



COUNCIL COMMITTEE MEETING

City Hall Council Chambers, 298 W Washington
Tuesday, September 20, 2022 at 5:30 PM

AGENDA

CALL TO ORDER

FINANCE COMMITTEE

Justin Haschke, chair; Ricky Thurman, David Baskett, Mark McClinton

- [1.](#) Consider Budget Adjustments for Fiscal Year Ending September 30, 2022
- [2.](#) Consider Approval of Annual Audit Contract for Fiscal Year Ending September 30, 2022

DEVELOPMENT SERVICES COMMITTEE

Gerald Cook, chair; Justin Haschke, David Baskett, Mark McClinton

- [3.](#) Consider Proposed Adoption of Updated International Codes
- [4.](#) Consider Proposed Revision to Chapter 154.20.2.K of the Zoning Ordinance

PERSONNEL COMMITTEE

Ricky Thurman, chair; Justin Haschke, Gerald Cook, Mark McClinton

5. EXECUTIVE SESSION:

Section 551.074 Personnel Matters to deliberate the appointment, employment, evaluations, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: **City Secretary**

Note: The Stephenville City Council may convene into Executive Session on any matter related to any of the above agenda items for a purpose, such closed session allowed under Chapter 551, Texas Government Code.

In accordance with the Americans with Disabilities Act, persons who need accommodation to attend or participate in this meeting should contact City Hall at 254-918-1287 within 48 hours prior to the meeting to request such assistance.

ORDINANCE NO. 2022-O-XX

AN ORDINANCE PROVIDING BUDGET AMENDMENT FOR THE REMAINDER OF THE FISCAL YEAR BEGINNING OCTOBER 1, 2021 AND ENDING SEPTEMBER 30, 2022.

WHEREAS, it is necessary to amend the 2021-22 fiscal year budget to adjust revenues and expenditures as reflected on the attached pages, and incorporated herein by reference.

The attached budget amendment for the fiscal year beginning October 1, 2021 and ending September 30, 2022, was duly presented to the City Council by the City Manager and a public notice was posted in the Stephenville City Hall.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

SECTION 1. That the amended appropriations and anticipated revenues for the fiscal year beginning October 1, 2021 and ending September 30, 2022 for the support of the general government of the City of Stephenville, Texas, be amended and fixed for the remainder of the fiscal year ending September 30, 2022, with the revenues and expenditures shown.

SECTION 2. That the amended budget is hereby approved in all respects and adopted as the City’s budget for the remainder of the fiscal year ending September 30, 2022.

PASSED and **APPROVED** this the 4th day of October, 2022.

Doug Svien, Mayor

ATTEST:

Terri Johnson, Interim City Secretary

Reviewed by Jason M. King,
City Manager

Randy Thomas, City Attorney
Approved as to form and legality

City of Stephenville
Statement of Activities All Funds
FY 2021-2022

	General Fund	Water Sewer Fund	Landfill Fund	Airport Fund	Storm Water Fund	Hotel Occupancy Tax Fund	Debt Service Fund	Capital Project Fund	TIF Special Revenue Fund	Non--Major Special Revenue Funds	Total	Discrete Component Unit
Cash Balance 10/01	10,818,800	20,799,155	1,427,525	5,761	167,363	517,641	103,719	9,692,483	-	80,312	43,612,759	1,052,622
Revenues												
Taxes	16,037,472	-	-	-	-	584,261	271,045	-	82,558	-	16,975,336	608,487
Licenses & Permits	339,385	9,000	-	-	25,000	-	-	5,000	-	-	378,385	-
Fines & Forfeitures	131,875	-	-	-	-	-	-	-	-	6,950	138,825	-
Intergovernmental	932,901	2,632,354	-	10,000	1,166,373	-	-	1,400,000	-	3,200	6,144,828	-
Service Charges	1,257,333	9,929,487	1,193,000	112,280	964,594	69,600	-	8,935	-	-	13,535,229	-
Other Revenue	3,278,162	20,465,207	3,019	1,423,040	3,211,027	181	21	2,043,226	-	31	30,423,914	447
Total Revenue	21,977,128	33,036,048	1,196,019	1,545,320	5,366,994	654,042	271,066	3,457,161	82,558	10,181	67,596,517	608,934
Transfers In	957,579	50,219	-	120,000	-	-	343,650	1,234,069	261,092	-	2,966,609	
Transfers Out	(1,596,466)	(769,227)	(81,539)	-	(175,727)	-	-	-	(343,650)	-	(2,966,609)	
Expenditures												
Personnel Costs	11,791,291	1,592,559	286,433	2,728	-	81,681	-	-	-	-	13,754,692	276,000
Operating Expenditures	4,327,531	3,751,616	381,586	76,207	649,270	366,801	300	-	-	13,740	9,567,051	332,500
Capital Expenditures	4,742,265	38,329,802	240,000	1,562,373	442,420	-	-	13,825,237	-	-	59,142,097	-
Debt Service	654,486	2,004,117	-	-	3,709,183	-	613,100	41,814	-	-	7,022,700	-
Total Expenditures	21,515,573	45,678,094	908,019	1,641,308	4,800,873	448,482	613,400	13,867,051	-	13,740	89,486,540	608,500
Net Revenues over(under) Expenditures	(177,332)	(13,361,054)	206,461	24,012	390,394	205,560	1,316	(9,175,821)	-	(3,559)	(21,890,023)	434
Estimated Cash Balance 09/30	10,641,468	7,438,101	1,633,986	29,773	557,757	723,201	105,035	516,662	-	76,753	21,722,736	1,053,056
Restricted:												
Operational Reserve	4,029,706	1,336,044	167,005	19,734	56,381	112,121	-	-	-	-	5,720,991	152,125
Debt Service	593,877	2,085,246	-	-	501,376	-	105,035	-	-	-	3,285,534	-
Tourism and Visitor Bureau	-	-	-	-	-	377,330	-	-	-	-	377,330	-
Sports Venue	-	-	-	-	-	233,750	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	516,662	-	-	516,662	-
Child Safety	-	-	-	-	-	-	-	-	7,543	-	7,543	-
Court Technology	-	-	-	-	-	-	-	-	8,944	-	8,944	-
Court Building Security	-	-	-	-	-	-	-	-	5,807	-	5,807	-
Public Safety	-	-	-	-	-	-	-	-	54,459	-	54,459	-
Economic Development	-	-	-	-	-	-	-	-	-	-	-	900,931
Airport Improvement	104,754	-	-	-	-	-	-	-	-	-	104,754	-
Grant Match	150,000	-	-	-	-	-	-	-	-	-	150,000	-
Sewer System Improvement Program	-	3,840,000	-	-	-	-	-	-	-	-	-	-
Estimated Unrestricted Cash Balance 9/30	5,763,131	176,811	1,466,981	10,039	-	-	-	-	-	-	7,416,962	-



