members to Retirees and Beneficiaries - A young plan with many active Members and few retirees will have a high ratio of active Members to retirees. A mature open plan may have close to the same number of active Members to retirees resulting in a ratio near 1. A very mature or closed plan may have significantly more retirees than active Members resulting in a ratio below 1.

Net Cash Flow as a Percentage of Market Value of Assets - A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a very mature plan or a need for additional contributions.

Duration of Liabilities - The duration of the Present Value of Future Benefits (PVFB) may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, duration of 10 indicates that the PVFB would increase approximately 10% if the assumed rate of return were lowered 1%.

Change in Contribution Rate with 10% Decline in Assets (Smoothed) - This shows the rate impact in one year if the Actuarial Value of Assets (AVA) was 10% lower than in the current actuarial valuation with the asset loss smoothed over a 10-year period as is done in the system-wide calculation of the AVA.

Change in Contribution Rate with 10% Decline in Assets (Unsmoothed): This shows the rate impact if the AVA was 10% lower than in the current actuarial valuation with the full asset loss recognized in the current valuation.

Low-Default-Risk Obligation Measure: Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a new calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

"The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the "right" liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan's funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date."

The LDROM estimates the amount of money the plan would need to invest in low risk securities to provide the benefits with greater certainty. The current model expects lower costs but with higher risk, which creates less certainty and a possibility of higher costs. The LDROM model creates higher expected costs but more predictability when compared to the current model. Thus, the difference between the two measures (Valuation and LDROM) is one illustration of the possible costs the city could incur if there was a reduction in the investment risk in comparison to the current diversified portfolio. However, the downside risk would be limited in the scenarios where the current portfolio would fail to achieve returns in excess of the low-default-risk discount, in this case 5.46%.

The following information has been prepared in compliance with this new requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A.	LDROM measure of benefits earned as of the measurement date:	$	965,998
B.	Valuation liability at 6.75% on measurement date:		830,712
C.	Cost to mitigate investment risk in the System's portfolio:	$	135,286

Disclosures: Discount rate used to calculate LDROM: 5.46% Intermediate FTSE Pension Discount Curve as of December 31, 2025. This measure may not be appropriate for assessing the need for or amount of future contributions as the current portfolio is expected to generate significantly more investment earnings than the low-default-risk portfolio. This measure is also not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the city's benefit obligation as this measure includes projections of salary increases and the ability for current members to continue to accrue eligibility and vesting service.

TMRS

Independent Service Auditors' Report

Texas Municipal Retirement System

Independent Service Auditors' Report on Texas Municipal Retirement System's Description of Its Pension Management System and the Suitability of the Design and Operating Effectiveness of Controls Relevant to User Entities' Internal Control over Financial Reporting

For the Period May 1, 2025
to April 30, 2026

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Timonium, Maryland

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.c

TMRS
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Section I. Independent Service Auditors’ Report

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT SERVICE AUDITORS' REPORT

Management
Texas Municipal Retirement System
Austin, Texas

Scope

We have examined Texas Municipal Retirement System's (TMRS) description of its Pension Management system entitled, "Texas Municipal Retirement System's Description of Its Pension Management System," for processing user entities' retirement benefit transactions throughout the period May 1, 2025 to April 30, 2026 (description) and the suitability of the design and operating effectiveness of the controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in "Assertion of Texas Municipal Retirement System's Management" (assertion). The controls and control objectives included in the description are those that management of TMRS believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the Pension Management system that are not likely to be relevant to user entities' internal control over financial reporting.

TMRS uses subservice organizations to provide data center colocation, cloud infrastructure support, and application support services. The description includes only the control objectives and related controls of TMRS and excludes the control objectives and related controls of the subservice organization. The description also indicates that certain control objectives specified by TMRS can be achieved only if complementary subservice organization controls assumed in the design of TMRS's controls are suitably designed and operating effectively, along with the related controls at TMRS. Our examination did not extend to controls of the subservice organization, and we have not evaluated the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of TMRS's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls, and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

Service Organization's Responsibilities

In section II, TMRS has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. TMRS is responsible for preparing the description and its assertion, including the completeness, accuracy, and method of presentation of the description and assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in the assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.

Service Auditors' Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period May 1, 2025 to April 30, 2026. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involves

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing or reporting transactions processing user entities' retirement benefit transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.

Description of Tests of Controls

The specific controls we tested and the nature, timing, and results of those tests are listed in section IV.

Opinion

In our opinion, in all material respects, based on the criteria described in TMRS's assertion

a. the description fairly presents the Pension Management system that was designed and implemented throughout the period May 1, 2025 to April 30, 2026.
b. the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period May 1, 2025 to April 30, 2026, and if the subservice organization and user entities applied the complementary controls assumed in the design of TMRS's controls throughout the period May 1, 2025 to April 30, 2026.
c. the controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period May 1, 2025 to April 30, 2026, and if the subservice organization and user entities applied the complementary controls assumed in the design of TMRS's controls operated effectively throughout the period May 1, 2025 to April 30, 2026.

Restricted Use

This report, including the description of tests of controls and results thereof in section IV, is intended solely for the information and use of management of TMRS, user entities of TMRS's Pension Management system during some or all of the period May 1, 2025 to April 30, 2026, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be, and should not be, used by anyone other than the specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Timonium, Maryland
May 21, 2026

Section II. Assertion of Texas Municipal Retirement System's Management

We have prepared the description of Texas Municipal Retirement's (TMRS) Pension Management system entitled, "TMRS's Description of Its Pension Management System," for processing user entities' transactions processing user entities' retirement benefit transactions throughout the period May 1, 2025 to April 30, 2026 (description) for user entities of the system during some or all of the period May 1, 2025 to April 30, 2026, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by subservice organizations and user entities of the system themselves, when assessing the risks of material misstatement of user entities' financial statements.

TMRS uses subservice organizations to provide data center colocation, cloud infrastructure support, and application support services. The description includes only the control objectives and related controls of TMRS and excludes the control objectives and related controls of the subservice organization. The description also indicates that certain control objectives specified in the description can be achieved only if complementary subservice organization controls assumed in the design of our controls are suitably designed and operating effectively, along with the related controls. The description does not extend to controls of the subservice organization.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of TMRS's controls are suitably designed and operating effectively, along with related controls at the service organization. The description does not extend to controls of the user entities.

We confirm, to the best of our knowledge and belief, that

a. the description fairly presents the Pension Management system made available to user entities of the system during some or all of the period May 1, 2025 to April 30, 2026 for processing their transactions processing user entities' retirement benefit transactions as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description

    i. presents how the system made available to user entities of the system was designed and implemented to process relevant user entity transactions, including, if applicable,

        (1) the types of services provided, including, as appropriate, the classes of transactions processed.

        (2) the procedures, within both automated and manual systems, by which those services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports and other information prepared for user entities of the system.

        (3) the information used in the performance of the procedures including, if applicable, related accounting records, whether electronic or manual, and supporting information involved in initiating, authorizing, recording, processing, and reporting transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.

(4) how the system captures and addresses significant events and conditions other than transactions.

(5) the process used to prepare reports and other information for user entities.

(6) services performed by a subservice organization, if any, including whether the carve-out method or the inclusive method has been used in relation to them.

(7) the specified control objectives and controls designed to achieve those objectives, including, as applicable, complementary user entity controls and complementary subservice organization controls assumed in the design of the service organization's controls.

(8) other aspects of our control environment, risk assessment process, information and communications (including the related business processes), control activities, and monitoring activities that are relevant to the services provided.

ii. includes relevant details of changes to the service organization's system during the period covered by the description.

iii. does not omit or distort information relevant to the service organization's system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and their user auditors, and may not, therefore, include every aspect of the Pension Management system that each individual user entity of the system and its auditor may consider important in its own particular environment.

b. the controls related to the control objectives stated in the description were suitably designed and operating effectively throughout the period May 1, 2025 to April 30, 2026 to achieve those control objectives if subservice organizations and user entities applied the complementary controls assumed in the design of TMRS's controls throughout the period May 1, 2025 to April 30, 2026. The criteria we used in making this assertion were that

i. the risks that threaten the achievement of the control objectives stated in the description have been identified by management of the service organization.

ii. the controls identified in the description would, if operating effectively, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved.

iii. he controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

Section III. TMRS's Description of Its Pension Management System

TMRS Overview

The Texas Municipal Retirement System (TMRS) was established in 1947 and is administered in accordance with the Texas Municipal Retirement System Act (Texas Government Code, Title 8, Subtitle G). TMRS is a qualified retirement plan under Section 401(a) of the Internal Revenue Code. The System offers a choice of benefits so that each of its more than participating cities can design a retirement plan to suit its needs and budget.

TMRS administers retirement, disability and survivor benefits to active and retired city employees. TMRS does not receive any state funds, and it does not administer a health care plan.

Membership in the System

To participate in TMRS, a city must be either an incorporated municipality or department(s) thereof. TMRS and the Texas Municipal League were given status as a city within the TMRS Act.

Cities voluntarily elect to participate in TMRS by an ordinance adopted by their governing body. Once a city elects to participate, the TMRS Act requires that eligible employees must participate in TMRS as a condition of employment. An employee in a position that normally requires at least 1,000 hours per year, as determined by the city, is an eligible employee required to be a member of TMRS.

Each city chooses from a menu of benefit options to design a retirement program that suits its needs. Certain benefits chosen can be prospectively modified by each city to enhance member benefits or control costs. Each city stands on its own by having its own actuarial assets, liabilities and funded ratio.

Contributions

Contributions to the System include those from cities and members and an annual interest credit.

City Contributions. Upon a member's retirement, the employing city matches the accumulated member contributions plus interest earned. Each city chooses a matching ratio of city-to-member contributions: 1-to-1 (100%), 1.5-to-1 (150%) or 2-to-1 (200%). Cities provide TMRS with their city match through monthly contributions at an annual, actuarially determined rate. A city may elect to increase or reduce its matching ratio effective January 1 of a calendar year.

Member Contributions. TMRS cities designate, by ordinance, the rate of member contributions. This rate is 5%, 6%, 7%, or 8% of a member's gross compensation. Three cities have a 3% rate, no longer available to cities under the TMRS Act. Compensation for contribution purposes includes overtime pay, car allowances, uniform allowances, sick leave, vacation pay and other payments if they are taxable to the member.

All member contributions since 1984 are tax-deferred under the Internal Revenue Code, pursuant to Sections 401(a) and 414(h)(2). Cities may increase the member contribution rate by ordinance. However, the member contribution rate may only be reduced if two-thirds of members employed by the city consent to a reduction and the city provides for the reduction by ordinance.

Annual Interest Credit. TMRS credits interest to member accounts annually on December 31 at a minimum 5% rate, based on the balance in the members account on January 1 of that year. In the year of retirement, interest is prorated.

Distributions

TMRS distributions from the Trust Fund include refunds, retirements, partial lump sums and occupational disability retirements.

Refund. A member who leaves employment with all TMRS cities may withdraw all member deposits and interest from TMRS and cancel service credit with TMRS. A member may not refund his/her TMRS account unless there is a "bona fide" separation and the employing city must certify that the member has terminated employment.

Retirement. After applying for retirement, a member may choose one of three monthly benefit payment options. The member makes this choice before receipt of the first benefit payment and the choice is irrevocable after the date the first payment becomes due. All options pay a monthly annuity for the life of the retiree. The options include:

- a benefit for the retiree's lifetime only (Retiree Life Only option).
- three guaranteed-term benefits that pay a reduced benefit for the lifetime of the member and to a beneficiary for the balance of 5, 10 or 15 years if the member dies before the term ends (Guaranteed Term options).
- three options that pay a reduced lifetime benefit to the member and, upon the member's death, a survivor lifetime benefit equal to 50%, 75% or 100% of the member's benefit (Survivor Lifetime options).

As a minimum benefit, TMRS guarantees that an amount equal to at least the member's contributions and interest will be returned, either through payment of a monthly benefit or through a lump sum refund.

Partial Lump Sum. Members who are eligible for service retirement may choose to receive a portion of their accumulated contributions in a lump sum at the time of retirement, in addition to a reduced monthly benefit.

Occupational Disability Retirement. All active TMRS cities have adopted the Occupational Disability Retirement benefit. If a member is determined by the TMRS Medical Board to be disabled to the extent that the member cannot perform his or her occupation, and the disability is likely to be permanent, the member may retire with a lifetime benefit based on the total reserves as of the effective date of retirement.

Relevant Aspects of Control Environment, Risk Assessment, and Monitoring

Control Environment

TMRS' control environment begins with the tone at the top that the Board of Trustees, Executive Director, and Senior Staff set for employees on the importance of internal control and commitment to integrity and ethical values. Key elements of the control environment are described under:

- Board Oversight
- Organization and Management
- Human Resources Policies and Procedures

Board Oversight

The TMRS Act entrusts the administration of TMRS to a six-member Board of Trustees who are appointed for six-year terms by the Governor with the consent of the Senate. The Board appoints an Executive Director to manage TMRS under its supervision and direction.

The TMRS Act requires Board meetings at least four times each year, and the Board can also elect to conduct additional meetings each year. The Board of Trustees employs investment, actuarial, legal and other experts for the efficient administration of the System. The Board also appoints committees to serve it in advisory roles as needed.

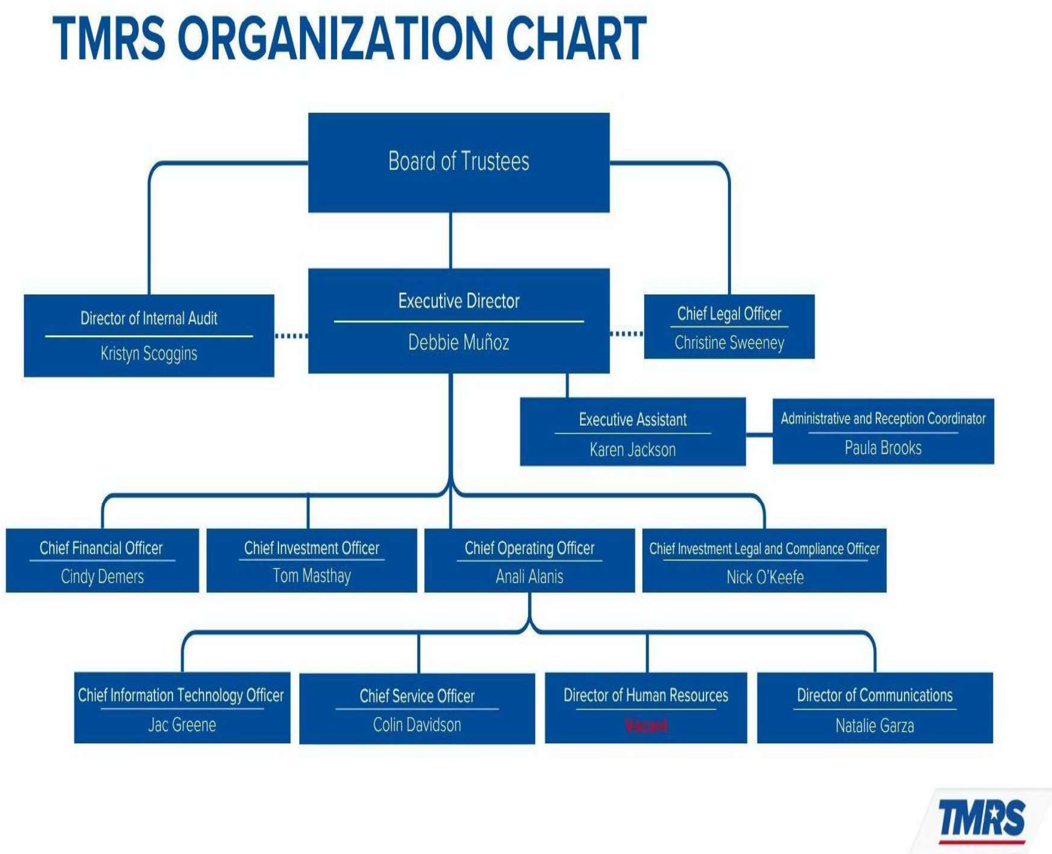
The System's Board of Trustees has established a governance framework by adopting the following:

- Bylaws of the Board of Trustees
- Board of Trustees Ethics Policy
- Actuarial Funding Policy
- Investment Policy Statement

TMRS' Board and Senior Staff developed a Strategic Plan with both high-level objectives and specific goals with expected completion dates. Goals included financial stability and long-term viability of the Plan, customer service, and identifying the best governance and management structure.

Organization and Management

The organization is divided into various departments, as noted in the organization chart below:



Executive Director. The TMRS Board of Trustees hires an Executive Director to plan and direct all activities of TMRS and to carry out the policies of the Board in an efficient and responsive manner.

Chief Legal Officer. The Chief Legal Officer oversees the Legal department and serves as legal advisor to TMRS, the Board and all TMRS departments. The Chief Legal Officer reports to the Board of Trustees and the Executive Director.

Director of Internal Audit. The Director of Internal Audit reports directly to the Board of Trustees and its Audit Committee and administratively to the Executive Director. The internal audit function provides risk-based and objective assurance, advice and insight to TMRS. Internal Audit contracts with third-party professional service firms as needed.

Chief Financial Officer. The Chief Financial Officer is responsible for cash management, accounts receivable, other assets, accounts payable, other liabilities, membership accounting, employee payroll (including deductions), tax payments, regulatory filings, financial reporting, and budget. Financial reports are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Accounting personnel also work with outside actuaries and assist cities and outside parties with information.

Chief Investment Officer. The CIO oversees the Investment department and a well-diversified global portfolio, managed externally through the retention of outside investment management firms and with the support of independent investment consultants.

Chief Investment Legal and Compliance Officer . The Chief Investment Legal and Compliance Officer oversees compliance functions, investment legal functions, risk management and quality initiatives. The Director of Quality Initiatives oversees all organization-wide process improvement projects.

Chief Operating Officer. The Chief Operating Officer oversees Information Technology, the Services Group, Human Resources, and Communications personnel.

Communications. The Director of Communications oversees internal and external communications functions.

