**AGENDA**
**CITY COUNCIL MEETING**
**TUESDAY, FEBRUARY 27, 2024**
**1371 WEST FM 550 - McLENDON-CHISHOLM, TEXAS 75032**
**6:30 PM**

| | | Page |
|---|---|---|
| 1. | CALL TO ORDER | |
| 2. | INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS | |
| 3. | RULES OF DECORUM | |
| 4. | CITIZEN COMMENTS | |
| 5. | CONSENT AGENDA | |
| 5.1. | Consider approval of the minutes of the February 13, 2024, City Council Meeting<br>Minutes of February 13, 2024 | 4 - 19 |
| 5.2. | Financial Report - January 2024<br>Financial Report, January 2024 | 20 - 35 |
| 5.3. | Fire Rescue Report - December & January 2024<br>December 2023 Calls by District<br>December 2023 Calls by Incident Type<br>January 2024 Calls by District<br>January 2024 Calls by Incident | 36 - 43 |
| 5.4. | Building Official Report - January 2024<br>Monthly Report<br>Inspections | 44 |
| 5.5. | CWD Report - January 2024<br>Report | 45 - 48 |
| 5.6. | Sheriff's Report, January 2024<br>Sheriff's Report | 49 - 55 |
| 5.7. | Code Compliance Report, January 2024<br>Report | 56 - 59 |
| 5.8. | Animal Control Report, January 2024<br>Report | 60 |

6. ITEMS FOR CONSIDERATION AND ACTION

6.1. Review and Action regarding the Audited Financial Statements, September 30, 2023 — 61 - 109

Audit

6.2. Presentation and action regarding the request to purchase the Operational Budgeting Module from ClearGov for the purpose of providing clarity and transparency during the budget process. It will also help the City create a streamlined process for the creation of our digital budget book as we submit for a GFOA Distinguished Budget Award. — 110 - 111

Operational Budgeting Product Brief

6.3. Discussion and action for Application Changes by the City Staff for the planning department to add language on applications stating that developers must be able to provide potable water sufficient to meet our fire code standards for fighting fires. — 112 - 118

Preliminary-Plat-Checklist_Proposed Updates
Preliminary-Plat-Checklist-October-9-2017
Water Language Application Changes Staff Report

6.4. Consider approval of an Ordinance amending the Comprehensive Zoning Ordinance and zoning map by granting a change in zoning district from AG Agriculture to a PD Planning Development Zoning District (Legacy Park Estates) — 119 - 126

Ordinance

6.5. Update on all issues related to water issues.

6.6. Review/Action - Performance Appraisal - City Secretary

6.7. Review/Action - Performance Appraisal - City Administrator

7. EXECUTIVE SESSION

7.1. Adjourn into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551.074(a)(1) Personnel matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Administrator, City Secretary.

7.2. Adjourn into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551.071 Consultation with Attorney: Discuss the status of the City's current PUC application as it relates to RCH, it's system, and any other PUC application-related issues.

7.3. Reconvene Regular Meeting

7.4. Executive Session Action

8. UPDATES, DISCUSSION AND DIRECTION TO STAFF

9. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

The City Council will have an opportunity to address items of community interest including: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the City of McLendon-Chisholm; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the City of McLendon-Chisholm that was attended or is scheduled to be attended by a member of the City Council or an official or employee of the City of McLendon-Chisholm; and announcements involving an imminent threat to the public health and safety of people in the City of McLendon-Chisholm that has arisen after posting the agenda.

9.1. Mayor Short

9.2. Mayor Pro Tem Balkum

9.3. Council Member Tucker

9.4. Council Member Day

9.5. Council Member McLendon

9.6. Council Member McNeal

10. ADJOURN

The City Council for the City of McLendon-Chisholm, Texas, reserves the right to convene into executive session a any time during the course of this meeting to discuss any of the matters listed, as authorized by Texas Government Code, Chapter 551, including but not limited to §551.961 - Consultation with Attorney; §551.072 - Real Property; §551.073 - Prospective Gifts; §Personnel Matters; §551.076 - Security Devices; §551.086 - Utility Competitive Matters; and, §551.087 - Economic Development Negotiation.

I, Rochelle Green, do hereby certify that the above Notice of Meeting of the City Council of McLendon-Chisholm, Texas was posted or before 5:00 p.m., February 23, 2024, on the outside bulletin board at City Hall, a place convenient and readily accessible to the public at all times.

**CITY COUNCIL MEETING**
**CITY OF MCLENDON-CHISHOLM, TEXAS**
**MEETING MINUTES**
**FEBRUARY 13, 2024**

The City Council of the City of McLendon-Chisholm convened in Regular Session on Tuesday, February 13, 2024, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

| | | |
|---|---|---|
| ATTENDING: | Adrienne Balkum | Mayor Pro Tem |
| | Paul Day | Council Member |
| | Floyd McLendon, Jr. | Council Member |
| | Daniel Tucker | Council Member |
| ABSENT: | Keith Short | Mayor |
| | Bryan McNeal | Council Member |
| Staff Present: | Konrad Hildebrandt | City Administrator |
| | Shelly Green | City Secretary |
| | Asa Woodberry | City Planner |
| | Michael Halla | City Attorney |

## 1. CALL TO ORDER

Mayor Pro Tem Balkum called the meeting to order at 6:30 p.m.

## 2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS

Council Member Tucker delivered the invocation and Council Member McLendon led the pledge of allegiance to the U.S. and Texas Flags.

## 3. RULES OF DECORUM

Mayor Pro Tem Balkum announced the Rules of Decorum are in effect and are to be observed throughout the meeting.

## 4. PROCLAMATION

***Proclamation***

**COURTNEY J. MILLER**

**WHEREAS** Courtney J. Miller was a founding member and first female Scout of Scouts BSA Troop 1524 in Rockwall County; and

**WHEREAS** Courtney attained the rank of Eagle on September 25, 2023; earned 31 merit badges, earned the Bronze Palm (5 additional merit badges beyond the 21 required for Eagle) and Gold Palm (10 additional merit badges beyond the 21 required for Eagle); and

**WHEREAS** Courtney has held positions of responsibility as Senior Patrol Leader (twice), Yee Haw Patrol Leader (twice), and Troop Guide; and

**WHEREAS** Courtney has completed Leadership Training: Introduction to Leadership Skills six times and two of which she led, also National Youth Leadership Training (NYLT), and Powderhorn; and

**WHEREAS** Courtney has staffed the six-day Winter Camp 2023 in the Mountain Man activity area and taught the Wilderness Survival merit badge; and

**WHEREAS** Courtney has served 181 total hours of service over her Scouting tenure; and

**WHEREAS** Courtney teamed up with Rockwall County Helping Hands for an Eagle Scout project "Helping Those in Poverty with Toiletries" by holding toiletry drives with several Rockwall County groups and then providing a toiletry pick-up event. The pick-up event had forty-seven families attend that ultimately assisted over 170 people. Courtney and her volunteers spent 177 hours on the toiletry drives and the toiletry pickup event; and

**WHEREAS** Courtney has spent 95 Night Camps, 5 Frost Points which are nights camped with temperature at or below freezing, 115 miles hiked, completed a Scouting High Adventure with a 12-day Backpacking Trek at Philmont Scout Ranch covering over 75 miles; and

**WHEREAS** Courtney has received additional awards such as: 50-Miler, Paul Bunyan, Stand Up Paddleboarding, National Outdoor Achievement – Camping (3) and Hiking; and

**WHEREAS** Courtney is a member of the Order of the Arrow, the Scouting's National Camping Honor Society, attained Brotherhood in 2023, holds a position of Area Chief for 2024 of the Arrow; and

**NOW THEREFORE I, ADRIENNE BALKUM, MAYOR PRO TEM OF McLENDON-CHISHOLM RECOGNIZE COURTNEY J. MILLER FOR HER EXEMPLARY LEADERSHIP AND SERVICE.**

**IN WITNESS WHERE,** I have set my hand and caused the Seal of the City of McLendon-Chisholm Texas, to be affixed this 13th day of February 2024.

## 5. CITIZEN COMMENTS

**None**

## 6. CONSENT AGENDA

**MOTION: REMOVE ALL ITEMS 6.1, 6.2, 6.4, AND 6.5 FROM CONSENT AGENDA**

**MADE BY:** **Council Member Day**
**SECONDED BY:** **Council Member Tucker**
**APPROVAL:** **Unanimous**

6.1. Consider approval of the minutes of the December 12, 2023, City Council Meeting

**MOTION: APPROVE AS PRESENTED**

**MADE BY:** **Council Member Tucker**
**SECONDED BY:** **Council Member McLendon**
**APPROVAL:** **3 Ayes**
**1 Abstention (DAY)**

6.2. Consider approval of the minutes of the January 9, 2024, City Council Meeting

**MOTION: APPROVE AS PRESENTED**

**MADE BY:** **Council Member Tucker**
**SECONDED BY:** **Council Member McLendon**
**APPROVAL:** **3 Ayes**
**1 Abstention (DAY)**

6.3. Consider approval of the minutes of the January 23, 2024, City Council Meeting

**MOTION: APPROVE AS PRESENTED**

**MADE BY:** **Council Member Tucker**
**SECONDED BY:** **Council Member Day**
**APPROVAL:** **Unanimous**

6.4. Consider approval of the minutes of the January 27, 2024, City Council/Planning & Zoning Commission Workshop

**MOTION: APPROVE AS PRESENTED**

**MADE BY:** **Council Member Tucker**
**SECONDED BY:** **Council Member McLendon**

Council Member Tucker stated this is in reference to the workshop that we spent almost five hours, it was a combined workshop between P&Z and City Council on a Saturday and there was a lot of discussion trying to find common ground to get a sense of how to work more efficiently together. After that five-hour period, we tried to distill down certain action items. These are basically priority items that we wanted to work on, and all agreed upon as being critical for the function of the city and the city council and the P&Z. Within the minutes themselves, they weren't recited, at least that I could see and there was a list of about eight or nine of these action items which I think for transparency's sake and for reiteration of what was important and what really came out of that meeting, again not included in the minutes. I would like to see us go back and put those action items back into the minutes or put them into the minutes so they could be highlighted for public viewing as well as our own.