City of Stephenville

Budget Adjustment Register

Adjustment Detail

Packet: GLPKT04684 - Budget Adjustments FY 21-22

Account Number	Acct Type	Account Name	Description	Adjustment Description	Current	Adjustment Date: 9/6/22	
						Adjustment	Proposed
BA0000144 01-40100.00000	Revenue	CITY SALES TAX	Increase Sales Tax	Increase Sales Tax	6,710,123	950,000	7,660,123
BA0000145 01-42010.00000	Revenue	MUNICIPAL COURT FINES	Increase Court Fines	Increase Court Fines	66,500	60,000	126,500
BA0000162 01-101-52531.00000	Expense	OUTSIDE PROFESSIONALS	Professional Services for TIRZ development	Professional Services for TIRZ development	5,000	75,000	80,000
BA0000120 01-102-51110.00000	Expense	SALARIES	City Manager retirement Council approved 4/19/22	City Manager retirement Council approved 4/19/22	320,840	118,241	439,081
01-102-51210.00000	Expense	RETIREMENT	City Manager retirement Council approved 4/19/22	City Manager retirement Council approved 4/19/22	29,377	6,018	35,395
01-102-51220.00000	Expense	SOCIAL SECURITY	City Manager retirement Council approved 4/19/22	City Manager retirement Council approved 4/19/22	25,735	2,174	27,909
BA0000127 01-102-52531.00000	Expense	OUTSIDE PROFESSIONALS	City Hall Hazard Mitigation Generator Grant	City Hall Hazard Mitigation Generator Grant	-	5,000	5,000
01-105-55200.00000	Expense	BUILDING IMPROVEMENTS	City Hall Hazard Mitigation Generator Grant	City Hall Hazard Mitigation Generator Grant	-	83,533	83,533
01-43500.00000	Revenue	GRANTS	City Hall Hazard Mitigation Generator Grant	City Hall Hazard Mitigation Generator Grant	3,000	77,178	80,178
BA0000137 01-103-55160.00000	Expense	COMPUTER EQUIPMENT	Carryover HR automation project funds FY20-21	Carryover HR automation project funds FY20-21	-	28,711	28,711
BA0000128 01-108-52640.00000	Expense	SPECIAL EVENTS	Mainstreet Special Events	Mainstreet Special Events	-	20,000	20,000
BA0000129 01-108-53320.00000	Expense	OPERATING SUPPLIES	Mainstreet Operating Supplies	Mainstreet Operating Supplies	1,000	6,000	7,000
BA0000130 01-108-55140.00000	Expense	OTHER EQUIPMENT	Mainstreet Speaker Project	Mainstreet Speaker Project	-	25,128	25,128
BA0000113 01-108-55140.00000	Expense	OTHER EQUIPMENT	Budget Downtown Lighting Project from cash reserves	Budget Downtown Lighting Project from cash reserves	-	90,000	90,000
BA0000131 01-301-52531.00000	Expense	OUTSIDE PROFESSIONALS	HR Attorney Services	HR Attorney Services	2,500	20,000	22,500
BA0000132 01-302-51130.00000	Expense	PART-TIME WAGES	Prosecutor services (funded by Court Fines)	Prosecutor services	6,600	6,800	13,400
01-302-51220.00000	Expense	SOCIAL SECURITY	Prosecutor services	Prosecutor services	3,860	700	4,560
BA0000133 01-302-53341.00000	Expense	CREDIT CARD FEES	Municipal Court Credit Card Fees (funded by Court Fines)	Municipal Court Credit Card Fees	1,703	5,000	6,703
BA0000134 01-402-54251.00000	Expense	BRIDGE MAINTENANCE	Additional Funds for Purchase of Street Vehicle	Additional Funds for Purchase of Street Vehicle	20,000	(5,985)	14,015
01-402-55140.00000	Expense	OTHER EQUIPMENT	Additional Funds for Purchase of Street Vehicle	Additional Funds for Purchase of Street Vehicle	38,000	5,985	43,985
BA0000136 01-402-52550.00000	Expense	DAMAGE CLAIMS	Damage Claims	Damage Claims	-	1,000	1,000
01-45200.00000	Revenue	INSURANCE PROCEEDS	Damage Claims	Damage Claims	-	95,215	95,215
01-601-52550.00000	Expense	DAMAGE CLAIMS	Damage Claims	Damage Claims	-	81,127	81,127
01-701-52550.00000	Expense	DAMAGE CLAIMS	Damage Claims	Damage Claims	-	13,088	13,088
BA0000114 01-45420.00000	Revenue	DONATIONS & CONTRIBUTIONS	Increase Inclusive Playground budget for donations	Inclusive Playground donations FY 21-22	-	49,662	49,662
01-501-55270.03250	Expense	PARKLAND DEDICATION IMPROV	Increase Inclusive Playground budget for donations	Inclusive Playground donations FY 20-21	152,978	49,662	202,640
01-501-55270.03250	Expense	PARKLAND DEDICATION IMPROV	Increase Inclusive Playground budget for donations	Inclusive Playground donations FY 20-21	152,978	46,602	199,580