Human Resources. The Director of Human Resources oversees TMRS' human resource functions. The Director also ensures compliance with local, state and federal regulations and promotes a positive culture and atmosphere throughout the organization.

Human Resources Policies and Procedures

TMRS has a comprehensive Employee Policies and Benefits Manual which outlines employee expectations including maintaining confidentiality of information. Each new hire is required to read the manual and sign an acknowledgement form, including the policy on computer usage and system access.

TMRS hiring policies require that applicants meet minimum education and experience requirements and undergo an interview process. The Human Resources Department also performs reference and background checks on applicants prior to hiring.

Human Resources provides general training during on-boarding of new hires, and Senior Staff accept responsibility for training and developing employees for their specific positions.

Chief Information Technology Officer. The Chief Information Technology Officer (CITO) oversees Infrastructure, software development and information security. The Chief is assisted by the Enterprise Architects, Director of Software Engineering, Director of Data Management, Director of Infrastructure, Director of Project Management and Information Security staff. This department provides customer support to internal users, Members and cities. This department also coordinates disaster recovery and business continuity operations.

Chief Service Officer. The Chief Service Officer and department Directors lead the following departments: Benefit Administration, City and Member Services, Education Services, and Actuarial Services. The Chief Service Officer also oversees the Records department.

Benefit Administration. The Benefit Administration department processes member, retiree and beneficiary benefits and account services.

City and Member Services. The City Services department manages the City Portal functions, onboards new cities and is a dedicated resource for participating cities. Member Services handles inbound calls from Members about benefits, account services, and MyTMRS.

Education Services. The Education Services department provides education outreach to participating cities and Members and recruits new cities.

Actuarial Services. Actuarial Services department produces actuarial valuations, experience studies, actuarial funding policies, city rate letters, and models city plan changes.

Risk Assessment

Senior Staff are responsible for implementing procedures to identify the risks inherent in TMRS operations and for implementing procedures to monitor and mitigate those risks.

Since 2018, the internal auditor has conducted an entity-wide risk assessment every two years that includes input from Board members and Senior Staff. Internal Audit works with Senior Staff to identify the audit universe, assess the impact and likelihood for inherent risk and determine residual risk after taking into consideration the effectiveness of controls in place to mitigate inherent risk.

The risk assessment is the basis for the two-year audit plan presented to Senior Staff and the Audit Committee for review; the Board approves the audit plans. After the first year of the audit plan, Internal Audit performs a limited risk assessment to consider changes in internal and external factors that may affect TMRS' operating environment.

Monitoring

Senior Staff acknowledge adherence to the stated controls for SOC 1 objectives.

The internal auditor is responsible for conducting audits in the approved audit plan and communicating audit results to Senior Staff, the Audit Committee and the Board. Internal Audit may also hire external audit services if needed. Senior Staff develop corrective action plans to address any findings or recommendations in audit reports. Internal Audit monitors progress toward implementing corrective action plans and provides periodic reports to Senior Staff, the Audit Committee and the Board.

Senior Staff and Internal Audit also monitor the results from external audits. The external financial auditor is required to present the audit results to the Board at their June meeting. If warranted, the external auditor is also required to present management letter comments to the Board. TMRS Senior Staff conducts an exit interview with the external auditor to obtain feedback on issues that did not rise to the level of a management letter comment. TMRS management review and assess comments from the auditor to identify control risks and to determine the need to add to or modify existing controls.

Information and Communication

Information Services

The Information Services (IS) department is responsible for providing information technology direction and support at TMRS. The Chief Information Technology Officer (CITO) has overall responsibility for the department and the Directors of the Infrastructure, Information Security, Software Engineering, Data Management, Enterprise Architecture and teams.

Infrastructure. This team is responsible for the computer operations at TMRS. This team includes the Director of Infrastructure, Network/Systems Administrators, Application Administrators, and Computer Support Analysts. Responsibilities include:

- Network Administration – Managing the network including the security, design, installation and monitoring of switches, routers, firewalls and Internet access.
- Identity and Access Management – Allocating and managing user privileges on the network, including access to servers, data, applications and the Internet.
- Incident Response – Responding to and remediating incidents as appropriate.

- Monitoring – availability, performance, capacity, and utilization.
- PC Administration – Installing, testing, securing and maintaining the hardware and software of desktop computers and laptops.
- Software Installation – Installing and testing infrastructure and end-user software. This includes server and desktop software such as application server software, web server software, virtualization software and Microsoft Office software.
- Server and storage Infrastructure – Installing, testing and maintaining server and storage systems.
- End User Support – Responding to user requests by diagnosing and resolving software, hardware and service issues.
- Phone System Support – Coordinating user setup, call routing and support of the interactive voice response (IVR) system, telephones and accessories with assistance from a hosted telephone system vendor.
- Mobile Device Support – Deploying and supporting mobile phones and tablets for employees.
- Backup and Recovery – Setting strategies and monitoring IS Department operations to protect data and applications against data loss in Business Continuity Plans.
- Computer Operations – Supporting payment processing, check printing, payment authorizations, automated correspondences and other weekly, monthly and yearly processes.

Information Security. This team is responsible for setting and monitoring security standards, best practices, and systems necessary to ensure the protection and confidentiality of informational assets. This team's responsibilities include:

- Security Training – Managing the selection and delivery of required information security training for all TMRS employees and contractors.
- Security Tools – Conducting research in cooperation with Infrastructure teams to identify, assess, and deploy and manage security technology solutions including--but not limited to--encryption, firewalls, authorization, authentication, intrusion detection, email protection, endpoint detection and response, security awareness training, web application firewalls, wireless security, virtual private network technology, vulnerability scanners, malware protection and gateway security controls.
- Security Monitoring - Managing and monitoring the computing environment for security-related events and incidents. Identifying, managing and participating in threat hunting activities as appropriate.
- Incident Response – Responding to escalated incidents and validating remediations as appropriate. Coordinating information security incident reviews and recommending appropriate response.
- Information Security Assessments – Coordinating third party security assessments of the TMRS computing environment with the Infrastructure team.
- Security Consulting and Oversight – Collaborating on critical technology projects to ensure that security requirements and controls are implemented as planned, and security issues are addressed throughout the project life cycle.

Software Engineering Team. This team is responsible for developing and maintaining TMRS' pension administration system (NextGen), the MyTMRS® member portal and integration with the TMRS City Portal for employers. This team includes the Director of Software Engineering, Software Engineers, Quality Assurance Engineers and Database Administrators. Responsibilities include:

- Planning – Collaborating with business units to propose new software applications, new features and changes to existing applications, as well as bug fixes in existing applications. Planning includes project planning, change control and release management.
- Software Design – Gathering requirements and defining the individual modules or components of a software application.
- Software Engineering and Development – Programming and integration of software applications, which includes testing to ensure the application meets the software design requirements.
- Database Administration – Installing, configuring, maintaining, monitoring and securing the databases that support TMRS' software applications.
- Testing – Evaluating new or updated software applications or modules to ensure they function as expected. This includes unit testing, integration testing, functional testing, performance testing, usability testing, regression testing and acceptance testing.
- Implementation – Maintaining a structured methodology for deploying new or updated software applications and integrated solutions to production, ensuring software is installed and configured correctly.

Data Management Team. This team is responsible for developing and maintaining TMRS' data reporting systems. This team includes the Director of Data Management and Data Engineers. Responsibilities include:

- Planning – Collaborating with business units to propose new reports, dashboards, and use of data. Planning includes project planning, change control and release management.
- Design – Gathering requirements and defining report parameters.
- Development – Programming and integration of data platforms, which includes testing to ensure the data reports meet the business requirements.
- Testing – Evaluating new or updated reports to ensure they function as expected. This includes unit testing, integration testing, functional testing, performance testing, usability testing, regression testing and acceptance testing.
- Implementation – Maintaining a structured methodology for deploying new or updated data platforms, reporting applications, and data integrations.

Enterprise Architecture. This team is responsible for designing and implementing enterprise-wide systems, tools and processes. Addresses key aspects such as organizational structure, business processes, strategies, data, information, security, and supporting technologies. Responsibilities include:

- Strategy – Guiding business strategies, processes, and technical solution improvement initiatives.
- Planning – Collaborating with business units to propose new processes, strategies, and technical solutions.
- Design – Gathering requirements, defining technical architectures to meet business needs, and helping the business and IS department develop policies and guidelines.
- Technical leadership - Project management, employee training, and knowledge transfer.

Description of Computing Environment

TMRS operates its network, server and storage systems within a colocation data center facility. The colocation data center provides redundant power, cooling and telecommunications.

The operating environment includes an integrated network consisting of multiple layers of security with active monitoring and response capabilities. The primary applications are listed below:

- Next Generation Member Benefits System (NextGen)
- Hyland Perceptive Content (Perceptive Content) for imaging and workflow
- MyTMRS, the members' portal
- TMRS City Portal, the cities' portal

The in-scope systems are NextGen, which processes pension transactions and holds the details for member contributions and distributions for members, retirees and beneficiaries; and TMRS City Portal, which processes monthly contribution reports. Perceptive Content and MyTMRS send and receive information from NextGen; however, these applications are not in-scope for this report.

Description of Systems

NextGen. NextGen is a custom-built application that manages, tracks and administers Member benefits. NextGen supports four main functions:

- creation and maintenance of city retirement plan options;
- creation and maintenance of member and retiree data;
- creation and maintenance of payment processing for refunds, monthly benefits, partial lump sum distributions (PLSDs) and supplemental death benefits (SDBs); and
- application of annual interest to member accounts.

Inbound feeds into NextGen include member contributions data.

Principal outbound feeds include:

- user and operator generated reports;
- check data manually uploaded to a third-party check printing service;
- Perceptive Content images, such as estimates, eligibility letters and vesting letters; and
- check information manually loaded into TMRS' depository bank.

Hyland Perceptive Content. TMRS initially implemented Perceptive Content to support the Member Services department. Today, it is the repository of city information, member forms and correspondence stored as images. There are multiple routes by which data and images are routed into Perceptive Content, including:

- High Volume Scanning – This involves a variety of TMRS forms and documents that are part of established workflow processes. The Records team retrieves these items from the daily mail and scans and indexes the documents into Perceptive Content. The scanned workflow is then forwarded to Member Services for processing. Key workflows currently include new member set-up, beneficiary changes, address changes, withholding changes, restricted prior service credit processing, fax documents received, refund applications, retirement applications, city contribution reports and distributed benefit rollover forms.

- Back-end Scanning – This involves a variety of records not associated with established workflows. The Records team forwards such records directly to Member Services for handling, which are then returned to Records for scanning.
- Application Feeds – Interfaces have been created from NextGen, City Portal and MyTMRS to support the direct storage of data and images into Perceptive Content without user intervention. For example, when a user creates a retirement estimate from one of the pension applications, a PDF rendering of the estimate is automatically archived into the Perceptive Content repository.
- Desktop Document import – When viewing documents that are associated with an established workflow, NextGen users may import a document into a specified directory in Perceptive Content.

MyTMRS. This secure, web-based portal allows TMRS members to view account balance and transaction history; update contact and beneficiary information; run retirement estimates; view annual statements, apply for a refund or retirement, and manage communication preferences. Retirees can view benefit information; payment history; annual retiree benefit statements; tax documents; update address, phone number, direct deposit, beneficiary and withholding information; and manage communication preferences.

City Portal. This secure, web-based portal allows authorized city personnel to generate reports, run estimates for members, look up beneficiary information and submit monthly contribution report data and payments. Authorized users can also view member account balances and service credit totals and enroll new members into TMRS.

Census Reports

Control Objective 1: Controls provide reasonable assurance that reporting of participant census to the TMRS consulting actuary is complete and accurate.

Census Data

Personal data is collected from the member at the time of enrollment to establish an account, determine to whom benefits can be paid, and provide personal data required to perform the annual actuarial valuation. The actuary performs a life-by-life validation of each member as part of the valuation process.

New Member Enrollment

New employee enrollment is completed online by the employer city using the City Portal. The electronic form contains data necessary to set up a member account in TMRS. The following fields are mandatory and must be included to establish a new member account: name, Social Security Number, mailing address, gender, date of birth (DOB), gross monthly salary, and date of participation. A welcome letter is sent to the Member to review the information for accuracy and to instruct the Member on how to create a MyTMRS account where they may add and or update their beneficiary information. Manual changes to a member's key demographic data are made by authorized individuals on the City Portal Team after verification is received from the employer city.

Enrollment through the City Portal automatically creates a new member account in NextGen. If a Member account already exists, the information is distributed to a work queue for manual review. A monthly audit is run that reports accounts that may be duplicates. The Analyst reviews the monthly audit report to resolve duplicate accounts.

While an employee might be added to the NextGen database, the employee is not included in the census data unless corresponding contributions have been matched to their account. Prior to TMRS' fiscal year-end on December 31, a series of audits are conducted to ensure that accurate and complete data is maintained in NextGen. This data is used by the actuary in preparing the annual actuarial valuation and used by TMRS in preparing Annual Statements for both members and retirees.

New cities joining TMRS are assisted by the City Services Department with setting up their employees (enrollment) in the City Portal and are provided with prior service credit forms.

Plan Changes

Each participating city selects the benefit plan provisions from the options provided under the TMRS Act. Certain options can be adopted or changed periodically under the statute. Changes to plan provisions are adopted by official action of the city's governing body. There are several controls in place to manage changes made to a city's plan benefits.

1. TMRS provides a model ordinance or resolution (depending upon the type of entity) and the cost for adopting the plan change to an interested city to ensure the plan change adopted is in accordance with the TMRS Act.
2. Access rights in NextGen limit individuals authorized to make plan changes.
3. The Director of City and Member Services or the Director of Actuarial Services independently inputs a plan change and an Actuarial Services employee verifies the plan change.
4. TMRS sends written notification to the city, confirming receipt of the plan change.
5. The appropriate internal parties are notified of the change.

Data File for Consulting Actuary

Each year TMRS' independent consulting actuary, Gabriel, Roeder, Smith & Company (GRS), prepares an actuarial valuation for each participating city to determine the city's liabilities under the plan and calculates the contribution rate required to fund these liabilities.

The actuarial valuation is based on census data supplied by TMRS. The census data files (active member file and retiree file) used in the annual actuarial valuation are generated by the Information Services department. Both data files go through validation procedures prior to being delivered to the actuary.

<u>Active Member File</u>

Data In File

The active member data file contains those members who are active (i.e., contributing) and those members who are inactive (i.e., noncontributing) and entitled to, but not yet receiving, benefits.

TMRS Validation

The active member data file validation begins by confirming the completeness and accuracy of account information.

- TMRS verifies that every active membership that was in the previous valuation file is represented in the current year's valuation file. TMRS reviews exception reports to ensure all contributing members are included for valuation purposes and all noncontributing members do not assume future contributions.
- TMRS verifies that all accounts for individuals who retired in the valuation year or later are in the data file.
- TMRS also verifies that all accounts for members who applied for a refund during the valuation year or later are included in the data file.
- TMRS verifies that all accounts that have been escheated during the past two valuation years are included in the data file.

- TMRS reviews exception reports of contributing members without a December contribution and noncontributing members with a December contribution, as submitted by the city.
- TMRS confirms that the demographic data, compiled from the census files and related audits, for each account, is correct. This verification confirms a match between NextGen and the “active members data file” for the following data types: gender, date of birth, termination date, death date, employing city, fire or police type, retirement from another membership, contributing to another city and earliest participation date.
- For each record in the active members data file, TMRS confirms that all contribution and service credit data matches NextGen data. These values are summarized at both the account level and grand totals for comparison.
- The status of the account (contributing, vested death, refund death, refund, noncontributing, death retirement and service or disability retirement) in the file is compared to NextGen.
- TMRS validates beneficiary information for vested death accounts. Beneficiary information (gender and date of birth) is only provided to the actuary when a single living beneficiary exists for a deceased member.

GRS Validation

Once these tests and verifications have been completed, the active member file is transmitted to GRS. Once received, GRS first verifies the sent file matches the file received by comparing control totals. GRS next performs an extensive series of tests and audits on the data.

For active members, GRS checks for consistency in basic demographic information with the prior year; performs a comparison of the changes in the service fields to expectations; reviews salary changes from the prior year on an individual basis and changes to average salaries for each city; reviews the interest credit and account balance roll forwards; and checks the separate components involved in the Updated Service Credit computation.

Upon completion of this testing:

- GRS sends TMRS a spreadsheet listing exceptions found.
- TMRS Information Services, Benefit Administration, and City Services departments review each exception.
- Upon review, a file is created listing the exception and the TMRS explanation for the exception. This Exception Response File is uploaded to GRS.
- If the TMRS exception review identifies scenarios which require a data modification in NextGen, then a new Active Member File is generated by TMRS and delivered to GRS. Using this process, the census data in NextGen always matches the data provided to GRS.

<u>Retiree File</u>

Data In File

The retiree data file contains inactive (i.e., non-contributing) members or beneficiaries currently receiving benefits and those who have stopped receiving benefits within the last year.

TMRS Validation

The retiree actuarial data file goes through a validation process to confirm the completeness and accuracy of account information.

- The first series of comparisons ensures that the number of records in the file matches the number of memberships that received a payment during the valuation year, and that any discrepancies are resolved.
- TMRS ensures that any membership which received a payment in the valuation year is included in the file.
- TMRS ensures that anyone on the previous year's report, with a continuing status, is included in the file.
- Information Services runs a comparison of annuity amounts reported to the actual annuity amounts in the pension benefit system, and Benefit Administration analysts reconcile any mismatches found.

GRS Validation

Once these tests and verifications have been completed, the retiree file is transmitted to GRS. Once received, GRS first verifies the sent file matches the file received by comparing control totals. GRS next performs an extensive series of tests and audits on the data.

For retirees, GRS checks for consistency in basic demographic information from the prior year for the retirees and beneficiaries (if applicable) and reviews records with a change in status or payment form compared to the prior year to verify that benefits have changed as expected.

In addition, GRS reviews changes in benefit amounts due to cost-of-living adjustments to verify that increases are consistent with city plan provisions and actual changes in the Consumer Price Index (CPI) based on the individual's date of retirement.