Mayor Pro Tem Balkum asked City Planner Asa if we captured audio for him to kind of go back and review notes. Am I correct?

Council Member Tucker said he went back to the video and there was absolutely none. He suggested they might get notes from Mr. Freeze who's on P&Z. So, at some time we will have new notes and we'll have these action items in a listing, and we'll be able to revisit this item.

Mayor Pro Tem Balkum asked about having some type of recording device. City Secretary responded that she had inquired about recording this meeting and was told there would be no streaming or recording. When she found out that a recording was needed, the devices had not been charged and were not available. Mayor Pro Tem Balkum stated that in the future we'll make sure to get it recorded.

**REMOVED FROM AGENDA WITH DIRECTION TO STAFF TO BRING BACK WITH MORE INFORMATION FROM MEETING**

6.5. Consider approval of an Ordinance amending the Comprehensive Zoning Ordinance and zoning map by granting a change in zoning district from AG Agriculture to a PD Planned Development Zoning District (Legacy Park Estates)

**MOTION: APPROVE AN ORDINANCE AMENDING THE COMPREHENSIVE ZONING ORDINANCE AND ZONING MAP BY GRANTING A CHANGE IN ZONING DISTRICT FROM AG AGRICULTURE TO A PD PLANNED DEVELOPMENT ZONING DISTRICT (LEGACY PARK ESTATES)**

**MADE BY: Council Member Tucker**
**SECONDED BY: Council Member McLendon**

Mayor Pro Tem Balkum suggested they have discussion because they actually have updates because there were some items that's included in this packet in regard to some language that was not correct. Asa, are you prepared to give this report on the Legacy Park Estates item?

Mayor Pro Tem Balkum stated she had made a big deal about the amount of the lots, that there were no 60-foot lots. The developer also confirmed that as well except in the original documents that was in the packet in the agenda it said 60-foot lots which we already stated was not correct, it should have been 70s and 80s and also naming the acreage. Has that information been updated today? City Planner Woodberry confirmed it has been. She asked the Council if they had received the updated information so that you know this is not 60-foot lots included in this ordinance.

Council Member Day stated he had received that document right beforehand, and he is concerned about the timeliness of this for public comment.

Mayor Pro Tem Balkum did agree with the fact that it's being updated today, was brought to the attention of staff today. So, she stated in her personal opinion, she believes they can probably put it on the next agenda for clarity of all the language being corrected and, of course, if you all disagree, that's fine. She is just suggesting that for transparency purposes and making sure everybody had time to actually read the document in its full entirety including those changes that we talked about because it needs to have all those items in there. So, it's up to you all, what do you feel, do you feel comfortable pushing it to the next agenda for it to have the correct language in there?

Council Member Tucker stated he is perfectly fine and preferred it. You know I want clarity, I want definition, and I want all the inclusions that need to be there to be responsible to the citizens. I mean at this point this is something of a void document and I had some other consideration too from a legal standpoint, I want a little bit more edification on the responsibilities and obligations that each of the parties, one party being the developer and the city being the other in regard to the playing fields. Should there be a document that is formulated between the two parties stipulating what those might be. I think it would be in our interest. He asked if that would come under ordinance because at this point in time, I don't have a lot of clarity as to the responsibilities on the part of the developer and obligations on or side in terms of receiving this property for a park purpose. He stated he would rather it be really well documented and spelled out as to mutual obligations. I don't see that anywhere as we've never had anything like that. There are promises made but you know if you're just going to rely on promises after that the fact and they start building, there's no enforcement along those lines. So, Mr. Hall, I'm imploring you to help me out in discerning what direction we go on this. What do we do to protect the citizens and protect the city from any kind of indemnity.

City Administrator Hildebrant addressed Council Member Tucker and members of the Council. He pointed out that the ordinance does deed a 33-acre park to the city, meaning it's the city's ownership. Therefore, once it's constructed, it's the cities. If you want to have a dance out there, you can have a dance out there, if you want to have whatever. So, to state all the things that could or could not happen out there, it's your park, it's yours. As a city it's ours as a city. So some of the programs that they have on a concept plan, I mean if it's on the concept plan it is part of the ordinance, but I think Council Member Tucker, it's probably good policy to state that in writing as well as just showing it on a concept plan of things that they have committed to do in that park. So, I think that is true then that way, and we can put some of the things that were mentioned earlier, but these are things that it's your park. It's not somebody else's athletic field, it's not somebody else's private thing unless you want to decide that you're going to rent it out and give somebody that ability to do it from the outside.

Council Member Tucker stated what he is really looking at is prior to us accepting that parcel, what are they obligated to do prior to. You know, construction purposes, protective services safety features, lighting, parking, all these things, prior to us accepting this. Hildebrandt stated he agrees that that's something that we could pull. It's currently on the concept plan, which is an exhibit attached to the ordinance, so it becomes part of the ordinance.

Council Member Tucker stated this a diagram and it's a diagram that says nothing to me. Hildebrand agreed with him and that we could pull things off, everything that they committed to off that concept plan and put it in writing. Council Member Tucker responded that is what he's looking for.

City Attorney Halla asked what the significance is of putting in the type of structures. Mayor Pro Tem Balkum responded because it needs to be consistent because she doesn't want anybody thinking it's just going to be ball fields if it turns out that people want this thing to be something else. Attorney Halla advised them to be very careful because if you're going to do that, the way I see it, if you say hey, it's going to be used as ABC or D, then I think you're limiting yourself to only ABC or D and I don't think you can use it for anything other than ABC or D. So, if 30 minutes after this thing is approved and accepted you're like, oh my gosh, that's the craziest thing in the world, what idiot would just use it for ABC or D, we got E over here. Council Member Tucker stated you follow up with a clause at the end that allows the council to make some kind of decision outside of the scope of that. Mr. Halla stated he thinks it is more prudent to have more options.

City Administrator Hildebrandt stated that the developer has already said he will put in a basketball hoop, or some basketball hoops, or I'll put in this and this and this and he'll pay for that and deed it over to you. Once you accept it, as our city attorney said, you can do whatever you want, it's your park. I mean do whatever you want, you can hold the public hearing, you can use it for whatever you want. But for the developer, what you're requiring the developer to do with that is, what I was understanding, was what you've approved in that concept plan and put those in writing so that those happen, and the developer pays for it. Once he turns it over, he's out of the game and we've accepted it.

City Attorney Halla stated he is all in favor of nailing down the developer. I mean we're going to say it because this has been a nice friendly meeting. But you know Michael Halla's one rule of dealing with developers. So he has no problem if we list a developer, you're responsible for ABCD or one, two, three, four, five and nail them down. But why do that. Why limit ourselves, why pigeon hole us when we may have something down the line, oh, you know what, this is a much better idea for the park. You know, maybe we want to build a statue, maybe this becomes right here, right now, that city council of February 15, 2024, was the greatest city council we've ever had. We're going to put statues in that part of them. If you limit yourself to ABCD you can't do that. I think Council Member McLendon will look fabulous. I would not want this Council to limit themselves to just those four things and down the lines they've got other options that will come to mind in the future. So, limit and nail down the developers. I preach that all day long and I will always back you up. Don't limit ourselves, leave ourselves open.

Mayor Pro Tem Balkum asked the Council if they would like to amend the motion to give direction to come back with the updated.

Council Member Tucker asked for approval of the motion with consideration being made to staff making amendments to correct the ordinance.

**No Action**

## 7. ITEMS FOR CONSIDERATION AND ACTION

7.1. Discussion and approval of a Mutual Aid Agreement entered into by/between and among Rockwall County, Texas ("County") and the following incorporated Cities: Rockwall, Heath, Royse City, Fate, McLendon-Chisholm and Rowlett ("the Cities").

Fire Chief Simmons presented this item. He explained this is a document that has not been updated since 2011 so what've we have done with Emergency Management is just to bring this document back up to standard in regards to any type of large scale disaster whether it's a tornado, weapons of mass destruction and things like that. So, this document was finally updated from 2011 standards to meet the current FEMA regulations.

Chief Simmons stated the chiefs were part of this process along with our emergency management partners and we are in agreement with this document.

Council Member Tucker asked if there were any significant changes made in this document since 2011. Chief Simmons responded there are very many, 2011 was a long time ago and there were very many changes. When I say changes to bring it up to current FEMA requirements when it comes to requesting aid and processes and paperwork and things like that. Council Member Tucker asked if this is agreed to by all the chiefs in the area. The Chief responded all six cities.