City of Stephenville

Budget Adjustment Register

Adjustment Detail

Packet: GLPKT04684 - Budget Adjustments FY 21-22

Account Number	Acct Type	Account Name	Description	Adjustment Description	Current	Adjustment Date: 9/6/22	
						Adjustment	Proposed
BA0000115							
			Financing of 5 mowers Council approved 11/2/21				
01-45602.00000	Revenue	LOAN PROCEEDS		Financing of 5 mowers	-	149,495	149,495
01-501-55120.00000	Expense	MACHINERY & EQUIPMENT		Financing of 5 mowers	53,856	117,356	171,212
01-501-57550.00000	Expense	LEASE INTEREST		Financing of 5 mowers	2,876	2,099	4,975
01-501-57600.00000	Expense	LEASE PRINCIPAL		Financing of 5 mowers	17,025	30,040	47,065
BA0000135							
			Funds for Book Shelving Book Ends				
01-504-53130.00000	Expense	BOOKS & EDUCATIONAL MATERIA		Funds for Book Shelving Book Ends	18,000	(3,571)	14,429
01-504-55200.00000	Expense	BUILDING IMPROVEMENTS		Funds for Book Shelving Book Ends	13,422	3,571	16,993
BA0000112							
			Budget Senior Center Building from Cash Reserve				
01-506-55200.00000	Expense	BUILDING IMPROVEMENTS		Budget Senior Center Building from Cash Reserve	24,438	214,700	239,138
BA0000126							
			Repairs for Splashville Council approved 1/18/22				
01-507-54253.00000	Expense	SWIMMING POOL MAINTENANCE		Repairs for Splashville Council approved 1/18/22	35,000	280,981	315,981
BA0000109							
			Purchase Pre-Owned Ambulance Council approved 11/02/2021				
01-601-55111.00000	Expense	VEHICLES-EMS		Purchase Pre-Owned Ambulance	36,260	21,128	57,388
BA0000116							
			Financing for 2021 Ambulance Council approved 11/16/21				
01-45602.00000	Revenue	LOAN PROCEEDS		Financing for 2021 Ambulance	-	267,000	267,000
01-601-55111.00000	Expense	VEHICLES-EMS		Financing for 2021 Ambulance	36,260	235,959	272,219
01-601-57551.00000	Expense	DEBT INTEREST		Financing for 2021 Ambulance	-	4,972	4,972
01-601-57601.00000	Expense	DEBT PRINCIPAL		Financing for 2021 Ambulance	-	26,069	26,069
BA0000118							
			Financing of SCBA system & cardiac monitors Council approved 2/1/22				
01-45602.00000	Revenue	LOAN PROCEEDS		Financing of SCBA system & cardiac monitors	-	484,507	484,507
01-601-55140.00000	Expense	OTHER EQUIPMENT		Financing of SCBA system & cardiac monitors	66,878	424,026	490,904
01-601-57551.00000	Expense	DEBT INTEREST		Financing of SCBA system & cardiac monitors	-	8,232	8,232
01-601-57601.00000	Expense	DEBT PRINCIPAL		Financing of SCBA system & cardiac monitors	-	52,249	52,249
BA0000121							
			TIFMAS Deployments and Reimbursements				
01-43500.00000	Revenue	GRANTS		TIFMAS Deployment/Reimbursement	3,000	99,512	102,512
01-601-51120.00000	Expense	OVERTIME		TIFMAS Deployments and Reimbursements	267,118	84,512	351,630
01-601-52590.00000	Expense	DEPLOYMENT COSTS		TIFMAS Deployments and Reimbursements	-	15,000	15,000
BA0000138							
			NCTTRAC Grant for Ambulance Wrap				
01-43500.00000	Revenue	GRANTS		NCTTRAC Grant for Ambulance Wrap	3,000	8,042	11,042
01-601-55111.00000	Expense	VEHICLES-EMS		NCTTRAC Grant for Ambulance Wrap	36,260	8,042	44,302
BA0000139							
			Fire Wildland Gear				
01-601-53160.00000	Expense	WEARING APPAREL		Fire Wildland Gear	37,195	11,828	49,023
BA0000140							
			Fire Vehicle Maintenance				
01-601-54110.00000	Expense	VEHICLE MAINTENANCE		Fire Vehicle Maintenance	30,000	17,000	47,000
BA0000117							
			Financing of Public Safety Commincation System Council approved 12/7/21				
01-45602.00000	Revenue	LOAN PROCEEDS		Financing of Public Safety Commincation System	-	1,990,403	1,990,403
01-701-55140.00000	Expense	OTHER EQUIPMENT		Financing of Public Safety Commincation System	250,000	1,763,981	2,013,981
01-701-57551.00000	Expense	DEBT INTEREST		Financing of Public Safety Commincation System	-	24,931	24,931
01-701-57601.00000	Expense	DEBT PRINCIPAL		Financing of Public Safety Commincation System	-	201,491	201,491



City of Stephenville

Budget Adjustment Register

Adjustment Detail

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Account Number	Acct Type	Account Name	Description	Adjustment Description	Adjustment Date: 9/6/22		
					Current	Adjustment	Proposed
BA0000119				Financing of 5 2022 Police vehicles Council approved 2/15/22			
01-45602.00000	Revenue	LOAN PROCEEDS		Financing of 5 2022 Police vehicles	-	197,453	197,453
01-701-55110.00000	Expense	VEHICLE		Financing of 5 2022 Police vehicles	169,000	145,923	314,923
01-701-57601.00000	Expense	DEBT PRINCIPAL		Financing of 5 2022 Police vehicles	-	51,530	51,530
BA0000141				Additional Detective Office Rental			
01-701-52311.00000	Expense	RENTAL		Additional Detective Office Rental	39,216	12,500	51,716
BA0000142				Additional fuel cost for Police			
01-701-53230.00000	Expense	GAS & OIL		Additional fuel cost for Police	45,000	45,000	90,000
BA0000143				Police vehicle maintenance			
01-701-54110.00000	Expense	VEHICLE MAINTENANCE		Police vehicle maintenance	25,000	10,000	35,000
BA0000122				Reallocate Salary Savings			
01-108-51111.00000	Expense	SALARY VACANCY SAVINGS		Reallocate Salary Savings	-	4,500	4,500
01-201-51111.00000	Expense	SALARY VACANCY SAVINGS		Reallocate Salary Savings	-	(49,500)	(49,500)
01-402-51111.00000	Expense	SALARY VACANCY SAVINGS		Reallocate Salary Savings	-	(30,000)	(30,000)
01-501-51111.00000	Expense	SALARY VACANCY SAVINGS		Reallocate Salary Savings	-	(65,000)	(65,000)
01-601-51111.00000	Expense	SALARY VACANCY SAVINGS		Reallocate Salary Savings	(200,000)	330,000	130,000
01-701-51111.00000	Expense	SALARY VACANCY SAVINGS		Reallocate Salary Savings	(218,652)	(125,000)	(343,652)
01-801-51111.00000	Expense	SALARY VACANCY SAVINGS		Reallocate Salary Savings	-	(65,000)	(65,000)
BA0000160				Budget Transfer from Reserve for Airport			
01-900-59004.00000	Expense	TRANSFER OUT TO AIRPORT FUN		Budget Transfer from Reserve for Airport	-	120,000	120,000
General Fund Net Revenues Over/(Under) Expenditures						(184,866)	