Upon completion of this testing:

- GRS sends TMRS a spreadsheet listing exceptions found.
- TMRS Information Services, Benefit Administration, and City Services staff review exceptions.
- A file is created listing the exception and the TMRS explanation for the exception. This Exception Response File is uploaded to GRS.
- If the TMRS exception review identifies scenarios which require a data modification in NextGen, then a new Retiree File is generated by TMRS and delivered to GRS.
- Using this process, the census data in NextGen always matches the data provided to GRS.

Internal Actuarial Review

Prior to presentation of the valuation to the Board of Trustees for action, the consulting actuary delivers to the TMRS Director of Actuarial Services, who is an actuary, various sections of the Valuation Report for review. The Director of Actuarial Services confirms that all plan changes adopted by cities have been included in the valuation. Preliminary valuation results are provided to the D. The Director of Actuarial Services and the Actuarial Analyst review these results, and changes outside of a reasonable range (+/- 0.75%) are randomly reviewed in further detail. Upon completing the review of the preliminary results, the consulting actuary delivers the complete Valuation Report to the Director of Actuarial Services, which is reviewed in total for accuracy. Finally, upon the Board of Trustees' adoption of the Valuation Report, the consulting actuary delivers the Contribution Rates file from the adopted valuation. The Director of Actuarial Services performs a city-by-city comparison of this file to the contribution rates included in the Valuation Report and then delivers the file to the Information Services department for uploading to TMRS' database. Once the contribution rates are uploaded to the database, they are again compared on a city-by-city basis to ensure the upload was complete and accurate.

Contributions

Control Objective 2: Controls provide reasonable assurance that contributions are posted completely and accurately to the employee and employer accounts in the proper period.

Collection of Contributions

City contribution rates are obtained from the annual actuarial valuation and, after review by the Director of Actuarial Services, Actuarial Analyst, and adoption by the Board of Trustees, are entered into NextGen by the Information Services department. The Director of Actuarial Services confirms the rates entered in NextGen are correct. Updated rates are synced with the City Portal. Modification to contribution rates in NextGen are restricted to the Director of City and Member Services, the Director of Education Services, the Director of Actuarial Services, and NextGen system administrators.

Each month, cities are required to report their participating employees' monthly gross compensation and contributions through the City Portal. The contribution reporting fields include the following:

- Employee name
- Employee Social Security Number
- Employee monthly gross compensation
- Employee monthly contributions

The amount owed by the city is calculated based on the individual city's actuarially determined rate (with an option to pay at a higher rate) and the city's employee deposit rate. The city makes payment directly through the City Portal or outside of the City Portal via check or ACH. A city's monthly contribution is due before the 16th of the month following the respective payroll period per the TMRS Act, Section 855.402(e)(3). If a city fails to remit the required contributions by the due date, a late interest penalty is assessed at an annual rate that is the total of the System's investment return assumption for the preceding calendar year, plus two percent.

Only authorized City Portal Users can submit and pay for the monthly contribution reports. An authorized City Portal user electronically certifies the contribution report is complete and accurate when the contribution report is submitted.

Contribution Workflow

Cities must submit employee and employer contribution reports electronically via a secure connection through the City Portal, and the required contributions are paid either through the TMRS City Portal via automatic draft of the city's bank account, or outside the TMRS City Portal via ACH payment or by paper check.

For payments made outside the City Portal:

> The Records team delivers checks received to the Finance department for deposit into TMRS' trust bank account. ACH payments received are monitored daily by the Finance department.
>
> The Accounting team enters the check and ACH payments into the TMRS City Portal, which creates an unallocated cash receipt. The accountant matches the payment received to an open invoice in the City Portal.

This information is synced daily with NextGen and integrated into TMRS' general ledger. Access to allocate cash in the City Portal is restricted to City and Member Services and Information Services personnel, and access to enter the deposit information in City Portal is restricted to accounting.

Accounting personnel perform a monthly reconciliation of contribution activity in NextGen to the general ledger. The Accounting Manager reviews the reconciliation to ensure it was properly completed.

Managing Completeness of Contributions

Once a city uploads or manually enters their monthly contribution report using the City Portal, a series of validations, including a system recalculated expected contribution, is performed on the information reported. Error and Notices will be displayed. An Error must be resolved, while a Notice is for informational purposes only. Once all Errors are resolved, the city can submit the report.

The City Portal will not allow contribution reports to be processed if the following errors exist:

- The number of pay periods covered by the report is not specified.
- SSN cannot be matched to a record within NextGen.
- The contribution amount does not match the expected amount using contribution rates noted in NextGen.
- The Optional Employer Rate must be greater than or equal to the Minimum Employer Rate.

Employee contributions are updated electronically based on the Social Security Number reported on the contribution report submitted through the City Portal. TMRS relies on the city to certify the correct gross compensation and Social Security Number for each employee. NextGen automatically updates any contributions assigned to a Social Security Number that has been assigned to an account in NextGen. An existing account in NextGen is required for the city to report compensation and contributions for an employee. If there is no existing account, the city must enroll the member before a contribution can be reported. Annual Statements are sent to each member confirming the previous year's TMRS contributions. Members may also log into MyTMRS to confirm their current contributions and account balances.

The City Portal will not allow cities to report compensation for an employee in excess of the annual limit as set by the Internal Revenue Service. The City Portal will warn cities as an employee approaches the annual limit and stop contributions once the limit is reached.

Allocating Funds Timely to Proper Accounts

Participating cities are required to submit employee contributions before the 16th day of the month following the month for which the contributions were withheld from the employees' paychecks. Cities that have not paid by the due date are contacted by the City Contributions Analyst for an update on the outstanding monthly contribution report.

At the end of the monthly contributions cycle, all posted contributions are exported electronically for the accounting department's journal entry. The accounting department reconciles activity in the Benefit Accumulation Fund each month between NextGen and TMRS' accounting system (general ledger).

Cities may process a correction to a member's account per TMRS Act, Section 852.110. The City Contributions Team reviews corrections processed through the TMRS City Portal. Corrections involving litigation or administrative proceedings are approved by the Chief Legal Officer or an Assistant General Counsel.

Income Allocation

Control Objective 3: Controls provide reasonable assurance that income allocations are calculated accurately, then posted completely and accurately to the city accounts based on amounts approved by the Board of Trustees.

The TMRS Act requires that the System allocate or distribute income on an annual basis, effective as of December 31 of each year.

The accounting department calculates the estimated net investment income for the fiscal year (January to December) in accordance with generally accepted accounting principles (GAAP). With input from the Accounting, Investment and Actuarial departments, GRS presents a recommendation to the Board of Trustees to allocate estimated net investment income to the System's four different funds. The Supplemental Death and Supplemental Disability fund allocations are set by the TMRS Act at 5%. The Board then decides the allocations to the Benefit Accumulation Fund (BAF) and the Interest Reserve Account for TMRS operating funds.

After the Board approves the BAF interest credit rate, TMRS allocates the interest credit to the individual cities, pro-rata based on each city's beginning BAF balances.

From an Excel file, a journal entry is created, crediting each city's BAF account as of year-end and debiting or charging the Interest Reserve Account in total. The Excel file and journal entry are forwarded to the Chief Financial Officer for review and approval. Once approved, the journal entry is posted to the General Ledger.

Fund Balances

Control Objective 4: Controls provide reasonable assurance that fund balances are reconciled and reported accurately and completely.

TMRS is required by the Governmental Accounting Standards Board (GASB) Statements No. 67 and 68 to allocate all funds to its participating employers for financial reporting purposes. After allocating all funds, TMRS determines each participating city's fiduciary net position (FNP).

Development of Fiduciary Net Position (FNP) by City

Created annually, the Schedule of FNPs sets forth each city's Fiduciary Net Position at year-end for financial reporting purposes, as well as for TMRS' consulting actuary's determination of the net pension liability (NPL) for GASB reporting purposes. A city's FNP is comprised of the city's beginning year's FNP, its current-year activity in the city's benefit accumulation fund, plus the allocation of other funds (noted below).

At year-end, the accounting department allocates all remaining "funds", in addition to the Benefit Accumulation Fund or BAF, to the city accounts for financial reporting purposes only.

TMRS allocates the annual activity of the Endowment Fund and Expense Fund pro-rata to cities based on their beginning FNP balance. For the Supplemental Disability Benefits Fund and the Full Benefit Arrangement Fund annual activity is allocated to the respective city accounts that had activity during the year. Net investment income, less the interest credited to each city's BAF, is allocated pro-rata to cities based on their beginning FNP balance.

This allocation of other funds is included in the FNP schedule (noted above), depicting the total fiduciary net position by city. The Accounting Manager creates this schedule and forwards to the Chief Financial Officer for review and approval. The Chief Financial Officer approves and forwards the schedule to the consulting actuaries for use in developing each city's Net Pension Liability to include in the annual reporting actuarial valuation for GASB 68.

Distributions

Control Objective 5: Controls provide reasonable assurance that distributions (i.e., disability, partial lump sums, refunds, and service retirements) are authorized and processed accurately, completely, and in accordance with employer plan provisions.

Members can request an account distribution by submitting the appropriate forms or refunds can be requested online through MyTMRS. Additionally, since July 2025, eligible members can apply for retirement online through MyTMRS. Account distributions require the Member's final city employer to certify that the Member has left employment and to confirm the month and year of the final payroll contribution. The Benefit Administration (BA) department is responsible for processing Member account distributions.

Retirement Requests

A government-issued ID is required for processing Retirement Applications. A BA analyst validates the information on the Application against the Member information in NextGen and verifies that:

- the Member is eligible for retirement,
- the city employee who signed the form is an authorized signer for the city,
- the termination date has already passed or there are future contributions still pending for current city,
- there is no new enrollment paperwork, the retirement will be cancelled if the member begins to work for any city before their TMRS retirement date, and
- direct deposit accounts are verified through JP Morgan for any online retirement applications.

The analyst manually updates the type of retirement (Service or Disability), retirement option, designated beneficiary information, partial lump sum distribution election, direct deposit and withholding information, and date of final deposit into NextGen. A quality review is conducted by a second analyst who validates the data entered in NextGen, the documents provided, and any letters sent to the Member. The second analyst also confirms that benefit eligibility requirements have been satisfied. An "All Papers in Order" (APIO) confirmation letter is generated and mailed to the member. Notes from the original processor and QC analyst are entered into NextGen. In the case of an online Retirement request through MyTMRS, retirement selections are automatically updated in the member's NextGen account to be verified by an analyst.

During the monthly retirement process, a pending retiree audit identifies which pending retirements need a "Final Annuity Calculation" generated. NextGen generates the calculation based on the data in the system, and the analyst reviewing the calculation reviews the member's account to ensure the final payroll contribution has been received. If the final contribution has been received, the reviewing analyst checks a box in NextGen to indicate benefit payments should begin.

Forms

- Retirement Application *required*
- Driver's License or Government-Issued ID *required*
- Name Certification *required if name on application doesn't match the government-issued ID*

Disability Retirement

A BA analyst confirms the information on the Application for Occupational Disability Retirement with the member's account information in NextGen, and submits the Application, the employer statement, the physician statement, Medical Records (optional) and the member statement to the TMRS Medical Board for review. The Medical Board must approve all disability applications before the disability retirement is processed.

If approved, the analysts follow the same system process and quality review process followed for retirement applications when processing a disability retirement. If the member is not eligible for service retirement but they retire under disability retirement, the member is not eligible to elect a PLSD. If the Member is eligible for service retirement, they can choose to retire, and the analyst would follow the steps above for retirement processing.

They may also return to work with the city in a different position after their effective retirement date.

Forms

- Application for Occupational Disability Retirement (TMRS-15/O) *required*
- Selection of Retirement Plan (TMRS-24) *required*
- Disability statements by the employing city, attending physician and the member (TMRS-40/OA, TMRS-40/OB, TMRS-40/OC) *required*
- *City Job Description required*
- *Medical Records (Optional)*
- Name Certification (TMRS-30) *required under specific circumstances*
- Driver's License or Government-issued ID *required*
- Medical Board Approval (TMRS-43) *required*
- Direct Deposit Authorization (TMRS-80E) *required, but limited waiver available*

Refund Requests

A government-issued ID is required for processing Refund Applications. A BA analyst validates the information on the Application against the Member information in NextGen and verifies that:

- the Member is not vested or eligible for retirement,
- the city employee who signed the form is an authorized signer for the city,
- the termination date has already passed or if there are future contributions still pending, and
- there is no enrollment paperwork. The refund will be cancelled if the member returns to work for any city before their refund is processed.

If the member is vested or eligible for retirement, the analyst will call the member to discuss their eligibility for a lifetime benefit and will send them a letter that includes an estimate of their future benefits and gives them instructions on how to request a cancellation of their refund.

The analyst enters the date of final deposit and the direct deposit payment information into NextGen. A second analyst conducts a quality review of the data entered, using the TMRS correspondence sent to the member and from documents and TMRS forms received from the member. The second analyst also confirms that all refund requirements have been satisfied.

Members may also initiate refund requests online through MyTMRS. To request a refund online, the member must have a registered MyTMRS account that has been open for eight days and must pass additional security questions. Once the member completes the online refund application, TMRS sends a request to the last employing city through the City Portal to certify that the member is no longer employed and the final payroll contribution date.

Forms

- Refund Application (REFDOC) *required*
- Driver's License or Government-Issued ID *required*
- Direct Deposit Authorization (TMRS-80E) *required, but limited waiver available*
- Rollover of Lump Sum Payment (TMRS-ROLL) *optional*

Ongoing Account Maintenance that Affects Distributions

Address Changes

Address changes may be made in writing or through MyTMRS. For payments issued by paper check, an address change must be made in writing with the payee's signature. This update requires verification by a second analyst if it affects the payment. Addresses are also updated periodically from the National Change of Address (NCOA) listing provided by the Unites States Postal System. NCOA address updates are not made for pending retirees or retirees receiving paper checks. Members receive an auto-generated letter confirming the change.

Forms

- Address or Name Change Form (TMRS-CHNG) *required if not done through MyTMRS*
- Affidavit for Payment by Check (TMRS-AFFDIRDEP) *required if requesting payment by check*

Direct Deposit Changes

For accounts in pay status, direct deposit information may be updated on a notarized TMRS form or through MyTMRS. Changes made from the TMRS form require the BA analyst to enter the account number and routing number twice in NextGen to ensure accuracy. A second analyst quality reviews the information. Direct deposit updates made through MyTMRS are completed by the retiree after they confirm their identity through security questions. Members receive an auto-generated letter confirming the change.

Form

- Direct Deposit Authorization (TMRS-80N) *required*

Payee Death Notification

TMRS receives notice of member, retiree, and beneficiary deaths from calls made to the Member Service Center (MSC). When a MSC analyst receives a death notice, the MSC analyst transfers the call to a Benefit Administration Analyst. The Benefit Administration Analyst enters the date of death in NextGen, which immediately stops any future payments after the month of death and terminates MyTMRS access.

TMRS also contracts with third-party vendors that compare TMRS data to state and federal agency death notifications. TMRS performs a bi-monthly file match with the Texas Department of State Health Services (DSHS) and monthly with Lexis Nexis. The file match identifies deceased payees and beneficiaries. These reports are researched and processed by the BA analysts. Like the MSC process, the BA analyst enters the date of death into NextGen, which automatically stops benefit payments after the month of death and immediately terminates access to the payee's account on MyTMRS.

BA analysts send instructions and required TMRS forms to the beneficiaries on file in NextGen. If there are no beneficiaries on file, or the beneficiary pre-deceased the Member, the BA analysts research for potential heirs and send correspondence requesting contact information. Once the TMRS forms are received from the beneficiary(ies), the analysts review the forms and information provided, including the death certificate. A second analyst verifies the information entered in NextGen and any correspondence generated related to the death benefits prior to issuing any benefit payments.

Forms

- Copy of Final Death Certificate *required*
- Application for Refund by Member's Beneficiary (TMRS-0025) *required if applicable*
- Cash Out of Retirement by Designated Beneficiary of Deceased Vested Member (TMRS-005CB) *required if applicable*
- Application for Benefits of Deceased Vested Member by Spouse (TMRS-0025VS) *required if applicable*
- Application for Benefits of Deceased Vested Member by Individual Non-Spouse Beneficiary (TMRS-0025VN) *required if applicable*
- Application for Benefits of Deceased Vested Member by Co-Beneficiary (TMRS-0025VM) *required if applicable*
- Supplemental Death Benefit Application (TMRS-71) *required if provided by the employing city*
- Direct Deposit Authorization (TMRS-80E) *required if applicable, but limited waiver available*
- Rollover of Lump Sum Payment (TMRS-ROLL) *optional*

Monthly Exception Reports

BA analysts generate and review reports to ensure process completion and accuracy. Here is a list of the reports reviewed and quality checked:

- Retirement Set-Up Exception – BA analysts generate a report to identify member accounts with a pending retirement status that have not been finalized and need a benefit calculation.
- Retired Members Returning to Work for Same City/Who May Need to be Unsuspended – Analysts review a report that reflects retirees who may have returned for the same city and need to have their benefit suspended. Members who were suspended but retire are given the option to resume benefit payments.
- Terminated Accounts with Non-Zero Balance (Supplemental Deposits) – Analysts review a report that lists accounts where contributions were received after the account was refunded or retired.
- Retired – The City Contribution system will only accept deposits for retired accounts within two months of the retirement date. The benefit payment is recalculated to include the additional funds. If a second supplemental deposit is reported, the analyst contacts the city to determine if the retiree has resumed employment with the same city from which they retired. If the retiree has resumed employment with the same city without at least a one-year break in service from the effective retirement date (last day of the month), the analyst suspends the retiree's benefit, and a letter is generated to the retiree informing them that their benefit has been suspended.
- Refunded – The City Contribution system will not accept deposits for accounts that are refunded. The city will need to refund the supplemental deposit to the member.

Management Review

BA management review reports for accuracy on a monthly and quarterly basis.