Council Member Day asked if there is a current agreement in effect right now. Chief answered there's the original document from 2011. Council Member Day asked what the major changes are. He was not given that 2011 document to know what he's abandoning in order to adopt this. Chief Simmons responded again, it was just to bring up to the current standards when it comes to FEMA regulations, requirements when it comes to documentation requesting for assistance or federal government state assistance and requirements for city's understanding that if we do have, say a tornado come through, that we understand the process on who we contact in the paperwork. That's the short and sweet of some of the big changes that were brought. One example, quick and easy, would be housing. If we had state agencies come in, we would as a city make sure that we put forth effort to work with our neighboring communities to provide housing for any type of responders that may be here working with us during this disaster.

Council Member Day asked if there is any potential fiscal impact to the City. Chief Simmons responded there is always if you have a natural disaster or anything like that but there's documentation in play to help us be able to protect us and provide us the funds that we would need in that scenario.

Council Member Day stated that, colleagues, is I don't have the compared to what and that's what I want to see is the compared to one. He wants to know what we're abandoning to adopt this and vice versa just so that I know that I'm making the right vote one way or the other. Chief Simmons responded that he does understand what he is asking for, but all the parties involved, again our Emergency Management Division for the county, the fire chiefs for the county, law enforcement, and all the parties that really would be responsible in this scenario. Since he is the Emergency Management coordinator for the city, it's a big part of why we're part of this program to be able to rewrite this document and bring it up to current standards, again, because since it was 2011. There's a lot of abandoned but it was abandoned because it wasn't up to current standards.

Council Member Day asked if it would do any harm for us to get the original document to look at it to make sure that we scrutinize this and make sure that we're getting the best decision made for the city. I appreciate the other people's endorsement of this, but would there be any harm by waiting 30 days to get that document so that I can make that decision. Chief Simmons pointed out we're one of the last cities to have this approved. It was recently approved by Councils and Commissioners; they've approved this document as well and we're now one of the last cities to get this document approved.

Council Member Tucker asked who else has approved it. Chief Simmons responded it is his understanding all other cities, except for, I think, Royse City and it was just timing of council meetings. Again, it's been a process that's taken six months to go through this document to get it up to speed. But Council can do as they wish.

Council Member McLendon asked to understand. So, Chief Simmons, you're saying the experts of these entities, the experts who have knowledge and experience in this particular aid document, got together, created a new document that's current to 2024 standards, approved it, and you, being our resident expert approves it as well. Chief Simmons responded that is correct.

**MOTION: APPROVE THE MUTUAL AID AGREEMENT ENTERED INTO BY/BETWEEN AND AMONG ROCKWALL COUNTY, TEXAS ("COUNTY") AND THE FOLLOWING INCORPORATED CITIES: ROCKWALL, HEATH, ROYSE CITY, FATE, MCLENDON-CHISHOLM AND ROWLETT ("CITIES")**

**MADE BY:** **Council Member Tucker**
**SECONDED BY:** **Council Member McLendon**
**APPROVAL:** **Ayes – 3**
**Abstention – 1 (Day)**

Mayor Pro Tem asked Chief Simmons to provide Council Member Day with the documents he has requested.

7.2. Discuss/Action – Placing the following ballot language on a Special Election to be held May 4, 2024. "The repeal of sales and use tax within the city at the rate of one quarter of one percent being used to reduce the property tax rate. The one quarter of one percent sales tax shall be earmarked for public safety and/or economic development and/or streets/roads.

City Administrator Hildebrandt presented a staff report on this item.

**Agenda Item**: Discuss/Action – Placing the following ballot language on a Special Election to be held May 4, 2024. "The repeal of sales and use tax within the city at the rate of one quarter of one percent being used to reduce the property tax rate. The one quarter of one percent sales tax shall be earmarked for public safety and/or economic development and/or streets/roads."

(choose one or more) – **THE CHOICE WILL BE FOR THE CC, NOT ON THE BALLOT**

**Fiscal Impact:** Currently, the City is subsidizing the property tax at around $200,000 per year gross of $7.62 per month per resident. Our overall property tax rate is currently .0965 per $100 – the very lowest in our County (by over 3 times) and one of the lowest in the State of Texas.

Background: The City of McLendon-Chisholm has subsidized the city-wide property tax rate since 2012 with the sales and use tax.

The current fiscal impact of the sales tax subsidization of property tax is approximately $200,000 and will continue to increase as the city receives additional sales tax.

This motion would allow the language above to be placed on a Special Election to be held on May 4, 2024.

Mayor Pro Tem Balkum asked Mr. Halla if when any type of sales tax, anything to do with funding, bonds and all that kind of stuff, usually has an election process. She asked if there isn't something that we can do to try to find documentation through Rockwall County elections to see if this was processed properly.

City Attorney Halla responded that as Konrad has told you, this was about a five-month process. We didn't even know about it until Ray, the financial advisor, told us. So, we went back. Looking and digging and it took about five months. The best we could tell is that it was voted on back in 2012 by the voters to subsidize the property tax by using the sales tax. So, if it was voted on by the citizens then it basically has to be unvoted, if you will, by the citizens and basically reversed.

Mayor Pro Tem Balkum asked, for informational purposes, can we get something on the website to just break down what this is. Or is that going to cause a problem for the election. Mr. Halla responded that we can do that, but we have to be very, very careful. Information is fine, there is, unequivocally without a doubt, law is very clear that you can put something that's information. But you have to be very, very careful. A lot of it's very touchy in terms of like adjectives and adverbs and things like that. You use anything that looks like it's advocating a for or against a position, absolutely not. It's got to be cut and dried. This is what happened in 2012, this is the proposition that's on the ballot for May 4, 2024. This is what it'll do if you say yes; this is what it'll do it you say no. This is the purpose of it, those types of things.

Mayor Pro Tem Balkum wanted to make sure they are clear, that the sales tax is still going to be 8.25. It's just the amount of the percentage is actually going to be earmarked for a specific item, whether it could be for public safety or economic purposes or roads or streets. City Attorney stated he would not have the "earmarked" wording in the proposition. That might be part of the informational posting.

Mayor Pro Tem Balkum asked City Attorney Halla to review the proposed motion. He stated he would simply leave it as repeal of sales and use tax within the city at the rate of one quarter of one percent used to reduce the property tax rate.

**MOTION: THE FOLLOWING LANGUAGE BE PLACED ON A SPECIAL ELECTION TO BE HELD ON MAY 4, 2024: THE REPEAL OF SALES AND USE TAX WITHIN THE CITY AT THE RATE OF ONE QUARTER OF ONE PERCENT BEING USED TO REDUCE THE PROPERTY TAX RATE.**

**MADE BY:** **Council Member McLendon**
**SECONDED BY:** **Council Member Tucker**
**ROLL CALL VOTE:**

| | |
|---|---|
| **McLendon** | **AYE** |
| **Balkum** | **AYE** |
| **Day** | **NAY** |
| **Tucker** | **NAY** |

**MOTION FAILED**

7.3. An ordinance approving the order of a special election for the purpose of determining whether or not to repeal the sales and use tax within the city at the rate of one quarter of one percent being used to reduce the property tax rate. The one quarter of one percent sales tax shall be earmarked for public safety and/or economic development and/or streets/roads.

**REMOVED FROM AGENDA**

7.4. Discuss Inframark's update on CWD Billing Transition

City Administrator Hildebrandt stated that as Council has requested, staff has worked with CWD and Inframark in the transition of, hopefully helping our residents get their utility bills all on one bill. So, this transition, even though the best intentions and lots of efforts and time to not make any errors or mistakes, there were errors and mistakes made. He believes that as of this current bill that went out today that we will dramatically reduce down to the 99th percent, I feel comfortable saying that we will solve a lot of problems. There was a major problem that CWD had people prepay their trash for a three-month period and somehow Inframark started it in December for one of the months, so people were double billed for one month. All those that were double billed will be credited on this bill. There are a few other things that we've been working individually. I mean we have a city ordinance that says all households in the city will participate in solid waste pickup. Well, the City Council in past years granted leniency to a handful of people unbeknownst to staff and so when we told Infrmark no, everybody in the city. I have an ordinance sitting here in my hand that the Council says everybody in the city participates in solid waste pickup. Then we found out that there were some that were given that ability to not participate. So, they have been corrected. We will still be working with everyone and everyone that I've talked to I ask them please contact me if you get this next bill and there's still problems. We're putting a letter out with the bill, the same letter is going to be on our website starting this week, identifying everything that's been going on so far and I believe that we're real close to getting back into the game because now we went from three month billing before to one month at a time with Inframark. I think we've made it. It was a little tougher transition than we had hoped. I think I worked with some very good professionals at CWD and Inframark trying to make it as smooth as possible. We hit a couple of bumps, but I think we're back.

7.5. Zoning Ordinance Update (Planning/Zoning Commission Responsible) on timely reports and recommendation to better address the needs of the City.

City Planner Woodberry gave a report on this item.

**Agenda Item:** Review/Action – Workshop action items that the City Council will be responsible for in order to expand the responsibilities of the Planning and Zoning commission to conduct activities consistent with the commission's required and discretionary functions in land use matters.

**Fiscal Impact:** NONE

**Background:** The City Council and Planning and Zoning Commission held a joint workshop on January 27, 2024, from 9am-1pm at the McLendon-Chisholm City Hall.

Topics covered at the workshop were commercial development, residential development, density, city branding, "look and feel" of the emerging city, application procedures regarding zoning and platting, roles and responsibilities of the City Council and Planning and Zoning Commission.