City of Stephenville

Budget Adjustment Register

Adjustment Detail

Packet: GLPKT04684 - Budget Adjustments FY 21-22

Account Number	Acct Type	Account Name	Description	Adjustment Description	Current	Adjustment Date: 9/6/22	
						Adjustment	Proposed
BA0000146 02-44510.00000	Revenue	WATER SALES	10% Water Rate Increase approved 10/4/21	10% Water Rate Increase approved 10/4/21	4,978,976	497,898	5,476,874
BA0000147 02-44520.00000	Revenue	WASTEWATER CHARGES	12% Wastewater Rate Increase approved 10/4/21	12% Wastewater Rate Increase approved 10/4/21	3,612,944	554,366	4,167,310
BA0000153 02-43500.20210	Revenue	GRANTS/ARPA	2nd Tranche of ARPA funds	2nd Tranche of ARPA funds	-	2,632,354	2,632,354
BA0000122 02-001-51111.00000	Expense	SALARY VACANCY SAVINGS	Reallocate Salary Savings	Reallocate Salary Savings	-	70,000	70,000
02-002-51111.00000	Expense	SALARY VACANCY SAVINGS	Reallocate Salary Savings	Reallocate Salary Savings	-	(70,000)	(70,000)
BA0000123 02-000-55276.20220	Expense	WATER & SEWER LINE IMPROVEM	Issuance of 2022 Certificates of Obligation Council approved 4/5/22	Issuance of 2022 C/O-Long Street Engineering	-	594,700	594,700
02-000-55276.20220	Expense	WATER & SEWER LINE IMPROVEM	Issuance of 2022 C/O-Water & Sewer Projects	Issuance of 2022 C/O-Water & Sewer Projects	-	6,500,000	6,500,000
02-001-55235.00000	Expense	WELLS	Issuance of 2022 C/O-536 Well Field development	Issuance of 2022 C/O-536 Well Field development	547,100	7,893,000	8,440,100
02-011-55270.20180	Expense	SEWER LINE REPLACEMENT	Issuance of 2022 C/O-Eastside Sewer Project	Issuance of 2022 C/O-Eastside Sewer Project	13,427,125	5,025,550	18,452,675
02-45600.00000	Revenue	BOND PROCEEDS	Issuance of 2022 Certificates of Obligation	Issuance of 2022 Certificates of Obligation	-	18,855,000	18,855,000
02-45603.00000	Revenue	BOND PREMIUM	Issuance of 2022 Certificates of Obligation	Issuance of 2022 Certificates of Obligation	-	1,576,498	1,576,498
02-901-56110.00000	Expense	ISSUE COSTS	Issuance of 2022 Certificates of Obligation	Issuance of 2022 Certificates of Obligation	-	418,248	418,248
BA0000148 02-000-55277.00000	Expense	OVERSIZED PARTICIPATION	Oversized Water/Sewerline Participation	Oversized Water/Sewerline Participation	-	53,790	53,790
BA0000149 02-001-52510.00000	Expense	UTILITIES	Increase Water Production Utilities	Increase Water Production Utilities	195,000	125,000	320,000
BA0000150 02-002-54235.00000	Expense	WATER FACILITY MAINTENANCE	Increase Water Distribution Maintenance	Increase Water Distribution Maintenance	170,000	100,000	270,000
BA0000151 02-002-53230.00000	Expense	GAS & OIL	Increase Water Distribution Gas & Oil	Increase Water Distribution Gas & Oil	12,500	11,000	23,500
BA0000152 02-002-55281.00000	Expense	WATER TANKS	Airport Pump Station approved 12/7/21	Airport Pump Station approved 12/7/21	220,975	3,797,062	4,018,037
BA0000154 02-012-54241.00000	Expense	SEWER FACILITY MAINTENANCE	Wastewater Treatment Plant Maintenance	Wastewater Treatment Plant Maintenance	75,000	20,000	95,000
BA0000155 02-020-53341.00000	Expense	CREDIT CARD CHARGES	Increased Credit Card Fees for increased revenue	Increased Credit Card Fees for increased revenue	26,112	60,000	86,112
BA0000156 02-901-59101.00000	Expense	WATER FRANCHISE TAX-TO GENE	Increase Water Franchise Fee for increased revenue	Increase Water Franchise Fee for increased revenue	618,157	112,000	730,157
Utility Fund Net Revenues Over/(Under) Expenditures						(594,234)	
BA0000157 03-030-53230.00000	Expense	GAS & OIL	Increase Gas & Oil & Maintenance (funded by increased revenues)	Increase Gas & Oil & Maintenance	45,000	45,000	90,000
03-030-54120.00000	Expense	MACHINERY MAINTENANCE	Increase Gas & Oil & Maintenance	Increase Gas & Oil & Maintenance	70,000	41,000	111,000
03-44710.00000	Revenue	LANDFILL GATE FEES	Increase Gas & Oil & Maintenance	Increase Gas & Oil & Maintenance	960,000	233,000	1,193,000
Landfill Fund Net Revenues Over/(Under) Expenditures						147,000	