- Random Sample – A BA Manager randomly samples 3% of the retirement benefits set up for the month and reviews the work completed by the analyst to identify any procedural issues or areas for improved accuracy.
- Manual Annuity and USC/PS Edits - A report is generated every month that lists all manual annuity edits, manual Updated Service Credit and Prior Service Credit adjustments, and any garnishments that are applied during the month. The report is reviewed and approved by the Deputy Chief Service Officer and Director of City and Member Services to ensure that the manual edits were justified and appropriate.
- Internal Revenue Code (IRC) Compliance – This monthly report is generated after the retirement process is completed and lists new retirees that:
    - reached the IRS required minimum distribution age,
    - required an IRC 401(a)(9) limitations calculation, and
    - have a benefit calculation that is 90% of the IRC Section 415 limit.

  BA Management reviews this report to ensure the calculations are correct and the process was followed for each retiree on the list.
- Quarterly Monitoring of Manager Account Creation and Payment Processing –The BA Director reviews a quarterly report for instances in which BA staff enrolled a TMRS employee in NextGen and subsequently set up a refund or retirement for that same employee. TMRS HR started enrolling TMRS employees in 2021.

Authorization

BA reviews member account distributions from the final report named, “Issue Payments” to and generates the payment file to send to the Finance department. The Finance department sends the file to the bank.

Cost of Living Adjustments (COLAs)

The City Services team and Information Services administrators are the only TMRS staff with permissions to make city plan modifications in NextGen. City Services staff enter the COLA percentage, based on city provisions, into NextGen. These COLA plan changes are verified by Actuarial Services. The COLA amounts are derived in NextGen based on the percentage adopted, the COLA type (retroactive and non-retroactive), the amount of the original monthly benefit or current monthly benefit, and the date of retirement. BA analysts process manual adjustments to COLA amounts due to court orders and divisions between co-beneficiaries and/or heirs. The adjustments are quality reviewed by a second analyst and Benefit Administration management.

Reconciliations

Accounting department personnel perform a monthly reconciliation of distribution activity from NextGen to the accounting general ledger. The Accountant runs the reconciliation report and explains any reconciling items, and the Accounting Manager or Chief Financial Officer reviews the reconciliation.

System Maintenance

Control Objective 6: Controls provide reasonable assurance that modifications to existing systems software are authorized, tested, approved, properly implemented and documented.

Access to Implement Changes

Access to production servers, databases and application servers is restricted to authorized personnel.

System Patches

System patches are typically applied after waiting at least one week after patch release. Information Services (IS) Management authorizes the installation of patches. Authorized personnel deploy and test patches on a local non-production environment prior to patches being deployed to production.

Application Server Software and Database Patches

Application server software and database patches are considered for deployment each quarter, and AWS patches are checked weekly. Information Services (IS) Management authorizes the installation of patches. Authorized personnel deploy and test patches on a non-production environment prior to patches being deployed to production, and AWS patches are automatically applied via System Manager.

Applications Maintenance

Control Objective 7: Controls provide reasonable assurance that modifications to applications are authorized, tested, approved, properly implemented and documented.

The change management process for TMRS' internally developed applications is managed by the Director of Software Engineering. The Software team collaborates with members of the Organization to identify, plan, implement and release software changes.

Change requests can be submitted by business users or IS staff. Requests are validated and if approved by a Business Owner, then the software team will create a task to track the request.

The software team makes necessary changes to the source code in non-production environments based on specifications to support the change request. The updated code is combined with other changes slated for release and tested by quality assurance personnel. After changes are made, code reviews are performed and any changes must be approved by the Director or Manager of Software Engineering. The source control system will not allow changes to be approved by the author of the change. After quality assurance testing, user acceptance testing (UAT) allows the business users to test the software in non-production environments before its final release to production.

After release approval by Director or Manager of Software Engineering, the updated application is deployed to production.

The normal change process may be suspended for emergency changes to address critical issues. Emergency changes must be authorized by a member of Executive leadership.

Logical Access

Control Objective 8: Controls provide reasonable assurance that logical access to programs and data is granted to appropriately authorized individuals.

TMRS uses Active Directory for user access authentication and authorization to network resources, including NextGen. AWS' IAM Identity Center is used for access, authentication, and authorization to AWS resources. Network, Active Directory, and AWS access rights are managed by the Infrastructure and Cloud Operations team. Access to the database supporting NextGen is managed by the Database Administrator team and IS management. Inbound and outbound access to the TMRS network is further restricted by firewalls, which are monitored and updated by the Infrastructure and Security Teams.

Granting Access

Access requests are submitted by the Human Resources department or Management. An administrator sets up access as requested. The Director of Human Resources maintains and updates a list of new hires and terminations.

Authentication

Access to the TMRS network requires multi-factor authentication. TMRS personnel are assigned individual user accounts and there is no sharing of user accounts. After network login, access to the NextGen systems requires a username and password.

Password Policies

TMRS requires user passwords within its information system environment to meet the following requirements, when technically possible:

- Must be at least 15 characters long
- Must contain at least three of the following four components:
  - an upper-case letter
  - a lower-case letter
  - a number
  - a special character
- Must be changed at least every 365 days
- Last six passwords cannot be re-used
- Users who submit an incorrect password 10 sequential times will be automatically locked out of the system

Review of User Access Privileges

An annual review of employee network and application permissions is initiated by the Information Services department. Permissions are reviewed by applicable business owners to ensure that employees have appropriate access to TMRS' computer resources based on job duties.

Administrative Access

Administrative access to systems and applications is restricted to authorized individuals based on their job requirements.

Backups

Control Objective 9: Controls provide reasonable assurance that data and systems are backed up on a scheduled basis and stored in an offsite location.

TMRS uses a managed Disaster Recovery as a Service (DRaaS) provider to replicate and backup critical data. Encrypted backups are completed and retained according to TMRS' backup policy. Copies of the encrypted backups are securely transmitted and stored offsite. The success or failure of a backup or replica is reported to Infrastructure personnel and the managed DRaaS provider to investigate and resolve errors or failures.

Administrative access to the backup server is required to modify the backup schedule. Access to the backup scheduler and backups is restricted to authorized personnel.

System restorations are formally tested on an annual basis. Functionality is tested to ensure the restorations are successful.

Complementary User Entity Controls

Many aspects of the pension processes at TMRS are dependent on the processes that occur at the city (also known as a "user entity").

The items listed below are internal control responsibilities that TMRS believes should be present at each participating city. Each city must evaluate its own internal controls to determine if the following are in place and operating effectively. The following list is intended to address only those controls surrounding the data and communications between TMRS and the city. Accordingly, the list below should not be considered a comprehensive list of all controls that should be employed by user organizations.

Control Objective 1: Census Reports

- User organizations are responsible for establishing controls to ensure that only authorized city representatives (authorized City Contacts) have access to enter information on the City Portal for new Member enrollment data.
- User organizations are responsible for establishing controls to ensure that workers are properly classified as "employees" under the TMRS Act.
- User organizations are responsible for establishing controls to ensure that all plan amendments (i.e., ordinances) are forwarded to TMRS in a timely manner.
- User organizations are responsible for establishing controls to ensure that TMRS is provided with information that is accurate, complete, properly authorized (if applicable), and in accordance with plan guidelines.

Control Objective 2: Contributions

- User organizations are responsible for establishing controls to ensure that monthly gross wages that are reported to TMRS are complete and accurate.
- User organizations are responsible for establishing controls to ensure that only appropriate city representatives are authorized to submit and certify the monthly contributions report.
- User organizations are responsible for establishing controls to ensure that contributions are remitted to TMRS before the 16th day of the month following the payroll period.
- User organizations are responsible for establishing controls to ensure that contribution data submitted to TMRS is properly identified with the correct Social Security Number.

- User organizations are responsible for establishing controls to ensure that city representatives are responsible for notifying TMRS of any corrections needed to the contribution reports.

Control Objective 5: Distributions

- User organizations are responsible for establishing controls to ensure that only authorized city representatives can authorize distributions (e.g., certify the following forms: Application for Occupational Disability Retirement form, Application for Retirement form and Refund Application).

Complementary Subservice Organization Controls

TMRS' controls related to the Pension Management System cover only a portion of overall internal control for each user entity of TMRS. It is not reasonable for the control objectives related to the Pension Management System to be achieved solely by TMRS. Therefore, each user entity's internal control over financial reporting must be evaluated in conjunction with TMRS' controls described in section IV of this report, taking into account the related complementary subservice organization controls expected to be implemented at the subservice organization as described below.

Related Control Objective	Control(s) Responsibility
Subservice Organization	
Tegrit	Subservice organization is responsible for managing system and application maintenance and logical access to the TMRS City Portal (Control Objectives 7 and 8).
AWS	Subservice organization is responsible for the physical security of its data centers and the availability of underlying cloud infrastructure components, including compute, storage, and networking services used to support TMRS systems.
Switch	Subservice organization is responsible for managing the physical security of the data center colocation facility.

Section IV. Pension Management Control Objectives and Related Controls, and CliftonLarsonAllen LLP's Test(s) of Controls and Test(s) Results

Overview

This section presents the following information provided by TMRS:

- The control objectives specified by the management of TMRS
- The controls established and specified by TMRS to achieve the specified control objectives

Also included in this section is the following information provided by the service auditors':

- A description of the tests performed by the service auditors to determine whether the service organization's controls were operating with sufficient effectiveness to achieve specified control objectives. The service auditor determined the nature, timing, and extent of the testing performed.
- The results of the service auditor's tests of controls.

Tests of Control(s) Operating Effectiveness

CliftonLarsonAllen LLP's (CLA) tests of operating effectiveness of controls included such tests as we considered necessary in the circumstances to evaluate whether those controls, and the extent of compliance with them, are sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were achieved during the period from May 1, 2025 to April 30, 2026. Our tests of operating effectiveness of controls were designed to cover the period from May 1, 2025 to April 30, 2026 for each of the controls listed in the matrix in section IV, which are designed to achieve the specified control objectives. In selecting particular tests of the operating effectiveness of controls, we considered (a) the nature of the controls being tested, (b) the types and competence of available evidential matter, and (c) the control objectives to be achieved. Tests performed to determine the operating effectiveness of controls are described below:

Test Type	Description
Inquiry	Made inquiries of appropriate TMRS personnel to obtain information or corroborating evidence of the control.
Observation	Observed that a specific control exists, is appropriate and operating as intended.
Inspection	Inspected documents and reports indicating performance of the control. This includes, among other things: • Inspection of reconciliations and management reports. • Examining documents or records of performance such as the existence of initials or signatures.
Re-Performance	Re-performed the control or processing application of the control to ensure the accuracy of their operation.

Evaluating the Reliability of Information Produced by the Entity (IPE)

As required by paragraph .36 of AT-C section 205, Examination Engagements (AICPA, Professional Standards), when using information produced by the entity TMRS) (IPE) for CliftonLarsonAllen, such as a user-access list, population of items, or other system-generated data, we evaluated whether the information was sufficiently reliable for our purposes by a) obtaining evidence about the accuracy and completeness of such information and b) evaluating whether the information was sufficiently precise and detailed for our purposes. Based on the nature and source of the information and the circumstances under which it was obtained, we performed related procedures to the extent we deemed necessary, including, but not limited to:

- Validating the source of the IPE
- Inspecting the query, script, or parameters used to generate the IPE
- Agreeing data between the IPE and the source
- Inspecting the IPE for anomalous gaps in the sequence or timing