There was discussion regarding the roles, responsibilities, and authority of the commission as well as the purpose of the commission.
The following action items have been identified as the responsibility of the City Council:

- Draft a City Charter – this will be a 6-to-9-month process.
- Draft a City Strategic Plan – the city will seek out vendors through the RFP process to draft a strategic plan using the action items within the comprehensive plan as its basis.

The review and potential action on these items will allow the City Council to continue to move the city towards becoming a home rule city, expand the city's planning capacity, and help establish the city's brand.

**No Action**

7.6. Discussion and action for Application Changes by the City Staff for the planning department to add language on applications stating that developers must be able to provide potable water sufficient to meet our fire code standards for fighting fires.

City Planner Woodberry stated there have been some problems with companies saying they can provide water, when they cannot. Hopefully this can be solved by requiring developers to be able to provide potable water and sufficient to meet our fire code standards for fighting fire.

He stated that the wording on all applications will be changed. He also explained how this new requirement will be addressed with builders.

Council Members Day and Tucker asked to see what the verbiage is for this item.

**DIRECT THIS ITEM BACK TO STAFF SO THEY CAN PRODUCE EXMAPLES OF HOW THIS WILL BE UTILIZED IN THE PROCESS AND FOR COMMUNITY FEEDBACK.**

7.7. Discussion and action for the Planning & Zoning Commission to review zoning improvements.

City Planner's staff report for Item 7.5 is also applicable to this item.

7.8. Discussion and action for the City Council to seek out vendors through RFPs to draft a strategic plan using the action items within the comprehensive plan as the basis.

Mayor Pro Tem Balkum reported that this will not be a huge project like the comprehensive plan was. It's more like an additional build-on to the comprehensive plan. If you all are interested in just starting fresh or we could possibly consider the current entity that we're working with, which is Burdett regarding the Heritage District. This is a service that they do provide. If there's any interest to see what it would cost for them. If it is above $50,000, I would recommend for us to definitely go through an RFP process. I'm just trying to get some information like what it would cost to review a possibility of doing a strategic plan. Do you have any ideas? Input what would you like to do. Would you entertain this? Is this something that we want to take as the next step to improve our communication of what we would like to do to cover making sure that we're addressing like commercial, different types of things we would like to have inside the city limits, and making sure that we're getting public input in a strategic manner so that we are staying clear that we are making sure that we are having a vision framework in defining it. I think we had a good start with the Heritage District. I think that we just need to do a little bit more than just doing this section. I think we need to start thinking about the entire city as well. But I wanted to get your input like should we go ahead and start doing an RFP to just go ahead and find some other entity or would you like to consider possibly asking this particular company, Burdett, how much it would cost to do this as an additional service and bring back some numbers at that point.

Council Member Tucker stated he is thinking a starting point might be having Burdett come back and just do a proposal, not necessarily a financial proposal, but just an open presentation. They could define what a strategic plan is since they do these and then what it takes to create a strategic plan and then how to implement that strategic plan. Obviously, they have history in this area and they could give us a sense of what we're trying to define for ourselves and better clarify it. Even I struggle with strategic plans in terms of comprehending what the purpose is and what the end points are, what the goals are. So maybe they could come in and if we like their proposal, we may just keep that inhouse in a sense because we're already working with them or make a decision to put an RFQ out.

Council Member Day stated there are numerous things going through his mind on this report. When you hear about a strategic plan for a city you know you want to reach out to resources. We don't have an economic development committee; we don't have a strategic planning committee. He thinks those types of things need to be in place. He stated he doesn't have an objection to reaching out to vendors to request qualifications. I think that's actually a decent idea to find out what tools are available. But I think we need to lay out the tools before we start doing this because the city has to self-reflect. We have to ask ourselves who we are, what we're doing, what is going on and what we want that to look like in 15 years. On the one hand, a vendor is going to grab their vanilla vendor envelope, pull it off and say you're going to become a vanilla city. This is a big question. I don't have a problem with grabbing tools. This is just simply saying let's get some tools. This is just the beginning of a very big project that the folks in the city need to pursue over the next, certainly vigorously, three years if not the next ten.

Mayor Pro Tem Balkum pointed out there is going to be so much to consider. This is going to be like a two-year process because we have so much to cover, roads, utilities, where we want to go between here and the next 50 years. We really need to have timelines of things that we need to hit – capital improvements, what are some things that the citizens want to see, not necessarily just residential but where they will be able to enjoy leisure. If they don't want leisure, do we have issues regarding a trail system that was dated back since 2015 with the county. They had this idea where all the cities kind of interconnect. McLendon-Chisholm is a very special rural area. They have large land to be able to enjoy their part of their land. I don't believe that they had really that much input from this area to say, you know what, I want all of the trail system to connect to Heath, to the county, and all that. I think that this is the time to really get input from the public saying if they want a part of that or not and I think we need to hear from them because right now I'm actually part of the Rockwall County strategic planning and those are some things that we're going to be addressing. From my understanding, you know just in my own neighborhood alone there's certain things that they want in Sonoma Verde. I think that the planning of this would be helpful to guide us in the direction for our city to address the problems that we haven't talked about. Yes, in the comprehensive plan it talks about residential but we never really addressed the commercial aspect and in addition to breaking down all the leisure type of stuff and I say that loosely because it could be activities. Who would have thought that we would have been in the city that has the largest pickle ball tournament action happening. It's on TV and everything and noted in major sports magazines. I just want to make sure that we are doing our best to plan out our future, but getting the public input, you know, having a facilitator to help us because that's a lot of work to do this and we need people that do this on a day in day out basis and to keep us on task.

Council Member Day stated that the only concern he has is talking to folks and hearing from folks in town about the comprehensive plan. I don't know if it's a consensus, but I hear it a lot that they feel the comprehensive plan has defects that are causing problems. It's also possible that we need to mop up what folks' think is a defect before we use that as the basis on which to erect this next step.

**MOTION: HAVE BURDETT PRESENT A PERSPECTIVE STRATEGIC PLAN USING THE ACTION ITEMS WITHIN THE COMPLREHENSIVE PLAN AS A BASIS.**

**MADE BY:** **Council Member McLendon**
**SECONDED BY:** **Council Member Tucker**
**APPROVAL:** **Unanimous**

7.9. Review/Action – Performance Appraisal – City Secretary

**No Action**

7.10. Review/Action – Performance Appraisal – City Administrator

**No Action**

7.11. Discuss and approve a requirement that updates on all issues related to Water and RCH acquisition be provided to Council at all regularly scheduled meetings. Public or Executive Session discussions shall meet this mandatory requirement.

**MOTION: APPROVE AN AGENDA ITEM BE PLACED ON EACH REGULARLY SCHEDULED CITY COUNCIL MEETING TO PROVIDE AN UPDATE ON ALL ISSUES RELATED TO WATER ISSUES.**

**MADE BY:** **Council Member Tucker**
**SECONDED BY:** **Council Member McLendon**
**APPROVAL:** **Unanimous**

7.12. Water update of the City's current Public Utility Commission (PUC) application.

Mayor Pro Tem Balkum presented an update of the items that have been submitted to the Public Utility Commission. We started with the filing back on September 29$^{th}$. The goal is to be sufficient. It's either going to be sufficient or deficient. Deficiency does not mean it has been rejected or that we lost or anything like that. Whenever they say the word deficient, it just means they have questions regarding the application and then you are supposed to respond back to the administration of the Public Utility Commission. So, we are answering those questions and so it's a bit of a timely process at times because this is a very unique type of application that was originally submitted. We have multiple deficiencies because maps were never really updated for a long period of time and so that's been an ongoing issue that started back in November and to my knowledge our city attorney for water has been told by PUC's map department that they are willing to work with us and so they're in that process right now. They've all mentioned how they wanted to do extensions because they haven't actually sat down and actually reviewed what exactly is the deficiencies and so it did lead to a discussion to amend the application to simplify it to help them out, I guess, to address a lot of the issues of the fact that one area has been decertified which happens to be Sonoma Verde. In addition to that, there's also a crossover of CCNs and so there needs to be an additional filing to just address that. So, our water attorney is working on that process in addition to awaiting to work with the public utility commission's map department to address the map issues. So that's coming soon. The stuff that they have turned in recently includes a Performa and also kind of like a capital improvements plan. It is kind of based on not a specific year but over a time frame and it includes kind of a generality of all the cost factors of what to expect based on 2024 price points and a general idea where our long-term plan will go and also there's a mention of a short term plan as well. This is done through our engineers, TNP. They have been working on these types of projects and our city administrator has all turned this information over to our water attorney. As you know, she's our representative who's only communicating directly to the Public Utility Commission. There's nobody else that's submitting stuff directly to them and that's the way the process is. So, we're still not sufficient and so we are still waiting to turn in more items to the Public Utility Commission and we're going to wait for a response back from them and then we will get more feedback from our attorney if there's any responses. So, that's kind of where we're at.

**8. Executive Session**

8.1. Adjourn into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551.004(a)(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Administrator; City Secretary

8.2. Adjourn into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551.071 Consultation with Attorney: Discuss the status of the City's current PUC application as it relates to RCH, it's system, and any other PUC application-related issue.

The Council recessed into Executive Session at 8:13 p.m.

8.3. Reconvene Regular Meeting

Mayor Pro Tem Balkum reconvened the regular meeting at 10:22 p.m.

8.4. Executive Session Action

**No Action**

**9. UPDATES, DISCUSSION AND DIRECTION TO STAFF**

No updates, discussion, or direction to staff.