City of Stephenville

Budget Adjustment Register

Adjustment Detail

Packet: GLPKT04684 - Budget Adjustments FY 21-22

Account Number	Acct Type	Account Name	Description	Current	Adjustment Date: 9/6/22	
					Adjustment	Proposed
BA0000160			Budget Transfer from Reserve for Airport			
04-49000.00000	Revenue	TRANSFER FROM OTHER FUNDS	Budget Transfer from Reserve for Airport	-	(120,000)	(120,000)
Airport Fund Net Revenues Over/(Under) Expenditures						(120,000)
BA0000124			Refunding of 2013 Refunding Bonds Council approved 4/5/22			
05-050-56110.00000	Expense	ISSUE COSTS	Refunding of 2013 Refunding Bonds	-	84,272	84,272
05-050-57300.00000	Expense	BOND INTEREST	Refunding of 2013 Refunding Bonds	173,372	26,539	199,911
05-050-57500.00000	Expense	BOND PRINCIPAL	Refunding of 2013 Refunding Bonds	330,000	3,095,000	3,425,000
05-45600.00000	Revenue	BOND PROCEEDS	Refunding of 2013 Refunding Bonds	-	2,825,000	2,825,000
05-45603.00000	Revenue	BOND PREMIUM	Refunding of 2013 Refunding Bonds	-	385,875	385,875
BA0000125			Flood Protection Planning Study TWDB Grant			
05-050-52531.00000	Expense	OUTSIDE PROFESSIONALS	Flood Protection Planning Study	78,700	450,000	528,700
05-43500.00000	Revenue	GRANTS	Flood Protection Planning Study TWDB Grant	828,873	337,500	491,373
BA0000158			Contractual Storm Drainage construction (funded by additional revenue)			
05-050-55250.00000	Expense	DAMAGE CLAIMS	Contractual Storm Drainage construction	-	70,000	70,000
05-44500.00000	Revenue	STORM WATER DRAINAGE FEE	Contractual Storm Drainage construction	860,984	95,000	955,984
BA0000159			Adjust CDBG GLO Project Carryover			
05-050-55231.20180	Expense	CDBG GLO GRANT	Adjust CDBG GLO Project Carryover	841,612	(799,192)	42,420
BA0000161			Increase TIF revenue and reduce Storm transfer			
05-050-59020.00000	Expense	TRANSFER TO TIF	Increase TIF revenue and reduce Storm transfer	65,431	(65,431)	-
Storm Water Drainage Fund Net Revenues Over/(Under) Expenditures						782,187
BA0000110			Record Tarleton Commitment to Harbin Drive Project			
10-402-55250.20200	Expense	STREETS - 2020 BONDS	Record Tarleton Commitment to Harbin Drive Project	8,500,000	1,400,000	9,900,000
10-43060.00000	Revenue	TARLETON REIMBURSEMENT	Record Tarleton Commitment to Harbin Drive Project	-	1,400,000	1,400,000
BA0000111			Carryover unspent FY 20-21 Street Maintenance Funds			
10-402-55250.20200	Expense	STREETS - 2020 BONDS	Carryover unspent FY 20-21 Street Maint. Funds	8,500,000	114,848	8,614,848
BA0000123			Issuance of 2022 Certificates of Obligation Council approved 4/5/22			
10-45600.00000	Revenue	BOND PROCEEDS	Issuance of 2022 Certificates of Obligation	-	1,885,000	1,885,000
10-45603.00000	Revenue	BOND PREMIUM	Issuance of 2022 Certificates of Obligation	-	157,834	157,834
10-501-55272.00000	Expense	PARK IMPROVEMENTS	Issuance of 2022 C/O-Ballfields	-	2,001,020	2,001,020
10-501-56110.00000	Expense	ISSUE COSTS	Issuance of 2022 Certificates of Obligation	-	41,814	41,814
Capital Projects Fund Net Revenues Over/(Under) Expenditures						(114,848)
BA0000161			Increase TIF revenue and reduce Storm transfer			
20-40100.00001	Revenue	TIF 1 SALES TAX	Increase TIF revenue and reduce Storm transfer	10,000	65,431	75,431
20-49005.00000	Revenue	TRANSFER FROM STORM DRAIN	Increase TIF revenue and reduce Storm transfer	65,431	(65,431)	-
TIF Fund Net Revenues Over/(Under) Expenditures						-



City of Stephenville

Budget Adjustment Register

Adjustment Detail

Packet: GLPKT04684 - Budget Adjustments FY 21-22

Account Number	Acct Type	Account Name	Description	Current	Adjustment	Proposed
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Budget Code Summary