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
Control Objective 1 - Census Reporting			
Controls provide reasonable assurance that reporting of participant census to the TMRS outside actuary is complete and accurate.			
CO1.1	The City Portal and the NextGen application require member demographic information (i.e., first and last name, and gender) to be completed for new member enrollment.	Inspected the system error messages to determine that City Portal prevented progression of member enrollment until all required demographic information fields were completed.	No Exceptions Noted.
CO1.2	The Director of City and Member Services or Director of Actuarial Services independently inputs a plan change and an Actuarial Services employee performs a review of plan changes to determine whether they were entered into NextGen accurately and documents their review in the plan change cover memo.	Inspected plan change cover memoranda for a selection of plan changes during the period to determine that an Actuarial Services employee reviewed the plan changes to confirm accurate entry into NextGen and documented evidence of review in the cover memo.	No Exceptions Noted.
CO1.3	Access to modify plans in NextGen is restricted to authorized individuals, including the Director of City and Member Services, the Director of Actuarial Services, the Director of Education Services, and NextGen System Administrators.	Inspected an Active Directory group listing of users with the ability to modify plans in NextGen along with annual user access review documentation to determine that access was restricted to authorized individuals, including the Director of City and Member Services, the Director of Actuarial Services, the Director of Education Services, and NextGen System Administrators.	No Exceptions Noted.
CO1.4	Information Services performs a review of the active actuarial file for completeness and accuracy before sending to the outside actuary.	Inspected a log of data validation queries and related results performed by Information Services against the active actuarial file to determine that the completeness and accuracy of the active member file provided to the external actuary were reviewed.	No Exceptions Noted.
CO1.5	Information Services performs a review of the retiree actuarial file for completeness and accuracy before sending to the outside actuary.	Inspected a log of data validation queries and related results performed by Information Services against the retiree actuarial file to determine that the completeness and accuracy of the retiree member file provided to the external actuary were reviewed.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
CO1.6	Information Services, Benefit Administration, and City Services department review and resolve the list of exceptions noted in the active and retiree actuarial files by the outside actuary.	Inspected the lists of exceptions noted in the active and retiree actuarial files prepared by the outside actuary and evidence of review by Information Services, Benefit Administration, and City Services to determine that the exceptions were reviewed and resolved.	No Exceptions Noted.
CO1.7	Changes to a member's key demographic data are made by authorized individuals on the City Portal Team after verification is received from the employer city.	Inspected the change documentation for a selection of changes to determine that changes were made based on the documentation obtained from the employer city and that the changes were made by authorized individuals of the City Portal Team.	No Exceptions Noted.
Control Objective 2 - Contributions			
Controls provide reasonable assurance that contributions are posted completely and accurately to the employee and employer accounts in the proper period.			
CO2.1	After uploading the cities' contribution rates from the outside actuary into NextGen, the Director of Actuarial Services compares the rates in NextGen to the rates from the outside actuary to confirm the rates were uploaded completely and accurately.	Inspected an Excel spreadsheet comparing rates maintained in NextGen to rates received from the external actuary to determine that the Director of Actuarial Services performed a comparison of the rates and no differences were identified.	No Exceptions Noted.
CO2.2	Access to modify contribution rates in NextGen is restricted to authorized individuals, including the Director of City and Member Services, the Director of Actuarial Services, the Director of Education Services, and NextGen System Administrators.	Inspected the Active Directory group listing of users able to modify contribution rates along with annual user access review documentation to determine that access was restricted to authorized individuals, including the Director of City and Member Services, the Director of Education Services, and NextGen System Administrators.	No Exceptions Noted.
CO2.3	The ability to allocate cash is separated from the ability to enter cash receipts through logical access controls when special purchases are received from members.	Inspected the listing of AD users with the ability to allocate cash and the NextGen group listing of users with ability to enter cash receipts to determine that logical access controls enforce segregation between cash allocation and cash receipt entry for special purchases.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
CO2.4	Accounting personnel perform a monthly reconciliation of contribution and distribution activity in NextGen to the general ledger. The Accounting Manager reviews the reconciliation to ensure it was properly performed.	Inspected the monthly BAF Reconciliation Summary report from NextGen and the BAF Reconciliation Summary spreadsheets for a selection of months to determine that accounting personnel performed the reconciliation of contribution and distribution activity in NextGen to the general ledger and that the Accounting Manager reviewed the reconciliation to ensure it was properly performed.	No Exceptions Noted.
CO2.5	The City Portal automatically sends an email notification to municipalities that have not submitted payroll contributions by the 15th of the month.	Inspected late city notification emails for a selection of month during the period to determine that email notifications were automatically sent to municipalities that had not submitted their monthly payroll contributions by the 15th of the month.	No Exceptions Noted.
CO2.6	Employee contributions are updated electronically to the correct employee accounts in NextGen based on the Social Security Number reported on the contribution report submitted through the City Portal.	Inspected the NextGen dashboard for an example payee to determine that contributions were updated electronically to the correct employee accounts in NextGen based on the Social Security Number reported on the contribution report submitted through the City Portal.	No Exceptions Noted.
CO2.7	The City Portal will not allow contribution reports to be processed if the following errors exist: - The number of pay periods covered by the report is not specified. - SSN cannot be matched to a record within NextGen. - The contribution amount does not agree to the expected using contribution rates noted in NextGen. - The Optional Employer Rate must be greater than or equal to the Minimum Employer Rate.	Inspected system-generated error messages within the City Portal to determine that contribution reports could not be processed when: - The number of pay periods covered by the report is not specified. - SSN cannot be matched to a record within NextGen. - The contribution amount does not agree to the expected using contribution rates noted in NextGen. - The Optional Employer Rate must be greater than or equal to the Minimum Employer Rate. Inspected the Monthly Contribution Report to determine that the report was properly completed and submitted once all data entry errors were resolved.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
CO2.8	The City Portal limits contributions to the amounts established by the IRS.	Inspected system error messages in the City Portal to determine that contributions exceeding IRS limits were blocked and not accepted by the system.	No Exceptions Noted.
Control Objective 3 - Income Allocation			
Controls provide reasonable assurance that income allocations are calculated accurately, then posted completely and accurately to the city accounts based on amounts approved by the Board of Trustees.			
CO3.1	The Benefit Accumulation Fund annual income allocation rate is approved by the Board of Trustees.	Inspected the minutes of the Board of Trustees meeting to determine that the allocation rate was approved by the Board.	No Exceptions Noted.
CO3.2	The Chief Financial Officer reviews the annual journal entry for the TMRS accounting software to allocate the income to each city's BAF account and recalculates the income credit for a selection of cities to confirm the accuracy of the allocation.	Inspected the annual journal entry recorded in the TMRS accounting system and supporting documentation to determine that the allocation of income to each city's BAF account was reviewed by the Chief Financial Officer. Inspected the BAF income allocation interest credit recalculations performed by the Chief Financial Officer to determine that the recalculation was performed, the rate agreed with the rate approved by the Board, and the interest was allocated accurately. Reperformed the income allocation interest credit calculation for the cities to determine that the allocated amount was accurate.	No Exceptions Noted.
Control Objective 4 - Fund Balances			
Controls provide reasonable assurance that fund balances are reconciled and reported accurately and completely.			
CO4.1	The Chief Financial Officer reviews and approves the accuracy and completeness of the allocation of the annual activity of the Supplemental Disability Benefits, Endowment and Expense funds as of December 31 submitted to the outside consulting actuary.	Inspected documentation supporting the allocation of the fund activities to determine that the Chief Financial Officer reviewed and approved the allocation of the Supplemental Disability Benefits, Endowment and Expense funds and submitted to the outside consulting actuary.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
CO4.2	Accounting personnel perform a monthly reconciliation of contribution and distribution activity in NextGen to the general ledger. The Accounting Manager reviews the reconciliation to ensure it was properly performed.	Inspected the monthly BAF Reconciliation Summary report from NextGen and the BAF Reconciliation Summary spreadsheets for a selection of months to determine that accounting personnel performed the reconciliation of contribution and distribution activity in NextGen to the general ledger and that the Accounting Manager reviewed the reconciliation to ensure it was properly performed.	No Exceptions Noted.
CO4.3	Accounting department staff perform a monthly reconciliation of cash balances recorded in the TMRS accounting software with the monthly bank statements. The reconciliation is reviewed by a separate person in the accounting department.	Inspected the cash reconciliation for each bank account for a selection of months to determine that the reconciliations were prepared by accounting department staff and reviewed by a separate individual in the accounting department.	No Exceptions Noted.
Control Objective 5 - Disbursements			
Controls provide reasonable assurance that distributions (i.e., disability, partial lump sums, refunds, and service retirements) are authorized and processed accurately, completely, and in accordance with employer plan provisions.			
CO5.1	Application information for service/disability retirement or distributions is entered into the NextGen system by a Benefits Administration Analyst to generate the APIO (All Papers In Order) confirmation letter. A second analyst reviews all the documentation and eligibility requirements before the confirmation letter is generated and mailed to the member.	Inspected the APIO letters for a selection of applications processed during the period to determine that all required documentation and eligibility requirements were reviewed by a second analyst prior to the generation of the confirmation letter.	No Exceptions Noted.
CO5.2	A Benefit Administration manager randomly samples 3% of the retirement benefits set up for the month and reviews the work completed by the analyst to identify any procedural issues or areas for improved accuracy.	Inspected Retirement Setup Review Reports for a selection of months to determine that a Benefit Administration Manager randomly sampled 3% of retirement benefits set up for the month and reviewed the analyst's work for accuracy and procedural issues.	No Exceptions Noted.
CO5.3	A Benefit Administration analyst completes a bi-monthly review checklist to ensure all death matches from the third-party vendors are entered into NextGen accurately.	Inspected death report checklists for a selection of months to determine that they were completed by Benefit Administration.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
CO5.4	Benefit Administration performs a review of COLA adjustments to validate they are accurately applied to annuity payments (i.e., service retirements).	Inspected the COLA adjustments confirmation following the COLA rate update to determine that Benefit Administration validated the adjusted rates.	No Exceptions Noted.
CO5.5	Monthly, the Deputy Chief Service Officer and Director of City and Member Services reviews the “Manual Annuity and USC/PS Edits” report to ensure that the manual edits were justified and appropriate.	Inspected management reviews of the “Manual Annuity and USC/PS Edits” report for a selection of months to determine that changes were reviewed and confirmed as appropriate by the Deputy Chief Service Officer and Director of City and Member Services.	No Exceptions Noted.
CO5.6	Refunds of contributions (i.e., withdrawals) are certified by the employer (if issued to a member) or by a notary (if issued to a beneficiary or alternate payee) prior to disbursement.	Inspected the Refund Applications (TMRS-5 form or online application) for a selection of refunds paid during the period to determine that the applications were certified by the employer for refunds issued to members or notarized for refunds issued to beneficiaries or alternate payees, prior to disbursement.	No Exceptions Noted.
CO5.7	Monthly, the Terminated Accounts with Non-Zero Balance (Supplemental Deposits) report is generated and reviewed by Benefit Administration Analysts to resolve withdrawn accounts with balances.	Inspected the Terminated Accounts with Non-Zero Balance (Supplemental Deposits) reports for a selection of months during the period to determine that Benefit Administration Analysts performed and documented a monthly review of withdrawn accounts with non-zero balances.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
CO5.8	The ability to set up new members is separated from the ability to setup new payees (i.e., retirees and beneficiaries) through access controls. Benefit Administration staff have access to add payees as well as create new members in order to administer only TMRS employee accounts. To prevent unauthorized transactions, the Benefit Administration Director reviews the Quarterly Monitoring of Manager Account Creation and Payment Processing report for instances in which Benefit Administration staff enrolled a TMRS employee in NextGen and subsequently set up a refund or retirement for that same employee to help ensure the actions are appropriate.	Inspected Active Directory group listings to determine that access to create new members was segregated from access to set up new payees (i.e., retirees and beneficiaries) through system access controls, and that only Benefit Administration staff had access to perform both functions for the purpose of administering TMRS employee accounts. Inspected the Quarterly Monitoring of Manager Account Creation and Payment Processing reports for a selection of quarters during the period to determine that the Benefit Administration Director reviewed instances where Benefit Administration staff both enrolled a TMRS employee in NextGen and subsequently set up a refund or retirement for the same employee, to help ensure the actions were appropriate.	No Exception Noted.
CO5.9	Access to create disbursement files from NextGen and access to release the disbursement files via phone (i.e., InfoDex) is segregated between Information Services personnel and Accounting personnel.	Inspected Active Directory group listings to determine that access to create disbursement files from NextGen was restricted to Information Services personnel. Inspected InfoDex access listings to determine that access to release disbursement files via phone was restricted to Accounting personnel.	No Exceptions Noted.
CO5.10	Accounting department personnel perform a monthly reconciliation of distribution activity from NextGen to the accounting general ledger. The Accounting Manager or Chief Financial Officer reviews the reconciliation to ensure it was properly performed and all reconciling items were explained.	Inspected the BAF Reconciliation Summary spreadsheet for a selection of months during the period to determine that Accounting department personnel performed a reconciliation of distribution activity from NextGen to the accounting general ledger and that the Accounting Manager or Chief Financial Officer reviewed the reconciliation to ensure it was properly performed and reconciling items were explained.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
CO5.11	Benefit Administration reviews the weekly payouts and emails Information Services each week as evidence of review.	Inspected the emails from Benefits Administration to Information Services for a selection of weeks during the period to determine that weekly payouts were reviewed prior to the generation of the payment file.	No Exceptions Noted.
Control Objective 6 - System Maintenance			
Controls provide reasonable assurance that modifications to existing systems software are authorized, tested, approved, properly implemented and documented.			
CO6.1	Database and operating system changes are authorized, tested, approved, and documented by a manager prior to monthly and quarterly migrations to production.	Inspected change tickets for a selection of months during the period to determine that operating system changes were authorized, tested, approved, and documented by a manager prior to migration to the production environment. Inspected change tickets for a selection of quarters during the period to determine that database changes were authorized, tested, approved, and documented by a manager prior to migration to the production environment.	No Exceptions Noted.
CO6.2	Access to migrate operating system changes into production is restricted to authorized personnel, which does not include development personnel.	Inspected production server administrative user listings, along with annual user access review documentation, to determine that access to migrate operating system changes into production was restricted to authorized personnel and that development personnel were excluded from such access.	No Exception(s) Noted.
CO6.3	Access to migrate database changes into production is restricted to authorized personnel, which does not include development personnel.	Inspected the listing of users with access to migrate database changes into production, along with annual user access review documentation, to determine that access to migrate database changes into production was restricted to authorized personnel and that development personnel were excluded from such access.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
Control Objective 7 - Applications Maintenance			
Controls provide reasonable assurance that modifications to applications are authorized, tested, approved, properly implemented and documented.			
CO7.1	Application changes are documented, and authorized by a manager before development activities begin.	Inspected helpdesk tickets and associated documentation for a selection of application changes to determine that changes were documented and approved by an appropriate manager prior to the initiation of development activities.	No Exceptions Noted.
CO7.2	Application changes are tested and approved before being implemented in production.	Inspected helpdesk tickets and associated documentation for a selection of application changes implemented during the period to determine that changes were tested and approved prior to implementation in the production environment.	No Exceptions Noted.
CO7.3	Emergency changes are documented, authorized and tested before they are migrated into production.	Inspected the system-generated query results and related helpdesk tickets for the period to determine that no emergency changes occurred.	No emergency changes occurred during the reporting period. As a result, the operating effectiveness of the control could not be tested.
CO7.4	Separate environments exist for development and testing, and production.	Inspected environment-specific URLs and supporting screen captures to determine that separate development, test, and production environments were established.	No Exceptions Noted.
CO7.5	Access to migrate application changes into production is restricted to authorized personnel, which does not include development personnel.	Inspected the system-generated listing of users with access to migrate application changes to production, along with annual user access review documentation to determine that such access was restricted to authorized personnel and did not include development personnel.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
Control Objective 8 - Logical Access			
Controls provide reasonable assurance that logical access to programs and data is granted to appropriately authorized.			
CO8.1	Application password configuration settings are controlled by Active Directory and are as follows: • Min length = 15 characters • Complexity enforced • Password expiration = 365 days (configured individually for each user) • Failed logon attempts = 10	Inspected the Active Directory Default Domain Group Policy used to control password settings for the NextGen application to determine that application password configuration settings were controlled by Active Directory and configured to enforce requirements related to password length, complexity, password expiration, and failed logon attempts.	No Exceptions Noted.
CO8.2	Operating system password configuration settings are as follows: • Minimum password length = 15 characters • Complexity requirements are enforced • Password expiration = 365 days • Failed logon attempts before lockout = 10 attempts Passwords for the hypervisor host operating system only enforce minimum length, complexity, and failed logon attempts; and this application is exempt from the maximum password age policy.	Inspected the Active Directory Password Group Policy to determine that operating system password configuration settings were configured to enforce requirements related to password length, complexity, password expiration, and failed logon lockout thresholds. Inspected the hypervisor host operating system password configuration to determine that password settings were configured to enforce requirements related to password length, complexity, and failed logon lockout thresholds, and that the hypervisor host operating system was exempt from password expiration requirements.	No Exceptions Noted.
CO8.3	Database password configuration settings are as follows: • Minimum password length = 15 characters • Complexity requirements are enforced • Password expiration = 365 days • Failed logon attempts before lockout = 10 attempts	Inspected the Oracle database password configuration to determine that password settings were configured to enforce requirements related to minimum password length, complexity, password expiration, and failed logon lockout thresholds.	No Exceptions Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
CO8.4	Administrator access to the production network, servers, databases and hypervisor management console is restricted to authorized individuals based on their job requirements.	Inspected the listings of users with administrative access to the production network, servers, databases, and hypervisor management console, along with annual user access review documentation, to determine that administrator access to the production environment was restricted to authorized individuals based on job requirements.	No Exceptions Noted.
CO8.5	Database administrator access to the production databases is restricted to authorized individuals.	Inspected the listing of users with the database administrator (DBA) role and annual user access review documentation to determine that database administrator access to the production databases was restricted to authorized individuals.	No Exceptions Noted.
CO8.6	Access to the NextGen application is controlled through Active Directory group assignments and groups with administrative access are restricted to authorized individuals. Domain administrators have user provisioning privileges, while an Active Directory group is used for all other NextGen application administrative actions.	Inspected the Active Directory groups used to control access to the NextGen application, along with annual user access review documentation and group membership listings, to determine that application access was restricted through group assignments, administrative access was limited to authorized individuals, and that Domain Administrators were responsible for user provisioning while a designated Active Directory group was used for all other NextGen administrative actions.	No Exceptions Noted.
CO8.7	New access requests are approved by the manager or HR Department and documented in a ticketing system.	Inspected approval tickets for a selection of new access requests during the period to determine that requests were approved by the employee's manager or the Human Resources Department and documented in the ticketing system.	No Exception Noted.
CO8.8	Upon termination, IS personnel change the password for the terminated user's network account and disable server and database accounts.	Inspected helpdesk tickets for a selection of terminated employees during the period to determine that, upon termination, IS personnel changed the password for the terminated user's network account and disabled server and database accounts.	No Exception Noted.

Control ID	Controls Specified by TMRS	Tests Performed by CLA	Results of Tests
CO8.9	A periodic user access review is performed for all operating systems, database, and application accounts by the employee's supervisor annually.	Inspected the annual user access review documentation to determine that a periodic user access review was performed annually for all operating system, database, and application accounts by the employee's supervisor.	No Exceptions Noted.
CO8.10	The perimeter firewall and routers are configured to prevent unauthorized access. Access to the firewall and routers is restricted to authorized individuals.	Inspected firewall and router configuration settings to determine that the perimeter firewall and routers were configured to prevent unauthorized access. Inspected access control lists (ACLs) and IT access review documentation to determine that access to the firewall and routers was restricted to authorized individuals.	No Exceptions Noted.
Control Objective 9 - Backups			
Controls provide reasonable assurance that data and systems are backed up on a scheduled basis and stored in an offsite location.			
CO9.1	Backups are performed for the data and system files and are copied to an offsite storage site.	Inspected the backup scheduler for servers and databases to determine that backups of data and system files were configured and copied to an offsite storage location.	No Exceptions Noted.
CO9.2	Administrative access to the backup schedulers is restricted to appropriate individuals.	Inspected the annual user access review documentation and a system-generated listing of users with administrative access to the backup schedulers to determine that such access was restricted to appropriate individuals.	No Exceptions Noted.
CO9.3	System restores are tested on an annual basis to ensure successful restoration of data.	Inspected restoration test documentation to determine that system restores were successfully tested on an annual basis to ensure data could be restored.	No Exceptions Noted.

Global

INDEPENDENT
NETWORK MEMBER

TOWN OF FULTON
JOB TITLES & PAY RANGES

POSITION TITLE	QTY	PAY RANGE	FLSA STATUS
SALARY POSITIONS			
CITY SECRETARY / MUNICIPAL COURT CLERK	1	$60,000 -- $85,000	EXEMPT
POLICE CHIEF	1	$60,000 -- $85,000	EXEMPT
**DIRECTOR OF OPERATIONS	1	$60,000 -- $85,000	EXEMPT
COMPTROLLER	1	$30,000 -- $45,000	NON-EXEMPT
PIER/VISITOR CENTER MANAGER	1	$32,500 -- $45,000	EXEMPT
BOOKKEEPER	1	$32,000 -- $55,000	NON-EXEMPT
PATROL SERGEANT	1	$45,000 -- $62,000	EXEMPT
HOURLY POSITIONS			
POLICE OFFICER	5	$22.00/HR -- $28.00/HR	NON-EXEMPT
BUILDING OFFICIAL / CODE ENFORCEMENT	1	$18.00/HR -- $27.00/HR	NON-EXEMPT
SEWER MAINTENANCE	1	$17.00/HR -- $21.00/HR	NON-EXEMPT
SEWER SUPERVISOR	1	$19.00/HR -- $27.00/HR	NON-EXEMPT
GENERAL MAINTENANCE	2	$16.00/HR -- $21.00/HR	NON-EXEMPT
PIER ATTENDANT	4	$11.00/HR -- $16.00/HR	NON-EXEMPT
PIER ATTENDANT TEMP	1	$10.00/HR -- $15.00/HR	NON-EXEMPT
CONVENTION CENTER COORDINATOR	1	$19.00/HR -- $28.00/HR	NON-EXEMPT
ADMIN ASSISTANT / EVIDENCE TECH	1	$19.00/HR -- $26.00/HR	NON-EXEMPT
POLICE CADET	1	$15.00/HR -- $20.00/HR	NON-EXEMPT
TOTAL POSITIONS	24		

Revised 7-15-26
***Effective 10-1/2026*

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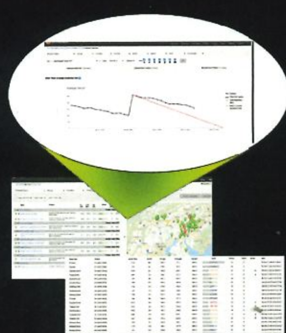

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Charlotte
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Charlotte, NC 28266
Phone: (704) 357-0946
Fax: (440) 815-2153
Email: applications@glpetro.com

Northeast Lubricants
4500 Renaissance Parkway
Cleveland, Ohio 44128
Phone: (216) 478-0507
Fax: (440) 815-2153
Email: applications@glpetro.com

GOVERNMENT INFORMATION PAGE

From what company are you seeking credit?: ☑ Great Lakes Petroleum Co. ☐ Northeast Lubricants Ltd. ☐ Both

Projected Monthly Product Gallons: 1500

Name (Full Legal Name): TOWN OF FULTON

Billing Address: P O BOX 1130

City: FULTON State: TX Zip Code: 78358

Physical Address or Delivery Address (Required): 301 N 9TH STREET

City: FULTON County: ARANSAS State: TX Zip Code: 78358

Federal Tax ID: 74-2365597 **DUNS Number:** 120569996

Accounts Payable Contact Name: STEPHANIE GARCIA

Phone Number: 361-729-5533 **FAX Number:** 361-729-7029

Email Invoices To: CITYSEC@FULTONTEXAS.ORG **Email Statements To:** CITYSEC@FULTONTEXAS.ORG

Purchase Order Required? ☐ YES ☑ NO

Government Agency Type: ☐ Federal ☐ State ☐ County ☑ Local ☐ Other

If other than a Federal agency, please request the Federal excise tax exemption forms from the Tax Department via Email: tax@glpetro.com, Phone: (216) 478-0501, Fax: (440) 815-2353. Please note, that if your agency is paying by credit card, your agency will need to apply for the Federal excise tax refund directly with the IRS (Great Lakes Petroleum Co. will charge the tax). If you have any questions, please contact the Tax Department via one of the methods above.