**10. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS**

10.1. Mayor Short – Absent

10.2. Mayor Pro Tem Balkum – The Easter Extravaganza will be held at city hall on Saturday, March 30, 2024, at 1:00 p.m. We have two new event coordinators, and they are doing an amazing job. She reported she had a couple of meetings, last night was the strategic planning meeting. We had a kickoff and there's going to be an item on the website that we're going to start promoting about getting people to do public input which she is advocating for, so please definitely share your input. The week before she attended the Rockwall ISD facilities bond committee, and it appears that Sonoma Verde must just be in the running for the next location for an elementary school. The highlight of that meeting was getting to know the types of things that could be presented in a future bond.

10.3. Council Member Tucker - None

10.4. Council Member Day – Stated that the amount of work that goes into this is incredible and the amount of research that goes into every little decision, every little word that's on here means so much because the gravity of it hits me as I look through these things and you guys are putting together these documents. I wanted to thank you for being my colleagues and I look forward to serving out the rest of this term all the way

10.5. Council Member McLendon – None

10.6. Council Member McNeal - Absent

**11. ADJOURN**

There being no further business to discuss, Mayor Pro Tem Balkum adjourned the meeting at 10:39 p.m.

APPROVED:

______________________________

Mayor Pro Tem Balkum

ATTEST:

______________________________

Rochelle Green, City Secretary

**City of McLendon Chisholm**
**General Fund Financial Summary**
**For the four months ended January 31, 2024**

| | Current Period Revenue and Expenses | | | | Prior Period Revenue and Expenses | | | |
|---|---|---|---|---|---|---|---|---|
| | Jan 2024 Actuals | Current YTD Actuals | % of Budget Current YTD | FY 2023-2024 Adopted Budget | Jan 2023 Actuals | Prior YTD Actuals | % of Budget Current YTD | FY 2022-2023 Adopted Budget |
| ***Revenue*** | | | | | | | | |
| 302 · Franchise Income | 656 | $ 38,079 | 14% | $ 275,000 | 641 | 31,688 | 14% | $ 232,000 |
| 303 · Development Income | 32,449 | 106,779 | 67% | 160,000 | 400 | 235,045 | 147% | 160,000 |
| 304 · Building Permit Income | 7,955 | 212,669 | 35% | 607,500 | 14,398 | 102,459 | 11% | 975,000 |
| 305 Municipal Court Income | 200 | 943 | 38% | 2,500 | 1,000 | 1,000 | % | - |
| 306 · Interest Income | 22,938 | 79,529 | 40% | 199,500 | 15,236 | 51,192 | - % | 8,800 |
| 307 · Sign Permit Income | | - | - % | | | - | - % | |
| 308 · Septic Fees | 250 | 4,950 | 26% | 18,800 | | 3,250 | 27% | 12,000 |
| 309 Food Enforcement | 150 | 450 | 45% | 1,000 | | 100 | 8% | 1,200 |
| 31001 · Sales Tax Revenue | 69,636 | 274,562 | 30% | 915,000 | 155,938 | 343,928 | 35% | 975,000 |
| 31002 · Chp 380 Rebates | (20,558) | (82,232) | 33% | (246,700) | (21,730) | (70,900) | 25% | (285,000) |
| 311 · PID Admin Expense Reimbursement | | - | - % | | | - | - % | |
| 313 · Donations | (195) | (135) | -135% | 100 | | 30 | - % | |
| 314 · Copies Public Inf. Income | | 226 | 452% | 50 | | 50 | - % | |
| 315 · Miscellaneous Income | | - | - % | | 7,042 | 7,042 | - % | |
| 317 · Ad Valorem Tax | 193,311 | 721,242 | 88% | 820,500 | 454,612 | 579,213 | 85% | 680,000 |
| 318 · Tax Certifications | | - | - % | | | - | - % | |
| 321 · Credit Card Fee Revenue | 384 | 9,578 | 368% | 2,600 | 231 | 746 | 50% | 1,500 |
| 325 · Hotel Occupancy Tax | 699 | 1,773 | 63% | 2,800 | | 1,070 | - % | |
| Transfer from Fire Capital Fund | | - | - % | | | - | - % | |
| Transfer from Unassigned Surplus | | | - % | - | | - | | 500,000 |
| ***Total Revenue*** | $ 307,876 | $ 1,368,414 | 50% | $ 2,758,650 | $ 627,769 | $ 1,285,912 | 39% | $ 3,260,500 |

**City of McLendon Chisholm**
**General Fund Financial Summary**
**For the four months ended January 31, 2024**

| | Current Period Revenue and Expenses | | | | Prior Period Revenue and Expenses | | | |
|---|---|---|---|---|---|---|---|---|
| | Jan 2024 Actuals | Current YTD Actuals | % of Budget Current YTD | FY 2023-2024 Adopted Budget | Jan 2023 Actuals | Prior YTD Actuals | % of Budget Current YTD | FY 2022-2023 Adopted Budget |
| ***Expenditures*** | | | | | | | | |
| **Operating Expenditures** | | | | | | | | |
| 401 · Municipal Court | | $ - | 0% | $ 800 | | 30 | - % | $ 1,000 |
| 402 · Election Expense | | - | 0% | 6,750 | | - | - % | 10,000 |
| 410 · Contracted Services | | | | | | | | |
| 41003 · Building Inspections | 12,055 | 73,577 | 36% | 207,100 | 17,135 | 65,848 | 34% | 195,000 |
| 41004 · Enigineering Services - Development | | 13,600 | 44% | 31,100 | 2,150 | 21,850 | | 32,000 |
| 41005 · City Planner Services - Development | | 8,505 | 32% | 26,700 | 3,045 | 16,517 | | 33,500 |
| 41006 · Other Consultants - Development | | 8,489 | 42% | 20,200 | | - | | 29,500 |
| 41007 · Evnironmental & Health Inspect. Services | 1,880 | 6,325 | 54% | 11,800 | 750 | 3,135 | 21% | 15,000 |
| 41008 · Animal Control | 1,590 | 6,360 | 33% | 19,100 | 1,590 | 6,360 | 33% | 19,000 |
| 411 · Vehicle Expenses | 893 | 966 | 215% | 450 | 10 | 37 | 7% | 500 |
| 412 · Supplies | | 666 | 18% | 3,750 | 192 | 369 | - % | 4,000 |
| 418 · Membership Fees | 994 | 1,479 | 48% | 3,100 | 400 | 1,255 | 63% | 2,000 |
| 422 · Public Notice Expense | | 202 | 2% | 8,100 | 294 | 1,204 | 16% | 7,500 |
| 423 · Community Functions | | 1,835 | 23% | 8,000 | 2,009 | 6,571 | 131% | 5,000 |
| 426 · Appraisal District Collection | | 2,902 | 24% | 12,200 | | 5,099 | 40% | 12,800 |
| 429 · Street Lights | 227 | 923 | 32% | 2,850 | 234 | 923 | 27% | 3,400 |
| **Total 400 Operating Expenditures** | $ 17,639 | $ 125,830 | 35% | $ 362,000 | $ 27,808 | $ 129,198 | 35% | $ 370,200 |
| **Occupancy Expenditures** | | | | | | | | |
| 502 · Electricity | $ 221 | $ 938 | 25% | $ 3,750 | $ 245 | 893 | 22% | $ 4,000 |
| 506 · Water | 404 | 2,034 | 58% | 3,500 | 288 | 1,091 | 29% | 3,700 |
| 514 · Building Maint/Improvements | 802 | 15,978 | 54% | 29,600 | 2,598 | 7,108 | 28% | 25,000 |
| 516 · Lawn Maintenance | 1,278 | 4,285 | 28% | 15,340 | 719 | 2,876 | 23% | 12,500 |
| 520 · Telephone & Internet | 998 | 6,824 | 45% | 15,000 | 1,098 | 4,523 | 43% | 10,500 |
| 522 · Website Expense | 2,138 | 4,258 | 28% | 15,000 | 2,120 | 4,240 | 33% | 13,000 |
| **Total 500 Occupancy Expenditures** | $ 5,842 | $ 34,316 | 42% | $ 82,190 | $ 7,068 | $ 20,732 | 30% | $ 68,700 |