Adjustment Date: 9/6/22

Account Number	Acct Type	Account Name	Description	Current	Adjustment	Proposed
01-101-52531.00000	Expense	OUTSIDE PROFESSIONALS		5,000	75,000	80,000
01-102-51110.00000	Expense	SALARIES		320,840	118,241	439,081
01-102-51210.00000	Expense	RETIREMENT		29,377	6,018	35,395
01-102-51220.00000	Expense	SOCIAL SECURITY		25,735	2,174	27,909
01-102-52531.00000	Expense	OUTSIDE PROFESSIONALS		-	5,000	5,000
01-103-55160.00000	Expense	COMPUTER EQUIPMENT		-	28,711	28,711
01-105-55200.00000	Expense	BUILDING IMPROVEMENTS		-	83,533	83,533
01-108-51111.00000	Expense	SALARY VACANCY SAVINGS		-	4,500	4,500
01-108-52640.00000	Expense	SPECIAL EVENTS		-	20,000	20,000
01-108-53320.00000	Expense	OPERATING SUPPLIES		1,000	6,000	7,000
01-108-55140.00000	Expense	OTHER EQUIPMENT		-	115,128	115,128
01-201-51111.00000	Expense	SALARY VACANCY SAVINGS		-	(49,500)	(49,500)
01-301-52531.00000	Expense	OUTSIDE PROFESSIONALS		2,500	20,000	22,500
01-302-51130.00000	Expense	PART-TIME WAGES		6,600	6,800	13,400
01-302-51220.00000	Expense	SOCIAL SECURITY		3,860	700	4,560
01-302-53341.00000	Expense	CREDIT CARD FEES		1,703	5,000	6,703
01-40100.00000	Revenue	CITY SALES TAX		6,710,123	950,000	7,660,123
01-402-51111.00000	Expense	SALARY VACANCY SAVINGS		-	(30,000)	(30,000)
01-402-52550.00000	Expense	DAMAGE CLAIMS		-	1,000	1,000
01-402-54251.00000	Expense	BRIDGE MAINTENANCE		20,000	(5,985)	14,015
01-402-55140.00000	Expense	OTHER EQUIPMENT		38,000	5,985	43,985
01-42010.00000	Revenue	MUNICIPAL COURT FINES		66,500	60,000	126,500
01-43500.00000	Revenue	GRANTS		3,000	184,732	187,732
01-45200.00000	Revenue	INSURANCE PROCEEDS		-	95,215	95,215
01-45420.00000	Revenue	DONATIONS & CONTRIBUTIONS		-	49,662	49,662
01-45602.00000	Revenue	LOAN PROCEEDS		-	3,088,858	3,088,858
01-501-51111.00000	Expense	SALARY VACANCY SAVINGS		-	(65,000)	(65,000)
01-501-55120.00000	Expense	MACHINERY & EQUIPMENT		53,856	117,356	171,212
01-501-55270.03250	Expense	PARKLAND DEDICATION IMPROVEMEN		152,978	96,264	249,242
01-501-57550.00000	Expense	LEASE INTEREST		2,876	2,099	4,975
01-501-57600.00000	Expense	LEASE PRINCIPAL		17,025	30,040	47,065
01-504-53130.00000	Expense	BOOKS & EDUCATIONAL MATERIAL		18,000	(3,571)	14,429
01-504-55200.00000	Expense	BUILDING IMPROVEMENTS		13,422	3,571	16,993
01-506-55200.00000	Expense	BUILDING IMPROVEMENTS		24,438	214,700	239,138
01-507-54253.00000	Expense	SWIMMING POOL MAINTENANCE		35,000	280,981	315,981
01-601-51111.00000	Expense	SALARY VACANCY SAVINGS		(200,000)	330,000	130,000
01-601-51120.00000	Expense	OVERTIME		267,118	84,512	351,630
01-601-52550.00000	Expense	DAMAGE CLAIMS		-	81,127	81,127
01-601-52590.00000	Expense	DEPLOYMENT COSTS		-	15,000	15,000
01-601-53160.00000	Expense	WEARING APPAREL		37,195	11,828	49,023
01-601-54110.00000	Expense	VEHICLE MAINTENANCE		30,000	17,000	47,000
01-601-55111.00000	Expense	VEHICLES-EMS		36,260	265,129	301,389
01-601-55140.00000	Expense	OTHER EQUIPMENT		66,878	424,026	490,904
01-601-57551.00000	Expense	DEBT INTEREST		-	13,204	13,204
01-601-57601.00000	Expense	DEBT PRINCIPAL		-	78,318	78,318
01-701-51111.00000	Expense	SALARY VACANCY SAVINGS		(218,652)	(125,000)	(343,652)
01-701-52311.00000	Expense	RENTAL		39,216	12,500	51,716
01-701-52550.00000	Expense	DAMAGE CLAIMS		-	13,088	13,088
01-701-53230.00000	Expense	GAS & OIL		45,000	45,000	90,000
01-701-54110.00000	Expense	VEHICLE MAINTENANCE		25,000	10,000	35,000
01-701-55110.00000	Expense	VEHICLE		169,000	145,923	314,923
01-701-55140.00000	Expense	OTHER EQUIPMENT		250,000	1,763,981	2,013,981
01-701-57551.00000	Expense	DEBT INTEREST		-	24,931	24,931
01-701-57601.00000	Expense	DEBT PRINCIPAL		-	253,021	253,021
01-801-51111.00000	Expense	SALARY VACANCY SAVINGS		-	(65,000)	(65,000)
01-900-59004.00000	Expense	TRANSFER OUT TO AIRPORT FUND		-	120,000	120,000
02-000-55276.20220	Expense	WATER & SEWER LINE IMPROVEMENT		-	7,094,700	7,094,700
02-000-55277.00000	Expense	OVERSIZED PARTICIPATION		-	53,790	53,790
02-001-51111.00000	Expense	SALARY VACANCY SAVINGS		-	70,000	70,000
02-001-52510.00000	Expense	UTILITIES		195,000	125,000	320,000
02-001-55235.00000	Expense	WELLS		547,100	7,893,000	8,440,100
02-002-51111.00000	Expense	SALARY VACANCY SAVINGS		-	(70,000)	(70,000)