Sales and Use Tax Information. Are your purchases exempt from sales tax?

Yes ☐ Federal Government ☑ State/Local Government ☐ Other

No ☐

RESOLUTION NO. R-05-2026

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FULTON, TEXAS, AMENDING THE TOWN'S SCHEDULE OF FEES PURSUANT TO ORDINANCE NO. 305; ADOPTING A REVISED FEE SCHEDULE; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the Town Council of the Town of Fulton, Texas ("Town"), has adopted Ordinance No. 305, which authorizes the Town Council to amend the Town's Schedule of Fees from time to time by Resolution; and

WHEREAS, Ordinance No. 305 provides that from and after its adoption, the Town Council shall amend the Schedule of Fees by Resolution rather than by ordinance, allowing administrative fees to be updated as necessary to reflect the cost of providing municipal services; and

WHEREAS, the Town Council finds that it is in the best interest of the Town and its citizens to update the Town's Schedule of Fees as set forth in Exhibit "A," attached hereto and incorporated herein by reference for all purposes; and

WHEREAS, the Town Council has determined that the fees adopted herein are reasonable, necessary, and consistent with applicable state law and Town ordinances.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FULTON, TEXAS, THAT:

Section 1. Findings.

The foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of the Town Council.

Section 2. Adoption of Fee Schedule.

Pursuant to the authority granted by Ordinance No. 305, the Town Council hereby adopts the revised Schedule of Fees attached hereto as **Exhibit "A"** and incorporated herein by reference.

The Schedule of Fees adopted by this Resolution shall supersede all previously adopted fee schedules or portions thereof that are in conflict with this Resolution.

Section 3. Administration.

The Town Secretary, Municipal Court Clerk, Building Official, Code Enforcement Officer, and all other Town officials are authorized and directed to administer and collect fees in accordance with the Schedule of Fees adopted by this Resolution.

Section 4. Future Amendments.

In accordance with Ordinance No. 305, the Town Council may amend the Town's Schedule of Fees from time to time by Resolution without the necessity of adopting a separate ordinance, unless otherwise required by law.

Section 5. Severability.

If any provision of this Resolution or the Schedule of Fees adopted herein is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the remaining provisions, which shall continue in full force and effect.

Section 6. Effective Date.

This Resolution shall become effective immediately upon its adoption by the Town Council, and the Schedule of Fees attached as Exhibit "A" shall become effective on July 15, 2026, unless otherwise specified therein.

PASSED AND APPROVED by the Town Council of the Town of Fulton, Texas, on this 15th day of July, 2026.

____

Kelli Cole, Mayor

ATTEST:

____

Stephanie Garcia, City Secretary

TOWN OF FULTON
Fee Schedule

Item 7.

SERVICES	CHARGE/FEE	COMMENTS
ADMINISTRATIVE		
Returned check charge	$25.00	
Public Information Requests		In accordance with the Texas Administrative Code, Title 1, Part 3, Chapter 70
BUILDING & DEVELOPMENT		
Contractor Registration Fees		
General Contractor to include concrete, swimming pool, road, roofing, sign etc.	$100.00	Plus Certificate of Liability or $5,000.00 Surety Bond
Master Electrician		Plus State License, Electrical Contractor License & Certificate of Liability Insurance
Master Plumber		Plus State License & Certificate of Liability Insurance
Mechanical Contractor License		Plus State License & Certificate of Liability Insurance
Building Permit Fees		
Permit Application Fee	$30.00	included on **all permits**
Minimum Permit Fee	$75.00	
Commercial Building Permits		**Commercial** construction valuation shall be no less than 75% of the square foot construction cost as published in the most recent building valuation data publication by the International Code.
$1,000 to $50,000	$7.50/$1,000	
$50,001 to $100,000	$6.50/$1,000	Plus $375 for first $50,000
$100,001 to $500,000	$5.50/$1,000	Plus $700 for first $100,000
$500,001 and over	$4.50/$1,000	Plus $2,900 for first $50,000
Residential Single-Family Permits		*Amount based on total square footage under roof.
New Construction*	$.75 per sq.ft.	Total square footage under roof.
Alterations and Additions*	$1.00 per sq.ft.	
Simple Alterations	$150.00	
Other		
House Moving Permit	$150.00	Plus Application fee of $30.00
Mfg. Home Move & Setup Permit	$200.00	Plus Application fee of $30.00
Demolition Permit	$90.00	Plus Application fee of $30.00
Fence Permit	Must be $0 per IBC rules	
Sign Permit	$25.00	Plus Application fee of $30.00
Swimming Pool Permit	$275.00	Plus Application fee of $30.00
Tree Plan Review (pre and post)	$100.00	Plus Application fee of $30.00
Permit for Trees Illegally Removed	$500.00	Plus Application fee of $30.00
Plan Review		
Residential	$100.00	
Inspection Fee – New Builds	$300.00	
Inspection Fee	$75	$75 per required inspection
Certificate of Occupancy (New Tennant/Change of Use)	$25.00	
Street Closing Request	$300.00	Plus actual engineering costs & actual mailing costs
Commercial Drainage Review	$100.00	Plus actual engineering costs
Plat and Zoning Fees		
Plats		
Preliminary	$100 + $15 per acre	Plus actual engineering costs
Final	$150 + $15 per acre	Plus actual engineering and post final plan reviews of development fees.
Minor Plat/Amending Plat	$100.00 + $15 per acre	Plus actual engineering costs
Zoning Request Change		
Rezoning	$150 + $10 per acre	Plus actual engineering costs & actual mailing costs
Planned Unit Development	$200 + $10 per acre	Plus actual engineering costs & actual mailing costs
PUD Revisions	$200 + $10 per acre	Plus actual engineering costs & actual mailing costs
Short Term Rentals		
Per Unit		
Registration Fee	$100	First 12 months
Subsequent Renewal	$50	If ownership remains the same – annually January 1st
New Ownership	$100	At the time ownership changes

TOWN OF FULTON
Fee Schedule

SERVICES	CHARGE/FEE	COMMENTS
Electrical Permit Fees		
Inspection Fee Per Stop	$75.00	
Electrical work in New Construction & Substantial Improvements	$0.10/per sq. ft.	Residential Construction
Electrical work in New Construction & Substantial Improvements	$0.10/per sq. ft.	Commercial & Multi-Family
Electrical Outlets	$0.75 each	
Electrical Light Fixtures	$0.75 each	
Electrical Appliances: Range, Clothes Washer, Clothes Dryer, Water Heater, Dishwasher, Garbage Disposal, Stationary Cook Top, Space Heater, Furnace, Exhaust Fan, Vent Hood, Freezer Connection, Air Conditioner, Intercom, Ceiling Fan(s), Door Bell/Chime, Microwave, Ice Machine, Attic Fan, Strip Heater,	$6.00 each	
Electrical Motors		
1 HP or smaller	$10.00	
1 – 25 HP	$15.00	
Over 25 HP	$25.00 each	
Electrical Panel/Services		
0 - 200 Amps	$20.00 each	
201-400 Amps	$30.00 each	
401 Amps and Up	$60.00 each	
Sub Panel	$15.00 each	
Mechanical Permit Fees		
Inspection Fee Per Stop	$75.00	
Mechanical General Work and New AC System	$75.00	i.e. Remodel, Changeouts. Assumes 1 inspection. Add'l inspections @ $35/ea
Mechanical work in New Construction & Substantial Improvement	$.06 per sq. ft.	Residential Construction
Mechanical work in New Construction & Substantial Improvement	$0.10 per sq. ft.	Commercial and Multifamily Construction
Plumbing Permit Fees		
Inspection Fee Per Stop	$75.00	
Plumbing work in New & Substantial Improvements	$0.10 per sq. ft.	Residential Construction
Plumbing for Water Closet	$7.00 each	
Plumbing for Bathtub	$7.00 each	
Plumbing for Lavatory	$7.00 each	
Plumbing for Shower	$7.00 each	
Plumbing for Kitchen Sink & Disposal	$7.00 each	
Plumbing for Dishwasher	$7.00 each	
Plumbing for Laundry Tray	$7.00 each	
Plumbing for Clothes Washer	$7.00 each	
Plumbing for Water Heater	$10.00 each	
Plumbing for Urinal	$7.00 each	
Plumbing for Bidet	$7.00 each	
Plumbing for Drinking Fountain	$7.00 each	
Plumbing for Floor Sink or Drain	$7.00 each	
Plumbing for Slop Sink	$7.00 each	
Plumbing for Bar Sink	$7.00 each	
Plumbing for Lawn Sprinkler System	$20.00 each	
Plumbing for Water Interceptor	$25.00 each	
Plumbing for 5 or more water piping treatment equipment	$10.00 each	
Plumbing for Sewer	$20.00 each	
Plumbing for Water Line	$10.00 each	
Plumbing for Fire Sprinkler System	$0.10 per sq. ft.	
Plumbing for Gas system outlet	$30.00 each	Gas piping system of 1 – 5 outlets
Plumbing For Pool	$75.00	Plumbing work associated with swimming pool permit
Street Fees		
Street Boring	$50.00	
Street Cut	$75.00	Plumbing work associated with swimming pool permit
Alarm Fees		
Alarm User's Permit	$25.00	Per street address
Revoked User's Permit	$50.00	After first revocation
Revoked User's Permit	$55.00	After additional revocations

TOWN OF FULTON
Fee Schedule

Item 7.

SERVICES	CHARGE/FEE	COMMENTS
Special Alarm Permit	$25.00	**Required by Federal or State**
	$50.00	Six (6) or more false alarms
	$55.00	Each additional five (5) false alarms
FACILITY RENTAL RATES		
Convention Center – Resident/Non-resident		*Contract Required*
Sunday thru Thursday Rate	$1200.00	Per day charge
Friday & Saturday Rate	$1850.00	Per day charge
Security Deposit (refundable)	$500.00	Deposit must be paid when the event is booked
Cleaning Fee	$350.00	One-time fee.
Convention Center – Military, Veteran, or First Responder		*Contract Required*
Sunday thru Thursday Rate	$700.00	Per day charge
Friday & Saturday Rate	$1350.00	Per day charge
Security Deposit (refundable)	$500.00	Deposit must be paid when the event is booked
Cleaning Fee	$350.00	One-time fee.
Convention Center - Non-Profits		*Contract Required*
Sunday thru Thursday Rate	$850.00	Per day charge
Friday & Saturday Rate	$1350.00	Per day charge
Security Deposit (refundable)	$500.00	Deposit must be paid when the event is booked
Cleaning Fee	$350.00	One-time fee
Convention Center Break-Away Rooms		*Contract Required*
Room 1 or Room 2	$150.00	Per day charge; *No weekend, discounts, or cleaning included
Both Rooms Combined	$300.00	Per day charge; *No weekend, discounts, or cleaning included
Security Deposit	$50.00	Deposit must be paid when the event is booked
Cleaning Fee	$175.00	One-time fee
Fulton Park Rates- Private Events		*Contract Required*
Sunday thru Thursday Rate	$100.00	Per day charge
Friday & Saturday Rate	$200.00	Per day charge
Security Deposit	$50.00	
FVFD & TPWF	Exempt	
Damage Fees		See Fulton Convention Center Reservation Policy
MUNICIPAL COURT		
OmniBase Fee	$10.00	Section 706.007(d), Transportation Code
Court Fee – Local Consolidated Fee	$14.00	Tex. Local Gov't Code 134.103
Summons Reimbursement Fee	$35.00	Article 102.011, Code of Criminal Procedure; Section 133.104, Local Gov Code
Arrest Reimbursement Fee	$5.00	Article 102.011, Code of Criminal Procedure; Section 133.104, Local Gov Code
Warrant Reimbursement Fee	$50.00	Article 102.011, Code of Criminal Procedure; Section 133.104, Local Gov Code
Cost of Impaneling a Jury	Actual Cost	Article 45.026, Code of Criminal Procedure
Cost for Summonsing a Jury	$5.00	Article 102.011, Code of Criminal Procedure; Section 133.104, Local Gov Code
Notary Service Fee	$6.00	Tx Govt Code: 406.024
FULTON FISHING PIER		
Fishing - Fee Per Fishing Pole	$5.00	Maximum 4 Poles
Fishing - Military & Veterans	No Charge	One pole per person.
Admission and walking	No Charge	
POLICE DEPARTMENT		
Copies		
Standard Paper (11-1/2 x 11)	$0.10	
Document DVD	$1.00	
Video DVD	$3.00	
Audio 911 DVD/CD	$1.00	
Oversized Paper (11-1/2 x 17)	$0.50	
Traffic Accident Report	$6.00	
Body Cam – Recording responsive to specific request	$10.00	
Body Cam per minute charge (round to nearest minute)	$1.00	
Parade Permits	$25.00	Fees may be waived for local groups.
FOOD TRUCK FEES		
Food Truck Application Fee – Calendar Year	$75.00	
Food Truck Special Event Application Fee	$50.00	

TOWN OF FULTON
Fee Schedule

SERVICES	CHARGE/FEE	COMMENTS
OTHER PERMIT		
Vendor Permit		
1 Month	$100.00	
2 Months	$200.00	
3 Months	$300.00	
1 Year	$500.00	
UTILITIES - SEWER		
	Minimum Charge	**Tap Size**
Residential/Single Family Sewer Inside City Limits		
First 1,500 gallons or less	$30.08	¾" tap
	$33.97	1" or larger
Cost/1,000 gallons over 1,500 gallons		
1,501 gallons – 10,000 gallons	$4.17	
10,001 gallons – 25,000 gallons	$4.22	
25,001 gallons – 40,000 gallons	$4.37	
40,001 gallons – and up	$4.63	
Non-Residential/Non-Single Family (Excluding Trailer and RV Parks) Sewer Inside City Limits		
First 1,500 gallons	$34.28	¾" Tap
	$37.92	1"
	$45.70	1 ½"
	$56.07	2"
	$87.20	3"
	$114.17	4"
	$117.03	6"
Cost/1,000 gallons over 1,500 gallons		
1,501 gallons – 10,000 gallons	$4.06	
10,001 gallons – 25,000 gallons	$4.17	
25,001 gallons – 40,000 gallons	$4.22	
40,001 gallons – and up	$4.32	
Residential/Single Family Sewer Outside City Limits		
First 1,500 gallons	$35.58	¾" Tap
	$40.77	1"
Cost/1,000 gallons over 1,500 gallons		1 ½"
1,501 gallons – 10,000 gallons	$5.01	2"
10,001 gallons – 25,000 gallons	$5.05	3"
25,001 gallons – 40,000 gallons	$5.21	4"
40,001 gallons – and up	$5.46	6"
Non-Residential/Single Family Sewer Outside City Limits		
First 1,500 gallons	$35.58	¾" Tap
	$40.77	1"
	$46.66	1 ½"
	$56.54	2"
	$98.56	3"
	$145.82	4"
	$148.93	6"
Cost/1,000 gallons over 1,500 gallons		
1,501 gallons – 10,000 gallons	$5.01	
10,001 gallons – 25,000 gallons	$5.06	
25,001 gallons – 40,000 gallons	$5.21	
40,001 gallons – and up	$5.46	
Residential/Non-Single Family, 2-4 Units		
Cost per unit	$19.19	
Cost/1,000 gallons		
0 gallons – 10,000 gallons	$5.01	
10,001 gallons – 25,000 gallons	$5.06	
25,001 gallons – 40,000 gallons	$5.21	
40,001 gallons – and up	$5.46	
Residential/Non-Single Family, 5 or mor units (Including Apartment Complexes, Trailer and RV Parks and Hotels)		
Cost per unit	$5.70	
Cost/1,000 gallons		
0 gallons – 10,000 gallons	$5.05	
10,001 gallons – 25,000 gallons	$5.06	
25,001 gallons – 40,000 gallons	$5.21	
40,001 gallons – and up	$5.46	
Sewer Only		
Inside City Limits		
Residential	$42.27	

TOWN OF FULTON
Fee Schedule

SERVICES	CHARGE/FEE	COMMENTS
Non-Residential	$46.16	
Non-Residential RV Parks	$46.16	+cost per unit (RV) $12.96
Outside City Limits		
Residential	$52.32	
Non-Residential	$56.47	
Sewer Taps		
4” Tap	$2100.00	Any fees incurred by the Town for the installation of a tap by a subcontractor will be passed on to the property owner
6” Tap	$2200.00	Any fees incurred by the Town for the installation of a tap by a subcontractor will be passed on to the property owner
Access Fees for Existing Taps		
R-1 Single Family	$250.00	
R-2 & R-3 Multifamily	$100.00 per unit	
C – Commercial	$500.00	
*All sewer impact fees must be paid to the City of Rockport with receipt of payment being submitted to the Town of Fulton before services are rendered.		

Town Of FULTON Texas

FISCAL YEAR
October 1, 2026 - September 30, 2027

BUDGET WORKSHOP

July 15, 2026

GENERAL FUND

Item 8.