**City of McLendon Chisholm**
**General Fund Financial Summary**
**For the four months ended January 31, 2024**

| | Current Period Revenue and Expenses | | | | Prior Period Revenue and Expenses | | | |
|---|---|---|---|---|---|---|---|---|
| | Jan 2024 Actuals | Current YTD Actuals | % of Budget Current YTD | FY 2023-2024 Adopted Budget | Jan 2023 Actuals | Prior YTD Actuals | % of Budget Current YTD | FY 2022-2023 Adopted Budget |
| **General & Administrative Expenditures** | | | | | | | | |
| 603 · Citizen Recognition | | - | % | - | - | - | - % | 2,000 |
| 604 · Municipal Manuals, Books & Maps | | - | 0% | 500 | | 267 | - % | 500 |
| 606 · Employee Costs | 44,505 | 149,155 | 27% | 561,175 | 28,452 | 111,913 | 21% | 540,000 |
| 618 · Liability Insurance | | 17,892 | 159% | 11,235 | | 8,900 | 100% | 8,900 |
| 619 · Software Subscriptions | 1,269 | 22,293 | 111% | 20,000 | 700 | 10,914 | 40% | 27,000 |
| 621 · IT Support | 2,620 | 10,255 | 19% | 52,900 | 1,480 | 9,280 | 73% | 12,700 |
| 622 · Office Supplies - City Hall | 805 | 2,918 | 46% | 6,400 | 689 | 1,525 | 23% | 6,500 |
| 623 · Office Equipment | 226 | 1,323 | 12% | 11,000 | 223 | 5,540 | 28% | 19,500 |
| 624 · Office Equip Maintenance | 780 | 780 | 19% | 4,200 | | 908 | 19% | 4,700 |
| 625 · Printed Materials | 152 | 152 | 7% | 2,200 | | 111 | 6% | 2,000 |
| 626 · Postage-City Hall | 105 | 401 | 19% | 2,100 | 95 | 297 | 14% | 2,200 |
| 628 · Bank Fees | 1,874 | 11,452 | 327% | 3,500 | 281 | 1,034 | 36% | 2,900 |
| 630 · Legal & Professional | | | | | | - | | |
| 63001-Accounting & Payroll services | 6,600 | 26,400 | 35% | 75,900 | 6,600 | 23,100 | 35% | 66,000 |
| 63002 - Financial Audit | 12,950 | 12,950 | 86% | 15,000 | | - | 0% | 15,000 |
| 63003 - Legal | 6,441 | 29,404 | 65% | 45,000 | 3,521 | 15,031 | 33% | 45,000 |
| 63005 - City Planner | 3,000 | 23,055 | 50% | 46,000 | 4,755 | 16,995 | 21% | 80,000 |
| 63005.1 - Comprehensive Plan | | - | - % | - | | - | - % | - |
| 63008 - Consultants | 1,138 | 3,285 | 15% | 22,500 | 1,675 | 3,598 | - % | 85,000 |
| 63009 - Engineering | | - | 0% | 7,000 | | 1,350 | - % | - |
| 632 · Emergency Management | | - | - % | - | | - | - % | - |
| 645 · Transcription Services | | - | - % | - | | - | - % | - |
| 646 · Mileage Expense | | - | 0% | 100 | | - | 0% | 100 |
| 647 · Council Meetings & Development | | - | 0% | 650 | 42 | 78 | 3% | 2,500 |
| 648 · Training | | - | - % | | | - | | |
| 64801 · Administrative Training | 1,418 | 1,675 | 186% | 900 | 942 | 1,042 | - % | 7,000 |
| 64802 · City Council Training | | - | 0% | 10,000 | | 45 | - % | 4,000 |
| 649 · Expense Account - City Administrator | 155 | 155 | 14% | 1,100 | | 678 | 34% | 2,000 |

**City of McLendon Chisholm**
**General Fund Financial Summary**
**For the four months ended January 31, 2024**

| | Current Period Revenue and Expenses | | | | Prior Period Revenue and Expenses | | | |
|---|---|---|---|---|---|---|---|---|
| | Jan 2024 Actuals | Current YTD Actuals | % of Budget Current YTD | FY 2023-2024 Adopted Budget | Jan 2023 Actuals | Prior YTD Actuals | % of Budget Current YTD | FY 2022-2023 Adopted Budget |
| 650 · Expense Account - Mayor | | - | 0% | 500 | | 50 | 5% | 1,000 |
| 652 · Staff Appreciation | | 1,297 | 96% | 1,350 | | 1,651 | 83% | 2,000 |
| 655 · Code of Ordinance | | - | 0% | 500 | | - | - % | 500 |
| 699 · Miscellaneous Expense | 637 | 837 | - % | - | | - | 0% | 22,960 |
| | | | | | | - | - % | |
| **Total G & A Expenditures** | $ 84,674 | $ 315,680 | 35% | $ 901,710 | $ 49,455 | $ 214,308 | 22% | $ 961,960 |
| **31300 · Gain on Sale of Asset** | | - | | $ - | | (51,337) | | $ - |
| **700 · Capital Expenditures** | | 8,795 | 3% | 305,000 | 2,420 | 2,420 | 1% | 300,000 |
| **Net Capital Expenditures** | $ - | $ 8,795 | 3% | $ 305,000 | $ 2,420 | $ (48,917) | -16% | $ 300,000 |
| ***Total Expenditures*** | $ 108,155 | $ 484,621 | 29% | $ 1,650,900 | $ 86,751 | $ 315,321 | 19% | $ 1,700,860 |
| **Transfer from ARPA Fund** | | | | 218,027 | | | | |
| **Transfer to Public Safety Fund** | 126,217 | 470,034 | | (1,325,777) | 85,272 | 414,254 | -27% | (1,559,640) |
| **Transfer to Debt Service Fund** | | | | | | | | |
| **Transfer to Capital Projects Fund** | | - | - % | - | | - | - % | - |
| **Net Transfer In/Out** | 126,217 | 470,034 | | $ (1,107,750) | 85,272 | 414,254 | | $ (1,559,640) |
| ***Surplus (Deficit)*** | $ 73,504 | $ 413,759 | | $ - | $ 455,747 | $ 556,337 | | $ - |

**City of McLendon Chisholm**
**Utility Fund Financial Summary**
**For the four months ended January 31, 2024**

| | Current Period Revenue & Expenditures | | | | Prior Period Revenue & Expenditures | | | |
|---|---|---|---|---|---|---|---|---|
| | Jan 2024 Actuals | Current YTD Actuals | % of Budget Current YTD | FY 2023-2024 Adopted Budget | Jan 2023 Actuals | Prior YTD Actuals | % of Budget Current YTD | FY 2022-2023 Adopted Budget |
| ***Revenue*** | | | | | | | | |
| 306 · Interest Income | $ 5,079 | $ 18,288 | 46% | $ 40,000 | $ 2,808 | $ 9,083 | 363% | $ 2,500 |
| Sewer Utility Revenue | | | | | | | | |
| 32200 · Sewer Usage Fees | 41,532 | $ 229,032 | 35% | 659,550 | 37,179 | 191,816 | 31% | 623,832 |
| 32204 · Sewer Deposit Refunds | | (795) | 20% | (4,000) | 71 | (198) | 5% | (3,800) |
| ***Total Revenue*** | $ 46,611 | $ 246,525 | 35% | $ 695,550 | $ 40,058 | $ 200,701 | 32% | $ 622,532 |
| ***Expenditures*** | | | | | | | | |
| **Operation & Maintenance Expenditures** | | | | | | | | |
| Sewer Operation & Maintenance | | | | | | | | |
| 41304 · O&M Agreement | 8,130 | $ 22,373 | 41% | $ 54,000 | 4,376 | $ 17,513 | 32% | $ 54,000 |
| 41305 - O&M Maintenance | 5,068 | 19,226 | 35% | $ 55,000 | (20,627) | 9,028 | 18% | $ 50,100 |
| 41308 · Electricity | 8 | 32 | 29% | 110 | 9 | 36 | 0% | 110 |
| 41310 · Sewer Treatment | 37,500 | 166,257 | 37% | 450,000 | 35,176 | 163,828 | 35% | 463,160 |
| 41311 · Infiltration Contingency | | | | | | - | | |
| **Total Operations Expenditures** | $ 50,706 | $ 207,888 | 37% | $ 559,110 | $ 18,934 | $ 190,405 | 34% | $ 567,370 |
| **600 · General & Administrative Exp** | $ 1,400 | $ 5,600 | 34% | $ 16,700 | $ 1,395 | $ 5,580 | 33% | $ 16,700 |
| ***Total Expenditures*** | $ 52,106 | $ 213,488 | 37% | $ 575,810 | $ 20,329 | $ 195,985 | 34% | $ 584,070 |
| **Income From Operations** | $ (5,494) | $ 33,037 | | $ 119,740 | $ 19,729 | $ 4,716 | $ (0) | $ 38,462 |
| 32201 · Sewer Tap Fees | - | 9,000 | 5% | 174,000 | 12,000 | 36,000 | 7% | 486,000 |
| 41312 · Tap Fee Developer Rebate | - | (5,400) | -5% | 104,400 | 7,200 | 21,600 | 7% | 291,600 |
| ***Net Sewer Tap Fee Revenue*** | $ - | $ 3,600 | | $ 69,600 | 4,800 | 14,400 | | |
| ***Surplus (Deficit)*** | $ (5,494) | $ 36,637 | | $ 189,340 | $ 24,529 | $ 19,116 | 0% | $ 38,462 |