City of Stephenville

Budget Adjustment Register

Adjustment Detail

Packet: GLPKT04684 - Budget Adjustments FY 21-22

Account Number	Acct Type	Account Name	Description	Adjustment Date: 9/6/22		
				Current	Adjustment	Proposed
02-002-53230.00000	Expense	GAS & OIL		12,500	11,000	23,500
02-002-54235.00000	Expense	WATER FACILITY MAINTENANCE		170,000	100,000	270,000
02-002-55281.00000	Expense	WATER TANKS		220,975	3,797,062	4,018,037
02-011-55270.20180	Expense	SEWER LINE REPLACEMENT		13,427,125	5,025,550	18,452,675
02-012-54241.00000	Expense	SEWER FACILITY MAINTENANCE		75,000	20,000	95,000
02-020-53341.00000	Expense	CREDIT CARD CHARGES		26,112	60,000	86,112
02-43500.20210	Revenue	GRANTS/ARPA		-	2,632,354	2,632,354
02-44510.00000	Revenue	WATER SALES		4,978,976	497,898	5,476,874
02-44520.00000	Revenue	WASTEWATER CHARGES		3,612,944	554,366	4,167,310
02-45600.00000	Revenue	BOND PROCEEDS		-	18,855,000	18,855,000
02-45603.00000	Revenue	BOND PREMIUM		-	1,576,498	1,576,498
02-901-56110.00000	Expense	ISSUE COSTS		-	418,248	418,248
02-901-59101.00000	Expense	WATER FRANCHISE TAX-TO GENERAL		618,157	112,000	730,157
03-030-53230.00000	Expense	GAS & OIL		45,000	45,000	90,000
03-030-54120.00000	Expense	MACHINERY MAINTENANCE		70,000	41,000	111,000
03-44710.00000	Revenue	LANDFILL GATE FEES		960,000	233,000	1,193,000
04-49000.00000	Revenue	TRANSFER FROM OTHER FUNDS		-	120,000	120,000
05-050-52531.00000	Expense	OUTSIDE PROFESSIONALS		78,700	450,000	528,700
05-050-52531.20180	Expense	CDBG GLO GRANT		841,612	(799,192)	42,420
05-050-55250.00000	Expense	DAMAGE CLAIMS		-	70,000	70,000
05-050-56110.00000	Expense	ISSUE COSTS		-	84,272	84,272
05-050-57300.00000	Expense	BOND INTEREST		173,372	26,539	199,911
05-050-57500.00000	Expense	BOND PRINCIPAL		330,000	3,095,000	3,425,000
05-050-59020.00000	Expense	TRANSFER TO TIF FUND		65,431	(65,431)	-
05-43500.00000	Revenue	GRANTS		828,873	337,500	1,166,373
05-44500.00000	Revenue	STORM WATER DRAINAGE FEE		860,984	95,000	955,984
05-45600.00000	Revenue	BOND PROCEEDS		-	2,825,000	2,825,000
05-45603.00000	Revenue	BOND PREMIUM		-	385,875	385,875
10-402-55250.20200	Expense	STREETS - 2020 BONDS		8,500,000	1,514,848	10,014,848
10-43060.00000	Revenue	TARLETON REIMBURSEMENT		-	1,400,000	1,400,000
10-45600.00000	Revenue	BOND PROCEEDS		-	1,885,000	1,885,000
10-45603.00000	Revenue	BOND PREMIUM		-	157,834	157,834
10-501-55272.00000	Expense	PARK IMPROVEMENTS		-	2,001,020	2,001,020
10-501-56110.00000	Expense	ISSUE COSTS		-	41,814	41,814
20-40100.00001	Revenue	TIF 1 SALES TAX		10,000	65,431	75,431
20-49005.00000	Revenue	TRANSFER FROM STORM DRAINAGE		65,431	(65,431)	-
				(8,618,478)	155,239	(8,463,239)

Fund Summary

Fund	Current	Adjustment	Proposed
01	5,465,398	(184,866)	5,280,532
02	(6,700,049)	(594,234)	(7,294,283)
03	845,000	147,000	992,000
04	-	120,000	120,000
05	200,742	782,187	982,929
10	(8,500,000)	(114,848)	(8,614,848)
20	75,431	-	75,431
	(8,613,478)	155,239	(8,458,239)



STAFF REPORT

SUBJECT: Consider Approval of Annual Audit Contract for Fiscal Year Ending September 30, 2022

DEPARTMENT: Finance

STAFF CONTACT: Monica Harris

RECOMMENDATION:

Staff is requesting the Finance Committee to approve sending the Annual Audit Contract with BrooksWatson & Co. to Council for award.

BACKGROUND:

On September 4, 2018, BrooksWatson & Co. was awarded a four-year contract for annual audit services for Fiscal Year Ending September 30, 2018 through Fiscal Year Ending September 30, 2021 through a request for proposals process. BrooksWatson & Co. completed the 2021 audit at a cost of \$40,459.11

Our Financial Policy states: "The City Council will not require an auditor rotation, but will circulate requests for proposal for audit services periodically, normally at five year intervals."

Since it has only been four years since we requested proposals, staff is requesting to retain BrooksWatson & Co. for the annual audit services for Fiscal Year Ending September 30, 2022.

FISCAL IMPACT SUMMARY:

The attached contract includes the cost of the financial statement audit of \$38,799, the single audit for one major program of \$4,500, plus \$1,750 for each additional major program in the single audit. A single audit will be required with an anticipated two major programs. The calculated anticipated cost is \$45,049.

ALTERNATIVES

Not approve the contract and require requests for proposal.



BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

September 14, 2022

City of Stephenville, Texas
298 W Washington St
Stephenville, TX 76401

The following represents our understanding of the services we will provide the City of Stephenville, Texas.

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Stephenville, Texas, as of September 30, 2022, and for the years then ended and the related notes to the financial statements, which collectively comprise the City of Stephenville, Texas's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal award programs for the period ended September 30, 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's discussion and analysis
- 2) Budgetary Comparison Information
- 3) Pension and OPEB schedules

Supplementary information other than RSI will accompany the City of Stephenville, Texas's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- 1) Individual nonmajor fund financial statements and schedules
- 2) Combining statements

Also, the document we submit to you will include the following other additional information that will not be subject to the auditing procedures applied in our audit of the financial statements:

- 1) Introductory section
- 2) Statistical section

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit

clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

The Objective of an Audit

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in accordance with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

General Audit Procedures

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements,

or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Internal Control Audit Procedures

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

Audit of Major Program Compliance

Our audit of the City of Stephenville, Texas's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For the design, implementation, and maintenance of internal control over federal awards;

7. For establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the nonfederal entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
8. For identifying and ensuring that the entity complies with federal statutes, regulations, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
9. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;

20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information and schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information and schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the supplementary information and schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the supplementary information and schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information and schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

We will assist the City with the preparation of the comprehensive annual financial report, and propose adjusting or correcting journal entries to be reviewed and approved by the City's management, which is considered to be a nonattest service. We will not assume management responsibilities on behalf of the City of Stephenville, Texas. However, we will provide advice and recommendations to assist management of the City of Stephenville, Texas in performing its responsibilities. With respect to this and any other nonattest services we perform, the City of Stephenville, Texas's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the

services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Reporting

We will issue a written report upon completion of our audit of the City of Stephenville, Texas's basic financial statements. Our report will be addressed to the governing body of the City of Stephenville, Texas. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The timing of our audit will be scheduled for performance and completion as follows:

	Begin	Complete
Document internal control and preliminary tests		September 30th
Observe physical inventories (if necessary)		n/a
Mail confirmations		October 1st
Perform year-end audit procedures		January/February
Issue audit report		March

Mike Brooks is the engagement partner for the audit services specified in this letter. His responsibilities include supervising BrooksWatson & Co., PLLC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees for the financial statement audits are all inclusive as follows:

Financial Statement Audit	
Fiscal Year	City
2022	\$38,799

Our fees for the uniform guidance audits are \$4,500, including one major program (>\$750,000) and \$1,750 for each additional major program, for each year.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Stephenville, Texas's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

The invoice shall be rendered monthly based upon actual hours billed during the invoice period. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The audit documentation for this engagement is the property of BrooksWatson & Company, PLLC, and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of BrooksWatson & Company, PLLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to City Council the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,



BrooksWatson & Co.
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032

RESPONSE:

This letter correctly sets forth our understanding.