	ACTUAL FY 2024-25	PROJECTED ACTUAL FY 2025-26	ADOPTED BUDGET FY 2025-26	DRAFT BUDGET FY 2026-27	$ Change	% Change
REVENUES						
TAXES						
400 · Ad Valorem Tax	$ 562,039.36	$ 567,522.45	$ 579,104.54	$ 591,966.47	$ 12,861.93	2.22%
405 · Sales Tax	$ 307,643.28	$ 333,453.60	$ 315,000.00	$ 347,500.00	$ 32,500.00	10.32%
410 · Franchise Fees	$ 97,329.16	$ 93,435.99	$ 136,189.30	$ 135,000.00	$ (1,189.30)	-0.87%
415 · Mixed Beverage Tax	$ 57,646.91	$ 57,070.44	$ 57,000.00	$ 57,500.00	$ 500.00	0.88%
TOTAL TAX REVENUE	**$ 1,024,658.71**	**$ 1,051,482.48**	**$ 1,087,293.84**	**$ 1,131,966.47**	**$ 44,672.63**	**4.11%**
PERMITS						
420-1 · Building	$ 11,087.50	$ 19,155.22	$ 14,500.00	$ 18,500.00	$ 4,000.00	27.59%
420-2 · Electrical	$ 3,734.75	$ 3,078.50	$ 4,500.00	$ 4,000.00	$ (500.00)	-11.11%
420-3 · Vendor Permits	$ 4,200.00	$ 2,260.00	$ 1,500.00	$ 1,000.00	$ (500.00)	-33.33%
420-5 · Mechanical	$ 4,287.00	$ 4,076.20	$ 3,000.00	$ 4,000.00	$ 1,000.00	33.33%
420-6 · Misc.	$ 100.00	$ 800.00	$ 500.00	$ 500.00	$ -	0.00%
420-7 · Plumbing	$ 1,249.00	$ 105.00	$ -	$ 500.00	$ 500.00	#DIV/0!
420-8 · Other Permits	$ 3,030.00	$ 5,710.00	$ 2,000.00	$ 5,000.00	$ 3,000.00	150.00%
TOTAL PERMITS	**$ 27,688.25**	**$ 35,184.92**	**$ 26,000.00**	**$ 33,500.00**	**$ 7,500.00**	**28.85%**
OTHER REVENUE						
425 · Interest Income	$ 26,484.01	$ 29,317.89	$ 19,500.00	$ 25,000.00	$ 5,500.00	28.21%
450 · Misc Income	$ 8,600.50	$ 437.66	$ -	$ 500.00	$ 500.00	0.00%
460 · Cell Tower Lease	$ 13,942.87	$ 14,361.16	$ 14,000.00	$ 17,500.00	$ 3,500.00	25.00%
TOTAL OTHER REVENUE	**$ 49,027.38**	**$ 44,116.71**	**$ 33,500.00**	**$ 43,000.00**	**$ 9,500.00**	**28.36%**
INTERGOVERNMENTAL						
TOTAL INTERGOVERNMENTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.00%**
TOTAL REVENUES	**$ 1,101,374.34**	**$ 1,130,784.11**	**$ 1,146,793.84**	**$ 1,208,466.47**	**$ 61,672.63**	**5.38%**

GENERAL FUND

	ACTUAL FY 2024-25	PROJECTED ACTUAL FY 2025-26	ADOPTED BUDGET FY 2025-26	DRAFT BUDGET FY 2026-27	$ Change	% Change
EXPENDITURES						
ADMINISTRATIVE						
500 · Office Expense	$ 12,345.21	$ 11,207.30	$ 11,000.00	$ 11,000.00	$ -	0.00%
504 · Office Supplies	$ 9,982.02	$ 6,446.99	$ 11,500.00	$ 11,500.00	$ -	0.00%
505 · Telephone	$ 7,822.01	$ 8,620.29	$ 9,000.00	$ 9,000.00	$ -	0.00%
515 · Software & Subscriptions	$ 19,566.71	$ 16,279.35	$ 22,500.00	$ 17,500.00	$ (5,000.00)	-22.22%
520 · Bank Chrgs. & Fees	$ 224.13	$ 150.64	$ 300.00	$ 300.00	$ -	0.00%
525 · Travel, Training, & Education	$ 1,691.81	$ 978.25	$ 2,500.00	$ 5,500.00	$ 3,000.00	120.00%
530 · Education & Training	$ 1,350.00	$ 735.00	$ 2,500.00	$ -	$ (2,500.00)	-100.00%
565 · Postage	$ 1,791.94	$ 2,327.98	$ 1,750.00	$ 2,500.00	$ 750.00	42.86%
553 · Internet/Website	$ 6,255.16	$ 6,480.91	$ 6,500.00	$ 6,500.00	$ -	0.00%
TOTAL ADMINISTRATIVE	**$ 61,028.99**	**$ 53,226.71**	**$ 67,550.00**	**$ 63,800.00**	**$ (3,750.00)**	**-5.55%**
CONTRACTS AND SERVICES						
600 · Appraisal Services	$ 15,818.04	$ 16,316.92	$ 19,519.88	$ 20,000.00	$ 480.12	2.46%
605 · Tax Collection Service	$ 2,520.00	$ 2,366.68	$ 2,366.68	$ 2,500.00	$ 133.32	5.63%
615 · Insurance	$ 51,896.76	$ 53,899.22	$ 50,000.00	$ 54,000.00	$ 4,000.00	8.00%
620 · Elections	$ 11,646.33	$ -	$ 30,000.00		$ (30,000.00)	-100.00%
625 · Notices & Filings	$ 1,213.25	$ 1,640.03	$ 3,500.00	$ 2,000.00	$ (1,500.00)	-42.86%
631 · Audit	$ 14,750.00	$ 23,625.00	$ 32,200.00	$ 25,000.00	$ (7,200.00)	-22.36%
632 · Legal Services	$ 36,000.00	$ 36,000.00	$ 36,000.00	$ 36,000.00	$ -	0.00%
633 · Security	$ 593.18	$ 480.00	$ 4,280.00	$ 750.00	$ (3,530.00)	-82.48%
634 · IT	$ 23,473.46	$ 25,112.73	$ 22,000.00	$ 25,000.00	$ 3,000.00	13.64%
635 · Engineering & Planning	$ 23,950.00	$ -	$ 7,500.00	$ -	$ (7,500.00)	-100.00%
640 · Rockport Law Enforcement	$ 60,000.00	$ -	$ -	$ -	$ -	#DIV/0!
645 · Juvenile Case Mgmt	$ 7,643.93	$ 7,549.33	$ 7,500.00	$ 8,000.00	$ 500.00	6.67%
650 · Animal Control	$ 33,000.00	$ 33,000.00	$ 33,000.00	$ 33,000.00	$ -	0.00%
656 · City/Co Communications	$ 141,367.05	$ 86,407.50	$ 80,168.00	$ 82,500.00	$ 2,332.00	2.91%
657 · Alligence Medical Services	$ 45,000.00	$ 45,000.00	$ 45,000.00	$ 45,000.00	$ -	0.00%
658 · Aransas Co Health Permits	$ 2,000.00		$ 1,000.00	$ -	$ (1,000.00)	-100.00%
659 · Permit Inspection Services	$ 3,375.00	$ 3,528.00	$ 4,500.00	$ 4,500.00	$ -	100.00%
TOTAL CONTRACTS AND SERVICE	**$ 474,247.00**	**$ 334,925.41**	**$ 378,534.56**	**$ 338,250.00**	**$ (40,284.56)**	**-10.64%**
GENERAL GOVERNMENT						
535 · Special Events	$ 1,994.49	$ 1,864.17	$ 4,000.00	$ 2,000.00	$ (2,000.00)	-50.00%
550 · Utilities - Water/Sewer	$ 1,999.34	$ 1,865.78	$ 2,000.00	$ 2,000.00	$ -	0.00%
552 · Utilities - Electricity	$ 3,802.43	$ 3,635.65	$ 4,000.00	$ 4,000.00	$ -	0.00%
557 · Utilities - Electricity	$ 11,660.02	$ 11,719.23	$ 11,500.00	$ 11,500.00	$ -	0.00%
559 · Fuel	$ 6,536.63	$ 13,649.68	$ 6,000.00	$ 8,500.00	$ 2,500.00	41.67%
560 · Vehicle Maintenance	$ 2,989.17	$ 1,531.55	$ 3,500.00	$ 2,000.00	$ (1,500.00)	-42.86%
700 · Repairs & Maintenance	$ 1,020.10	$ 909.62	$ 7,500.00	$ 5,000.00	$ (2,500.00)	-33.33%
810 · Vol Fire Department	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ -	0.00%
TOTAL GENERAL GOVERNMENT	**$ 40,002.18**	**$ 45,175.68**	**$ 48,500.00**	**$ 45,000.00**	**$ (3,500.00)**	**-7.22%**
CAPITAL OUTLAY						
709 · Capital Outlay - Equipment	$ 1,123.99	$ -	$ -	$ -	$ -	0.00%
710 · Street & Drainage Maint	$ 118,093.30	$ -	$ 100,000.00	$ 100,000.00	$ -	0.00%
705 · Street Signs	$ 4,857.77	$ 1,193.55	$ 7,500.00	$ 4,500.00	$ (3,000.00)	-40.00%
TOTAL CAPITAL OUTLAY	**$ 124,075.06**	**$ 1,193.55**	**$ 107,500.00**	**$ 104,500.00**	**$ (3,000.00)**	**-2.79%**

GENERAL FUND

	ACTUAL FY 2024-25	PROJECTED ACTUAL FY 2025-26	ADOPTED BUDGET FY 2025-26	DRAFT BUDGET FY 2026-27	$ Change	% Change
PERSONNEL						
900 · Gross Salaries	$ 297,766.58	$ 303,148.77	$ 294,434.55	$ 299,868.65	$ 5,434.10	1.85%
905 · Payroll Tax	$ 22,844.80	$ 24,227.54	$ 23,234.56	$ 23,493.18	$ 258.62	1.11%
910 · Health Insurance	$ 51,861.60	$ 57,153.60	$ 50,810.88	$ 50,810.88	$ -	0.00%
925 · TMRS	$ 19,148.81	$ 18,881.27	$ 17,505.93	$ 17,896.86	$ 390.93	2.23%
926 · Worker's Comp	$ 2,860.65	$ 2,462.54	$ 5,016.38	$ 5,208.01	$ 191.63	3.82%
930 · Uniforms	$ 2,810.06	$ 2,921.37	$ 1,500.00	$ 3,000.00	$ 1,500.00	100.00%
TOTAL PERSONNEL	**$ 397,292.50**	**$ 408,795.09**	**$ 392,502.30**	**$ 400,277.58**	**$ 7,775.28**	**1.98%**
TOTAL EXPENDITURES	**$ 1,096,645.73**	**$ 843,316.44**	**$ 994,586.86**	**$ 951,827.58**	**$ (42,759.28)**	**-4.30%**
OTHER FINANCING SOURCES (USES)						
740 · Sewer Fund - Transfer In	$ 155,000.00	$ 150,000.00	$ 150,000.00	$ 140,000.00	$ (10,000.00)	-6.67%
741 · Police Fund - Transfer out	$ (202,270.40)	$ (419,707.00)	$ (419,707.00)	$ (429,139.20)	$ (9,432.20)	2.25%
742 · Pier Fund - Transfer In	$ 5,500.00	$ 10,500.00	$ 10,500.00	$ 10,500.00	$ -	0.00%
743 · Hotel/Motel - Transfer In	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ -	0.00%
744 · Convention Cntr - Transfer In	$ 19,500.00	$ 9,500.00	$ 9,500.00	$ 9,500.00	$ -	0.00%
TOTAL	**$ (9,770.40)**	**$ (237,207.00)**	**$ (237,207.00)**	**$ (256,639.20)**	**$ (19,432.20)**	**8.19%**
FUND BALANCE-BEG OF YEAR	**$ 1,033,883.62**	**$ 1,028,841.82**	**$ 1,028,841.82**	**$ 1,079,102.52**		
*****ALLOCATION OF FUND BALANCE****	**$ -**	**$ -**	**$ (85,000.00)**			
OVER/(UNDER)	**$ (5,041.80)**	**$ 50,260.70**	**$ -**	**$ -**		
FUND BALANCE-END OF YEAR	**$ 1,028,841.82**	**$ 1,079,102.52**	**$ 943,841.82**	**$ 1,079,102.52**		

POLICE FUND

	ACTUAL FY 2024-25	PROJECTED ACTUAL FY 2025-26	ADOPTED BUDGET FY 2025-26	DRAFT BUDGET FY 2026-27	$ Change	% Change
REVENUES					$ -	
FINES & FEES REVENUE						
400 · Fines & Fees	$ 22,316.80	$ 44,633.60	$ 16,500.00	$ 47,500.00	$ 31,000.00	187.88%
415 · Misc. Income	$ 17.60	$ 25.00	$ -	$ 25.00	$ 25.00	0.00%
405 · Interest Income	$ 1,432.97	$ 1,576.97	$ -	$ 1,500.00		-100.00%
TOTAL FINES AND FEES	**$ 23,767.37**	**$ 46,235.57**	**$ 16,500.00**	**$ 49,025.00**	**$ 32,525.00**	**197.12%**
INTERGOVERNMENTAL						
350 · State Designated Funds	$ 1,009.94	$ 1,517.40	$ 1,500.00	$ 1,500.00	$ -	0.00%
356 · Restricted Funds	$ 2,182.29	$ (278.88)	$ -	$ -	$ -	0.00%
TOTAL INTERGOVERNMENTAL	**$ 3,192.23**	**$ 1,238.52**	**$ 1,500.00**	**$ 1,500.00**	**$ -**	**0.00%**
EXPENDITURES					$ -	
COURT						
505 · Court - Office & Postage	$ 800.00	$ 875.76	$ 1,250.00	$ 1,250.00	$ -	0.00%
510 · Court - Cost to State	$ 7,283.38	$ 16,319.92	$ 6,000.00	$ 17,500.00	$ 11,500.00	65.71%
515 · Housing Prisoners	$ 330.00	$ -	$ 750.00	$ 750.00	$ -	0.00%
TOTAL COURT	**$ 8,413.38**	**$ 17,195.68**	**$ 8,000.00**	**$ 19,500.00**	**$ 11,500.00**	**58.97%**
ADMINISTRATIVE					$ -	
610 · Continuing Ed & Seminars	$ 775.00	$ 295.00	$ 1,500.00	$ 1,500.00	$ -	0.00%
611 · Computer & Software	$ 7,420.00	$ 5,390.99	$ 8,450.00	$ 6,500.00	$ (1,950.00)	-30.00%
630 · Licenses/Dues/Subscription	$ 1,662.52	$ 2,266.66	$ 300.00	$ 2,500.00	$ 2,200.00	88.00%
635 · Office & Postage	$ 1,882.29	$ 926.63	$ 1,750.00	$ 1,500.00	$ (250.00)	-16.67%
640 · Telephone	$ 2,576.59	$ 2,688.60	$ 3,000.00	$ 3,200.00	$ 200.00	6.25%
650 · Equipment Expense	$ 1,059.87	$ 1,901.81	$ 1,500.00	$ 2,000.00	$ 500.00	25.00%
655 · Supplies	$ 1,844.33	$ 916.01	$ 1,500.00	$ 1,000.00	$ (500.00)	-50.00%
660 · Travel Expense	$ 453.00	$ 587.21	$ 1,250.00	$ 750.00	$ (500.00)	-66.67%
665 · Vehicle Exp - Fuel	$ 7,268.33	$ 15,006.71	$ 5,000.00	$ 15,550.00	$ 10,550.00	67.85%
670 · Vehicle Repairs & Maint	$ 3,525.85	$ 3,672.64	$ 3,500.00	$ 3,500.00	$ -	0.00%
706 · Crime Prevention - N Watch	$ 1,217.72	$ 1,112.02	$ -	$ 1,000.00	$ 1,000.00	100.00%
TOTAL ADMINISTRATIVE	**$ 29,685.50**	**$ 34,764.28**	**$ 27,750.00**	**$ 39,000.00**	**$ 11,250.00**	**28.85%**
CAPITAL OUTLAY						
900 · Capital Outlay - Equipment	$ 5,287.60	$ 18,895.27	$ 30,000.00	$ 2,500.00	$ (27,500.00)	100.00%
901 · Capital Outlay - Vehicles	$ -	$ 44,466.30	$ 55,000.00	$ -	$ (55,000.00)	100.00%
TOTAL CAPITAL OUTLAY	**$ 5,287.60**	**$ 63,361.57**	**$ 85,000.00**	**$ 2,500.00**	**$ (82,500.00)**	**100.00%**
PERSONNEL					$ -	
800 · Salaries	$ 127,689.05	$ 204,367.37	$ 221,358.60	$ 297,527.38	$ 76,168.78	34.41%
805 · Payroll Taxes	$ 10,048.47	$ 16,359.28	$ 17,385.93	$ 23,615.84	$ 6,229.91	35.83%
810 · Health Insurance	$ 25,401.60	$ 43,394.40	$ 50,810.88	$ 63,513.60	$ 12,702.72	25.00%
815 · TMRS	$ 9,249.82	$ 13,774.36	$ 14,919.57	$ 20,053.35	$ 5,133.78	34.41%
816 · Worker's Comp	$ 3,560.04	$ 6,348.67	$ 11,732.01	$ 13,954.03	$ 2,222.02	18.94%
817 · Uniforms	$ 3,416.26	$ 4,782.56	$ 750.00		$ (750.00)	#DIV/0!
TOTAL PERSONNEL	**$ 179,365.24**	**$ 289,026.64**	**$ 316,956.99**	**$ 418,664.20**	**$ 101,707.21**	**24.29%**
TOTAL EXPENDITURES	**$ 222,751.72**	**$ 404,348.17**	**$ 437,706.99**	**$ 479,664.20**	**$ 41,957.21**	**9.59%**
OTHER FINANCING SOURCES (USES)						
420 · General Fund - Transfer In	$ 202,270.40	$ 419,707.00	$ 419,707.00	$ 429,139.20	$ 9,432.20	2.25%
TOTAL	**$ 202,270.40**	**$ 419,707.00**	**$ 419,707.00**	**$ 429,139.20**	**$ 9,432.20**	**2.25%**
FUND BALANCE-BEG OF YEAR	**$ -**	**$ -**	**$ -**	**$ -**		
OVER/(UNDER)	**$ 6,478.30**	**$ 62,832.90**	**$ -**	**$ -**		
FUND BALANCE-END OF YEAR	**$ 6,478.30**	**$ 62,832.90**	**$ -**	**$ -**		