**City of McLendon Chisholm**
**Debt Service Fund**
**For the four months ended January 31, 2024**

| | Current Period Revenue & Expenditures | | | | Prior Period Revenue & Expenditures | | | |
|---|---|---|---|---|---|---|---|---|
| | Jan 2024 Actuals | Current YTD Actuals | % of Budget Current YTD | FY 2023-2024 Adopted Budget | Jan 2023 Actuals | Prior YTD Actuals | % of Budget Current YTD | FY 2022-2023 Adopted Budget |
| ***Revenue*** | | | | | | | | |
| **Ad Valorem Tax** | | | | | | | | |
| 317 · Ad Valorem Tax | $ 29,604 | 110,576 | 99% | $ 111,230 | $ 99,264 | $ 126,650 | 93% | $ 135,579 |
| 306 · Investment Income | 834 | 3,575 | 77% | 4,650 | 982 | $ 2,593 | - % | - |
| Contribution from Bond Escrow Account | | - | - % | 9,400 | | $ - | - % | - |
| Transfer from Fund Balance | | - | - % | | | - | - % | 8,586 |
| ***Total Revenue and Transfers In*** | $ 30,438 | $ 114,151 | 91% | $ 125,280 | $ 100,246 | $ 129,243 | 90% | $ 144,165 |
| ***Expenditures*** | | | | | | | | |
| 628 · Bank Fees Expense | | | | $ 1,850 | | $ - | 0% | $ 1,100 |
| 660 · Bond Interest Expense | $ 4,212 | 16,848 | 33% | $ 50,544 | $ 4,380 | $ 17,520 | 36% | $ 48,065 |
| 803 · Bond Premium Amortization | | | | | | $ - | | |
| Transfer To Bond Principal | | | - % | 95,000 | 95,000 | $ 95,000 | 100% | 95,000 |
| ***Total Expenditures and Transfers Out*** | $ 4,212 | $ 16,848 | 11% | $ 147,394 | $ 99,380 | $ 112,520 | 78% | $ 144,165 |
| ***Surplus (Deficit)*** | $ 26,226 | $ 97,303 | -440% | $ (22,114) | $ 866 | $ 16,723 | - % | $ - |

**City of McLendon Chisholm**
**Public Safety Fund**
**For the four months ended January 31, 2024**

| | *Current Period Revenue and Expenses* | | | | *Prior Period Revenue and Expenses* | | | |
|---|---|---|---|---|---|---|---|---|
| | Jan 2024 Actuals | Current YTD Actuals | % of Budget Current YTD | FY 2023-2024 Adopted Budget | Jan 2023 Actuals | Prior YTD Actuals | % of Budget Current YTD | FY 2022-2023 Adopted Budget |
| ***Revenue*** | | | | | | | | |
| **Interest Income** | | | | | | | | |
| 30600 · Alliance Interest Income | | $ 442 | 24% | $ 1,870 | $ 146 | $ 476 | % | $ 760 |
| 30602 · Logic Interest Income | | 5,696 | | 18,100 | 1,479 | | | |
| 313 · Donations | | 500 | 100% | 500 | | 500 | % | 1,100 |
| 316 · County Contract | | 127,813 | 100% | 127,800 | | 0 | 0% | 127,500 |
| 319 · Grants | | 0 | | | | 0 | | |
| Transfer from General Fund | 126,217 | 470,034 | 35% | 1,325,777 | 85,272 | 414,254 | 26% | 1,566,640 |
| ***Total Revenue*** | $ 126,217 | $ 604,485 | 41% | $ 1,474,047 | $ 86,897 | 420,342 | 25% | $ 1,696,000 |
| ***Expenditures*** | | | | | | | | |
| **Operating Expenditures** | | | | | | | | |
| 43001 · Liability Insurance | | $ 13,591 | 92% | $ 14,700 | | $ 13,284 | 98% | $ 13,600 |
| 43002 · Fuel | 1,260 | $ 5,521 | 35% | 16,000 | 2,873 | 6,126 | 28% | 21,900 |
| 43003 · Maintenance & Repair - Vehicles | 3,158 | $ 14,472 | 36% | 40,500 | 3,789 | 16,811 | 34% | 50,000 |
| 43004 · Maintenance & Repair - Station | 1,654 | $ 4,631 | 48% | 9,600 | 645 | 6,097 | 64% | 9,500 |
| 43005 · Gear and Supplies | 6,542 | $ 34,341 | 72% | 47,500 | 6,127 | 22,273 | 64% | 35,000 |
| 43006 · Compliance | | $ 3,920 | 51% | 7,650 | | 3,933 | 66% | 6,000 |
| 43007 · Communications | | $ - | % | 0 | | 0 | 0% | 17,500 |
| 43008 · Dispatch | | $ 10,000 | 100% | 10,000 | | 10,000 | 100% | 10,000 |
| 43009 · Training | 54 | $ 5,640 | 87% | 6,500 | 462 | 2,027 | 20% | 10,000 |
| 43030 · EMS | 1,519 | $ 3,788 | 36% | 10,500 | 1,620 | 6,931 | 107% | 6,500 |
| 606 · Employee Costs | 110,219 | 484,783 | 38% | 1,276,847 | 69,990 | 312,412 | 32% | 985,000 |
| **Total Operating Expenditures** | $ 124,405 | $ 580,686 | 40% | $ 1,439,797 | $ 85,507 | $ 399,893 | 34% | $ 1,165,000 |
| **Public Safety - Law Enforcement** | | | | 0 | | | | 500,000 |
| **Occupancy Expenditures** | | | | | | | | |
| 502 · Electricity | $ 831 | $ 3,314 | 33% | $ 9,900 | $ 997 | $ 3,433 | 43% | $ 8,000 |
| 506 · Water | 557 | $ 2,188 | 88% | 2,500 | 238 | 972 | 32% | 3,000 |
| 520 · Telephone & Internet | 394 | $ 859 | 45% | 1,900 | 155 | 620 | 24% | 2,600 |
| **Total Occupancy Expenditures** | $ 1,781 | $ 6,361 | 44% | $ 14,300 | $ 1,390 | 5,026 | 37% | $ 13,600 |

**City of McLendon Chisholm**
**Public Safety Fund**
**For the four months ended January 31, 2024**

| | Current Period Revenue and Expenses | | | | Prior Period Revenue and Expenses | | | |
|---|---|---|---|---|---|---|---|---|
| | Jan 2024 Actuals | Current YTD Actuals | % of Budget Current YTD | FY 2023-2024 Adopted Budget | Jan 2023 Actuals | Prior YTD Actuals | % of Budget Current YTD | FY 2022-2023 Adopted Budget |
| **General & Administrative Exp** | | | | | | | | |
| 61802 · Property Insurance | | 14,260 | 96% | 14,800 | | 12,994 | | 13,600 |
| 619 · Software Subscriptions | | 2,050 | 82% | 2,500 | | 2,429 | 106% | 2,300 |
| 623 · Office Equipment | | 216 | % | | | | | |
| 652 · Staff Appreciation | 31 | 913 | 34% | 2,650 | | 0 | 0% | 1,500 |
| 699 · Miscellaneous Expenses | | 0 | % | | | 0 | 0% | |
| **Total General & Administrative Exp** | $ 31 | $ 17,438 | 87% | $ 19,950 | $ - | $ 15,423 | 89% | $ 17,400 |
| 700 · Capital Expenditures | 0 | 0 | | 15,900 | 0 | 0 | | 0 |
| ***Total Expenditures*** | $ 126,217 | $ 604,485 | 41% | $ 1,489,947 | $ 86,897 | $ 420,342 | | $ 1,696,000 |
| ***Surplus/(Deficit)*** | $ - | $ - | | $ (15,900) | $ - | $ (0.16) | | $ - |

**City of McLendon Chisholm**
**ARPA Expenditures Fund**
**For the four months ended January 31, 2024**

| | Current Period Revenue & Expenditures | | | | Prior Period Revenue & Expenditures | | | |
|---|---|---|---|---|---|---|---|---|
| | Jan 2024 Actuals | Current YTD Actuals | % of Budget Current YTD | FY 2023-2024 Adopted Budget | Jan 2023 Actuals | Prior YTD Actuals | % of Budget Current YTD | FY 2022-2023 Adopted Budget |
| ***Revenue*** | | | | | | | | |
| 30602 · Interest Income | $ 4,272 | $ 16,918 | 56% | $ 30,000 | $ 3,351 | $ 9,872 | | |
| 319.1 · ARPA Grant | | $ - | 0% | $ 12,320 | - | $ - | | |
| ***Total Revenue*** | $ 4,272 | $ 16,918 | | $ 42,320 | $ 3,351 | $ 9,872 | | |
| | | - | - % | $ - | | $ - | | |
| 41014 · Impact Fee Study | | 7,120 | 58% | 12,320 | | $ - | | - |
| ***Total Expenditures*** | $ - | $ 7,120 | - % | $ 12,320 | $ - | $ - | | $ - |
| Transfer to General Fund | | | | | | | | |
| ***Surplus/(Deficit)*** | $ 4,272 | $ 9,798 | - % | $ 30,000 | $ 3,351 | $ 9,872 | | $ - |