The City of Stephenville, Texas

Acknowledged and agreed on behalf of the City of Stephenville, Texas by:

Management

Name: _____

Title: _____

Date: _____

Mayor or Council Representative

Name: _____

Title: _____

Date: _____

DEVELOPMENT SERVICES COMMITTEE



STAFF REPORT

SUBJECT: Proposed Adoption of Updated International Codes
MEETING: Council Committee Meeting – SEPT 2022
DEPARTMENT: Development Services
STAFF CONTACT: Steve Killen

BACKGROUND:

Currently, the City of Stephenville is under the 2015 International Codes, with exception to the 2014 National Electric Code.

Staff will provide an overview of the preliminary plan of action in order to accomplish the adoption of updated codes within the next year, subject to Council direction.



DEVELOPMENT SERVICES COMMITTEE

STAFF REPORT

SUBJECT: Proposed Revision to Chapter 154.20.2.K of the Zoning Ordinance

MEETING: Council Committee Meeting – SEPT 2022

DEPARTMENT: Development Services

STAFF CONTACT: Steve Killen

RECOMMENDATION:

To revise Section 154.20.2.K of the Subdivision Ordinance, striking Paragraph 3 as reflected in the following excerpt and creating a new paragraph (3) and (4) as follows:

Sec. 154.20.2. Planning and zoning commission—Rules of procedure.

Roberts Rules of Order, the latest revision, shall be the Commission's final authority on all questions of procedures and parliamentary law not covered by these Rules of Procedures.

20.2.K Motions.

- (1) A motion may be made by any member other than the presiding officer.
- (2) A motion to approve any matter before the Commission or to recommend approval of any request requiring Council action shall require two-thirds favorable votes of the members present.
- (3) A motion to deny any matter before the Commission or to recommend denial of any request requiring Council action shall require a majority vote of those present. ~~(a) When fewer than all the members are present for the voting and when all motions to recommend on a given application fail to carry by two-thirds votes, consideration of the application shall be continued to the next regular meeting upon motion carried by a majority of those present.~~
 - ~~(b) — Provided further that no request or application shall be continued under this rule beyond the next regular meeting; failure of the Commission to secure two-thirds concurring votes to approve or recommend approval at the next regular meeting shall be recorded in the minutes as a denial of the proposal under this rule.~~
- (4) If the Commission fails to obtain the minimum votes required, the item before the Commission requiring Council action shall be forwarded with no recommendation.

BACKGROUND:

Recent practices to enforce the 2/3 vote requirement for a favorable recommendation to be forwarded to City Council has resulted in some confusion; complicated by the verbiage found in paragraph 3. Further, as written, delays related to the continuation of the application to the next regular meeting could jeopardize projects and, in some case, result in the automatic approval due to shot clock legislation.

Chapter 211 of the Local Government Code defines the formation and authority of the Commission. The language in 20.2.K is not provided by Chapter 211 and therefore, believed to be established by local ordinance.

The applicable Section of Chapter 211 of the Local Government Code is provided below:

Chapter 211 of the Local Government Code discusses the authority of the Commission. There is a reference to a 2/3 vote requirement, however, it is for purposes other than specified in our Code of Ordinances. See below

Sec. 211.007. ZONING COMMISSION. (a) To exercise the powers authorized by this subchapter, the governing body of a home-rule municipality shall, and the governing body of a general-law municipality may, appoint a zoning commission. The commission shall recommend boundaries for the original zoning districts and appropriate zoning regulations for each district. If the municipality has a municipal planning commission at the time of implementation of this subchapter, the governing body may appoint that commission to serve as the zoning commission.

(b) The zoning commission shall make a preliminary report and hold public hearings on that report before submitting a final report to the governing body. The governing body may not hold a public hearing until it receives the final report of the zoning commission unless the governing body by ordinance provides that a public hearing is to be held, after the notice required by Section [211.006](#)(a), jointly with a public hearing required to be held by the zoning commission. In either case, the governing body may not take action on the matter until it receives the final report of the zoning commission.

(c) Before the 10th day before the hearing date, written notice of each public hearing before the zoning commission on a proposed change in a zoning classification shall be sent to each owner, as indicated by the most recently approved municipal tax roll, of real property within 200 feet of the property on which the change in classification is proposed. The notice may be served by its deposit in the municipality, properly addressed with postage paid, in the United States mail. If the property within 200 feet of the property on which the change is proposed is located in territory annexed to the municipality and is not included on the most recently approved municipal tax roll, the notice shall be given in the manner provided by Section [211.006](#)(a).

(c-1) Before the 10th day before the hearing date, written notice of each public hearing before the zoning commission on a proposed change in a zoning classification affecting residential or multifamily zoning shall be sent to each school district in which the property for which the change in

classification is proposed is located. The notice may be served by its deposit in the municipality, properly addressed with postage paid, in the United States mail.

(c-2) Subsection (c-1) does not apply to a municipality the majority of which is located in a county with a population of 100,000 or less, except that such a municipality must give notice under Subsection (c-1) to a school district that has territory in the municipality and requests the notice. For purposes of this subsection, if a school district makes a request for notice under Subsection (c-1), the municipality must give notice of each public hearing held following the request unless the school district requests that no further notices under Subsection (c-1) be given to the school district.

(d) The governing body of a home-rule municipality may, by a two-thirds vote, prescribe the type of notice to be given of the time and place of a public hearing held jointly by the governing body and the zoning commission. If notice requirements are prescribed under this subsection, the notice requirements prescribed by Subsections (b) and (c) and by Section [211.006](#)(a) do not apply.

(e) If a general-law municipality exercises zoning authority without the appointment of a zoning commission, any reference in a law to a municipal zoning commission or planning commission means the governing body of the municipality.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

ALTERNATIVES:

1. Take no action.
2. Assign to the Commission for Public Hearing and recommendation to City Council.