HOTEL-MOTEL FUND

	ACTUAL FY 2024-25	PROJECTED ACTUAL FY 2025-26	ADOPTED BUDGET FY 2025-26	DRAFT BUDGET FY 2026-27	$ Change	% Change
REVENUES						
400 · Hotel Occupancy Taxes	$ 381,960.16	$ 359,042.55	$ 375,000.00	$ 377,500.00	$ 2,500.00	0.67%
405 · Interest Income	$ 9,148.18	$ 8,273.70	$ 5,100.00	$ 7,650.00	$ 2,550.00	50.00%
TOTAL REVENUE	**$ 391,108.34**	**$ 367,316.25**	**$ 380,100.00**	**$ 385,150.00**	**$ 5,050.00**	**1.33%**
EXPENDITURES						
525 · Bank Charges	$ -	$ -	$ 100.00	$ 150.00	$ 50.00	50.00%
520 · Advertising & Promotion	$ 29,579.96	$ 26,155.00	$ 30,000.00	$ 25,000.00	$ (5,000.00)	-16.67%
516 · Parks Maintenance	$ 11,615.85	$ 2,088.21	$ 5,000.00	$ 2,500.00	$ (2,500.00)	-50.00%
600 · R-F Chamber of Commerce	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ -	$(35,000.00)	-100.00%
605 · Maritime Museum	$ 5,000.00	$ 2,500.00	$ 2,500.00	$ -	$ (2,500.00)	-100.00%
658 · ACTS Aviation		$ 2,500.00	$ 2,500.00	$ -	$ (2,500.00)	100.00%
659 · City of Rockport CVB		$ 5,000.00	$ 5,000.00	$ -	$ (5,000.00)	100.00%
615 · Fulton Mansion	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ -	$ (5,000.00)	-100.00%
620 · Oysterfest	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ -	$(35,000.00)	-100.00%
625 · AC Council on Aging	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ -	$ (2,500.00)	-100.00%
655 · Fulton Schoolhouse Museum	$ 15,511.06	$ 10,403.40	$ 20,000.00	$ 20,000.00	$ -	0.00%
TOTAL EXPENDITURES	**$ 139,206.87**	**$ 126,146.61**	**$ 142,600.00**	**$ 47,650.00**	**$ (94,950.00)**	**-66.58%**
OTHER FINANCING SOURCES (USES)						
650 · Convention Center - Transfer Out	$ (195,000.00)	$ (200,000.00)	$ (200,000.00)	$ (230,000.00)	$(30,000.00)	15.00%
660 · General Fund - Transfer Out	$ (12,500.00)	$ (12,500.00)	$ (12,500.00)	$ (12,500.00)	$ -	0.00%
662 · Visitor Cntr/Pier Fund - Transfer Out	$(30,000.00)	$ (25,000.00)	$ (25,000.00)	$ (19,500.00)	$ 5,500.00	-22.00%
TOTAL	**$ (237,500.00)**	**$ (237,500.00)**	**$ (237,500.00)**	**$ (262,000.00)**	**$ 30,000.00**	**10.32%**
FUND BALANCE-BEG OF YEAR	**$ 382,329.73**	**$ 396,731.20**	**$ 396,731.20**	**$ 400,400.84**		
OVER/(UNDER)	**$ 14,401.47**	**$ 3,669.64**	**$ -**	**$ 75,500.00**		
FUND BALANCE-END OF YEAR	**$ 396,731.20**	**$ 400,400.84**	**$ 396,731.20**	**$ 475,900.84**		

SEWER FUND

	ACTUAL FY 2024-25	PROJECTED ACTUAL FY 2025-26	ADOPTED BUDGET FY 2025-26	DRAFT BUDGET FY 2026-27	$ Change	% Change
REVENUES						
400 · Sewer Revenues	$ 651,163.18	$ 635,022.66	$ 655,500.00	$ 625,000.00	$(30,500.00)	-4.65%
405 · Sewer Tap Fees	$ 500.00	$ -	$ 500.00	$ 2,500.00	$ 2,000.00	400.00%
415 · Interest Income	$ 19,691.87	$ 19,860.49	$ 12,500.00	$ 20,000.00	$ 7,500.00	60.00%
TOTAL REVENUES	**$ 671,355.05**	**$ 654,883.15**	**$ 668,500.00**	**$ 647,500.00**	**$(21,000.00)**	**-3.14%**
EXPENDITURES						
ADMINISTRATIVE						
510 · Telephone	$ 2,595.80	$ 805.17	$ 2,500.00	$ 2,500.00	$ -	0.00%
525 · Dues & Subscriptions	$ 190.00	$ 190.00	$ 150.00	$ 150.00	$ -	0.00%
540 · Bank Charges		$ -	$ 200.00	$ 200.00	$ -	0.00%
545 · Training / Seminars	$ 495.00	$ 405.00	$ 1,000.00	$ 1,000.00	$ -	0.00%
546 · Travel Expense		$ -	$ 1,500.00	$ 1,500.00	$ -	0.00%
TOTAL ADMINISTRATIVE	**$ 3,280.80**	**$ 1,400.17**	**$ 5,350.00**	**$ 5,350.00**	**$ -**	**0.00%**
OPERATING EXPENSES						
505 · Utilities	$ 15,995.24	$ 16,479.06	$ 16,000.00	$ 16,500.00	$ 500.00	3.13%
515 · Supplies	$ 10,945.91	$ 3,683.89	$ 11,500.00	$ 8,500.00	$ (3,000.00)	-26.09%
519 · Tractor Expenses	$ 4,163.13	$ 1,766.71	$ 2,000.00	$ 2,000.00	$ -	0.00%
520 · Vehicle Exp	$ 5,524.55	$ 821.42	$ 5,000.00	$ 5,000.00	$ -	0.00%
521 · Fuel	$ 7,942.11	$ 14,675.80	$ 6,500.00	$ 6,500.00	$ -	0.00%
600 · Wasterwater Treatment	$ 166,519.27	$ 172,951.64	$ 185,000.00	$ 175,000.00	$(10,000.00)	-5.41%
618 · Preventive Maint	$ 11,788.19	$ 2,112.89	$ 10,000.00	$ 10,000.00	$ -	0.00%
620 · Repairs & Maint.	$ 19,902.52	$ 11,050.79	$ 25,000.00	$ 25,000.00	$ -	0.00%
621 · AC Transfer Station	$ 1,952.80	$ 272.00	$ 1,500.00	$ 1,500.00	$ -	0.00%
TOTAL OPERATING	**$ 244,733.72**	**$ 223,814.20**	**$ 262,500.00**	**$ 250,000.00**	**$(12,500.00)**	**-5.00%**
PERSONNEL						
700 · Wages	$ 129,955.02	$ 125,812.42	$ 129,967.83	$ 133,501.50	$ 3,533.67	2.72%
705 · Payroll Tax	$ 10,162.59	$ 9,966.65	$ 10,142.02	$ 10,554.87	$ 412.85	4.07%
710 · Health Insurance	$ 25,401.60	$ 25,401.60	$ 25,405.44	$ 25,405.44	$ -	0.00%
711 · TMRS	$ 9,432.36	$ 8,479.76	$ 8,736.47	$ 8,998.00	$ 261.53	2.99%
816 · Worker's Comp	$ 3,498.72	$ 3,566.92	$ 5,898.25	$ 6,007.57	$ 109.32	1.85%
547 · Uniforms	$ 3,617.88	$ 3,021.33	$ 5,500.00	$ 3,000.00	$ (2,500.00)	0.00%
TOTAL PERSONNEL	**$ 182,068.17**	**$ 176,248.68**	**$ 185,650.01**	**$ 187,467.38**	**$ 1,817.00**	**0.98%**
CAPITAL OUTLAY						
596 · Capital Outlay - Equipment	$ 8,281.20	$ -		$ -	$ -	0.00%
595 · Capital Outlay - Sewer System	$ 62,847.58	$ -	$ 65,000.00	$ 65,000.00	$ -	0.00%
TOTAL CAPITAL OUTLAY	**$ 71,128.78**	**$ -**	**$ 65,000.00**	**$ 65,000.00**	**$ -**	**0.00%**
TOTAL EXPENDITURES	**$ 501,211.47**	**$ 401,463.05**	**$ 518,500.01**	**$ 507,817.38**	**$(10,682.63)**	**-2.10%**
OTHER FINANCING SOURCES (USES)						
500 · GF Transfer Out - Admin	$ (155,000.00)	$ (150,000.00)	$ (150,000.00)	$ (140,000.00)	$ 10,000.00	-6.67%
501 · FCC Transfer Out - Maint	$ (15,000.00)		$ -	$ -	$ -	#DIV/0!
501 · Surplus Property Proceeds	$ 3,272.50		$ -		$ -	0.00%
TOTAL	**$ (166,727.50)**	**$ (150,000.00)**	**$ (150,000.00)**	**$ (140,000.00)**	**$ 10,000.00**	**-6.67%**
FUND BALANCE-BEG OF YEAR	**$ 527,221.28**	**$ 530,637.36**	**$ 530,637.36**	**$ 634,057.46**		
OVER/(UNDER)	**$ 3,416.08**	**$ 103,420.10**	**$ -**	**$ (317.40)**		
FUND BALANCE-END OF YEAR	**$ 530,637.36**	**$ 634,057.46**	**$ 530,637.36**	**$ 633,740.06**		

CONVENTION CENTER FUND

	ACTUAL FY 2024-25	PROJECTED ACTUAL FY 2025-26	ADOPTED BUDGET FY 2025-26	DRAFT BUDGET FY 2026-27	$ Change	% Change
REVENUES						
400 · Facility Fees	$ 130,300.00	$ 107,550.00	$ 124,500.00	$ 114,500.00	$(10,000.00)	-8.03%
405 · Interest Income	$ 6,553.88	$ 5,784.57	$ 2,750.00	$ 3,500.00	$ 750.00	27.27%
TOTAL REVENUES	**$ 136,853.88**	**$ 113,334.57**	**$ 127,250.00**	**$ 118,000.00**	**$ (9,250.00)**	**-7.27%**
EXPENDITURES						
OPERATING EXPENSES						
500 · Utilities	$ 20,171.97	$ 21,633.49	$ 20,000.00	$ 22,500.00	$ 2,500.00	12.50%
503 · ACND Lease	$ 42,000.00	$ 42,000.00	$ 42,000.00	$ 42,000.00	$ -	0.00%
505 · Telephone	$ 591.87	$ 490.69	$ 650.00	$ 650.00	$ -	0.00%
506 · Internet	$ 2,591.06	$ 2,638.74	$ 2,750.00	$ 2,750.00	$ -	0.00%
507· Insurance	$ 46,329.76	$ 46,776.57	$ 50,000.00	$ 50,000.00	$ -	0.00%
510 · Office Expense	$ 324.75	$ 893.92	$ 500.00	$ 500.00	$ -	0.00%
511 · Supplies	$ 4,517.48	$ 3,194.18	$ 5,000.00	$ 5,000.00	$ -	0.00%
515 · Repairs & Maint.	$ 33,710.92	$ 34,290.17	$ 15,000.00	$ 25,000.00	$ 10,000.00	66.67%
516 · Janitorial Services	$ 21,500.00	$ 20,800.00	$ 20,000.00	$ 21,500.00	$ 1,500.00	7.50%
520 · Trash Removal	$ 28,599.53	$ 28,208.00	$ 25,200.00	$ 30,000.00	$ 4,800.00	19.05%
526 · Ice Machine Lease	$ 2,281.14	$ 2,374.52	$ 2,300.00	$ 2,500.00	$ 200.00	8.70%
531 · Dues & Subcriptions	$ -	$ 255.00	$ 750.00	$ 250.00	$ (500.00)	-66.67%
535 · Special Events	$ 1,282.92	$ 1,229.65	$ 5,000.00	$ 2,500.00	$ (2,500.00)	-50.00%
536 · FCC Advertising	$ 1,629.24	$ 1,750.00	$ 2,500.00	$ 2,500.00	$ -	0.00%
TOTAL OPERATING	**$ 205,530.64**	**$ 206,534.93**	**$ 191,650.00**	**$ 207,650.00**	**$ 16,000.00**	**8.35%**
PERSONNEL						
600 - Wages	$ 84,588.41	$ 89,299.49	$ 89,645.27	$ 91,414.00	$ 1,768.73	1.97%
610 - Health Insurance	$ 24,343.20	$ 25,401.60	$ 23,288.32	$ 25,405.44	$ 2,117.12	9.09%
611 - TMRS	$ 6,130.54	$ 6,018.79	$ 6,061.06	$ 6,161.30	$ 100.24	1.65%
615 - Payroll Tax	$ 6,688.18	$ 7,173.41	$ 7,105.39	$ 7,335.17	$ 229.78	3.23%
TOTAL PERSONNEL	**$ 121,750.33**	**$ 127,893.29**	**$ 126,100.04**	**$ 130,315.91**	**$ 4,215.87**	**3.34%**
CAPITAL OUTLAY						
155 - Building Improvements	$ -	$ 7,933.50	$ -	$ -	$ -	0.00%
TOTAL CAPITAL OUTLAY	**$ -**	**$ 7,933.50**	**$ -**	**$ -**	**$ -**	**#DIV/0!**
TOTAL EXPENDITURES	**$ 327,280.97**	**$ 342,361.72**	**$ 317,750.04**	**$ 337,965.91**	**$ 20,215.87**	**6.36%**
OTHER FINANCING SOURCES (USES)						
900 · Hotel/Motel - Transfer In	$ 195,000.00	$ 200,000.00	$ 200,000.00	$ 230,000.00	$ 30,000.00	15.00%
915 · SF Maint - Transfer In	$ 15,000.00	$ -	$ -	$ -	$ -	#DIV/0!
910 · General Fund - Transfer Out	$ (19,500.00)	$ (9,500.00)	$ (9,500.00)	$ (9,500.00)	$ -	0.00%
	$ 190,500.00	**$ 190,500.00**	**$ 190,500.00**	**$ 220,500.00**	**$ 30,000.00**	**15.75%**
FUND BALANCE-BEG OF YEAR	**$ 167,445.00**	**$ 167,517.91**	**$ 167,517.91**	**$ 128,990.76**		
OVER/(UNDER)	**$ 72.91**	**$ (38,527.15)**	**$ (0.04)**	**$ 534.10**		
FUND BALANCE-END OF YEAR	**$ 167,517.91**	**$ 128,990.76**	**$ 167,517.87**	**$ 129,524.86**		

PIER / VISITOR CENTER FUND

	ACTUAL FY 2024-25	PROJECTED ACTUAL FY 2025-26	ADOPTED BUDGET FY 2025-26	DRAFT BUDGET FY 2026-27	$ Change	% Change
REVENUES						
400 · Pole Fees & Sales	$ 164,757.56	$ 166,500.00	$ 165,712.69	$ 165,000.00	$ (712.69)	-0.43%
406 · Cost of Sales	$ (4,206.69)	$ (6,919.82)	$ (8,127.54)	$ (5,750.00)	$ 2,377.54	-29.25%
415 · Interest Income	$ 3,403.32	$ 3,752.55	$ 2,500.00	$ 3,200.00	$ 700.00	28.00%
TOTAL REVENUES	**$ 163,954.19**	**$ 163,332.73**	**$ 160,085.15**	**$ 162,450.00**	**$ 2,364.85**	**1.48%**
EXPENDITURES						
OPERATING EXPENSES						
500 · ACND - Sub.Land Lease	$ -	$ -	$ 300.00	$ 300.00	$ -	0.00%
505 · Utilities	$ 7,237.64	$ 7,310.02	$ 8,500.00	$ 7,500.00	$ (1,000.00)	-11.76%
602 · Supplies	$ 1,416.80	$ 1,515.98	$ 1,000.00	$ 1,500.00	$ 500.00	50.00%
601 · Repairs & Maint.	$ 14,988.09	$ 2,126.35	$ 30,000.00	$ 25,000.00	$ (5,000.00)	-16.67%
520 · Bank Charges	$ -	$ -	$ 75.00	$ 150.00	$ 75.00	100.00%
525 · Software, Licenses & Fees	$ 6,802.85	$ 4,781.13	$ 2,750.00	$ 5,000.00	$ 2,250.00	81.82%
603 · Portable Rental	$ 6,600.00	$ 7,200.00	$ 7,200.00	$ 7,200.00	$ -	0.00%
606 · Visitor Center	$ 1,022.73	$ 179.02	$ 3,500.00	$ 2,500.00	$ (1,000.00)	-28.57%
TOTAL OPERATING	**$ 38,068.11**	**$ 23,112.50**	**$ 53,325.00**	**$ 49,150.00**	**$ (4,175.00)**	**-7.83%**
PERSONNEL						
615 - Wages	$ 80,004.00	$ 92,166.50	$ 92,335.73	$ 91,580.40	$ (755.33)	-0.82%
616 - Payroll Tax	$ 6,485.54	$ 7,631.55	$ 7,595.08	$ 8,031.90	$ 436.82	5.75%
617 - TMRS	$ 5,784.01	$ 6,212.02	$ 6,193.83	$ 6,172.52	$ (21.31)	-0.34%
618 - Health Insurance	$ 12,700.80	$ 12,700.80	$ 12,702.72	$ 12,702.72	$ -	0.00%
619 - Workers Comp	$ 3,412.01	$ 3,392.03	$ 2,432.79	$ 3,132.05	$ 699.26	28.74%
TOTAL PERSONNEL	**$ 108,386.36**	**$ 122,102.90**	**$ 121,260.15**	**$ 121,619.59**	**$ 359.44**	**0.30%**
TOTAL EXPENDITURES	**$ 146,454.47**	**$ 145,215.40**	**$ 174,585.15**	**$ 170,769.59**	**$ (3,815.56)**	**-2.19%**
OTHER FINANCING SOURCES (USES)						
700 · GF Transfer Out	$ (5,500.00)	$ (10,500.00)	$ (10,500.00)	$ (10,500.00)	$ -	0.00%
701 · H/M Transfer In	$ 30,000.00	$ 25,000.00	$ 25,000.00	$ 19,500.00	$ (5,500.00)	-22.00%
TOTAL	**$ 24,500.00**	**$ 14,500.00**	**$ 14,500.00**	**$ 9,000.00**	**$ (5,500.00)**	**-37.93%**
FUND BALANCE-BEG OF YEAR	**$ 438.94**	**$ 42,438.66**	**$ 42,438.66**	**$ 75,055.99**		
OVER/(UNDER)	**$ 41,999.72**	**$ 32,617.33**	**$ -**	**$ 680.40**		
FUND BALANCE-END OF YEAR	**$ 42,438.66**	**$ 75,055.99**	**$ 42,438.66**	**$ 75,736.39**		