## City of McLendon Chisholm
## Detail Statement of Revenue & Expenditures by Fund
## For the Month of January, 2024

| | ARPA Fund | Debt Service Fund | General Fund | Public Safety | Utilities Fund |
|---|---|---|---|---|---|
| Revenue | | | | | |
| 302 Franchise Income | | | | | |
| 30204-1 DirecTV | | | 387.50 | | |
| 30213-1 Community Waste Disposal | | | 268.83 | | |
| **Total 302 Franchise Income** | **$ 0.00** | **$ 0.00** | **$ 656.33** | **$ 0.00** | **$ 0.00** |
| 303 Development Income | | | | | |
| 30308 From Development Account | | | 32,449.00 | | |
| **Total 303 Development Income** | **$ 0.00** | **$ 0.00** | **$ 32,449.00** | **$ 0.00** | **$ 0.00** |
| 304 Building Permit Income | | | | | |
| 30401 Contractor Registration Fee Inc | | | 400.00 | | |
| 30404 Inspection Income | | | 3,025.00 | | |
| 30405 Building Permit & Plan Review | | | 4,530.00 | | |
| **Total 304 Building Permit Income** | **$ 0.00** | **$ 0.00** | **$ 7,955.00** | **$ 0.00** | **$ 0.00** |
| 305 Municipal Court Income | | | 200.00 | | |
| 306 Interest Income | | | | | |
| 30600 Alliance Interest Income | | 297.08 | 9,381.22 | | 2,920.41 |
| 30602 Logic Interest Income | 4,271.66 | | 13,464.41 | | 2,158.55 |
| 30603 Tex Pool Interest Income | | | 92.78 | | |
| 30607 Wilmington Accrued Int Income | | 536.97 | | | |
| **Total 306 Interest Income** | **$ 4,271.66** | **$ 834.05** | **$ 22,938.41** | **$ 0.00** | **$ 5,078.96** |
| 308 Septic Fees | | | | | |
| 30801 OSSF Fee Income | | | 250.00 | | |
| **Total 308 Septic Fees** | **$ 0.00** | **$ 0.00** | **$ 250.00** | **$ 0.00** | **$ 0.00** |
| 309 Food Enforcement | | | 150.00 | | |
| 310 Sales Tax Revenue | | | | | |
| 31001 Sales Tax Receipts | | | 69,636.37 | | |
| 31002 Chp 380 Refunds | | | (20,558.00) | | |
| **Total 310 Sales Tax Revenue** | **$ 0.00** | **$ 0.00** | **$ 49,078.37** | **$ 0.00** | **$ 0.00** |
| 313 Donations | | | | | |
| 313.2 Veterans Memorial Fundraising C | | | (195.00) | | |
| **Total 313 Donations** | **$ 0.00** | **$ 0.00** | **$ (195.00)** | **$ 0.00** | **$ 0.00** |

## City of McLendon Chisholm
## Detail Statement of Revenue & Expenditures by Fund
## For the Month of January, 2024

| | ARPA Fund | Debt Service Fund | General Fund | Public Safety | Utilities Fund |
|---|---|---|---|---|---|
| 317 Ad Valorem Tax | | | | | |
| 31701 Ad Valorem Tax - M&O | | | 193,338.19 | | |
| 31702 Ad Valorem Tax - Debt Service | | 29,603.14 | | | |
| 31703 Ad Valorem Refunds - M&O | | | (142.03) | | |
| 31705 Ad Valorem Tax - Prior Years | | 14.02 | 71.60 | | |
| 31706 Ad Valorem Tax - Penalty | | 1.68 | 8.59 | | |
| 31708 Ad Valorem Refunds - Debt Svc | | (21.75) | | | |
| 31709 Ad Valorem Tax - Interest | | 6.73 | 34.37 | | |
| 31710 Ad Valorem Tax - Misc Adj | | | 0.00 | | |
| 31711 Ad Valorem Business Property | | | 0.00 | | |
| Total 317 Ad Valorem Tax | $ 0.00 | $ 29,603.82 | $ 193,310.72 | $ 0.00 | $ 0.00 |
| 321 Credit Card Fee Revenue | | | 384.00 | | |
| 322 Sewer Utility Revenue | | | | | |
| 32200 Sewer Usage Fees | | | | | 41,532.19 |
| Total 322 Sewer Utility Revenue | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 | $ 41,532.19 |
| 325 Hotel Occupancy Tax | | | 698.95 | | |
| Total Income | $ 4,271.66 | $ 30,437.87 | $ 307,875.78 | $ 0.00 | $ 46,611.15 |
| Gross Profit | $ 4,271.66 | $ 30,437.87 | $ 307,875.78 | $ 0.00 | $ 46,611.15 |
| Expenses | | | | | |
| 400 Operating Expenditures | | | | | |
| 410 Contracted Services | | | | | |
| 41003 Building Inspections | | | 12,055.29 | | |
| 41007 Environmental & Health Inspect | | | 1,880.00 | | |
| 41008 Animal Control | | | 1,590.42 | | |
| Total 410 Contracted Services | $ 0.00 | $ 0.00 | $ 15,525.71 | $ 0.00 | $ 0.00 |
| 411 Vehicles Expenses | | | 893.00 | | |
| 418 Membership Fees | | | 994.05 | | |
| 429 Street Lights | | | 226.84 | | |
| Total 400 Operating Expenditures | $ 0.00 | $ 0.00 | $ 17,639.60 | $ 0.00 | $ 0.00 |
| 413 Sewer Operation & Maintenance | | | | | |
| 41304 O&M Agreement | | | | | 8,130.00 |

## City of McLendon Chisholm
## Detail Statement of Revenue & Expenditures by Fund
## For the Month of January, 2024

| | ARPA Fund | Debt Service Fund | General Fund | Public Safety | Utilities Fund |
|---|---|---|---|---|---|
| 41305 Nonstandard O&M Expense | | | | | 5,067.57 |
| 41308 Electricity | | | | | 8.21 |
| 41310 Sewer Treatment | | | | | 37,500.00 |
| **Total 413 Sewer Operation & Maintenance** | **$ 0.00** | **$ 0.00** | **$ 0.00** | **$ 0.00** | **$ 50,705.78** |
| **430 Public Safety - Fire Department** | | | | | |
| 43002 Fuel | | | | 1,260.16 | |
| 43003 Maintenance & Repair - Vehicles | | | | 3,157.51 | |
| 43004 Maintenance & Repair - Station | | | | 1,653.82 | |
| 43005 Gear and Supplies | | | | 6,541.93 | |
| 43009 Training | | | | 54.00 | |
| 43030 EMS | | | | 1,519.00 | |
| **Total 430 Public Safety - Fire Department** | **$ 0.00** | **$ 0.00** | **$ 0.00** | **$ 14,186.42** | **$ 0.00** |
| **500 Occupancy Expenditures** | | | | | |
| 502 Electricity | | | 221.44 | 831.06 | |
| 506 Water | | | 403.90 | 556.68 | |
| 514 Building Maint/Improvements | | | 801.99 | | |
| 516 Lawn Maintenance | | | 1,278.33 | | |
| 520 Telephone & Internet | | | 998.48 | 393.75 | |
| 522 Website Expense | | | 2,138.00 | | |
| **Total 500 Occupancy Expenditures** | **$ 0.00** | **$ 0.00** | **$ 5,842.14** | **$ 1,781.49** | **$ 0.00** |
| **600 General & Administrative Exp** | | | | | |
| 606 Employee Costs | | | | | |
| 60601 Staff Salaries | | | 26,679.83 | 76,848.94 | |
| 60602 Paid Time Off | | | 814.08 | 5,242.50 | |
| 60604 Holiday Pay | | | 4,939.22 | 2,156.82 | |
| 60609 Payroll Tax Expense | | | 2,489.17 | 6,390.94 | |
| 60612 Retirement Plan Contributions | | | 2,579.49 | 6,120.55 | |
| 60613 Health Insurance Expense | | | 3,256.29 | 12,790.15 | |
| 60614 Dental Insurance Expense | | | 103.02 | 618.12 | |
| 60615 Vision Insurance | | | 34.20 | 50.48 | |

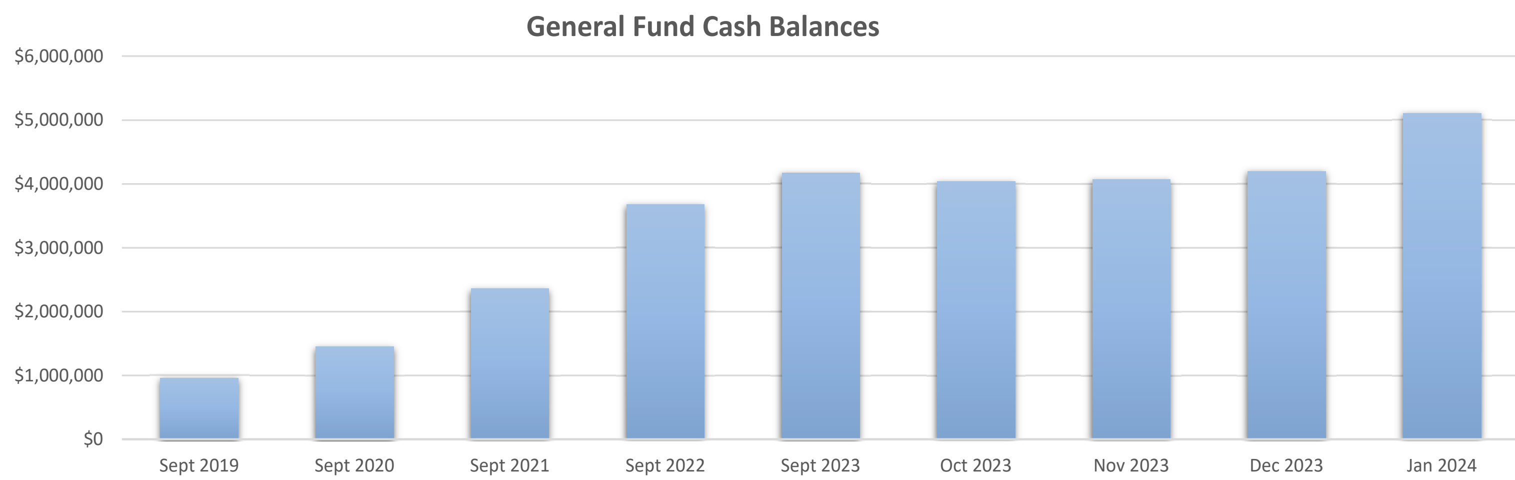
**City of McLendon Chisholm**
**Detail Statement of Revenue & Expenditures by Fund**
**For the Month of January, 2024**

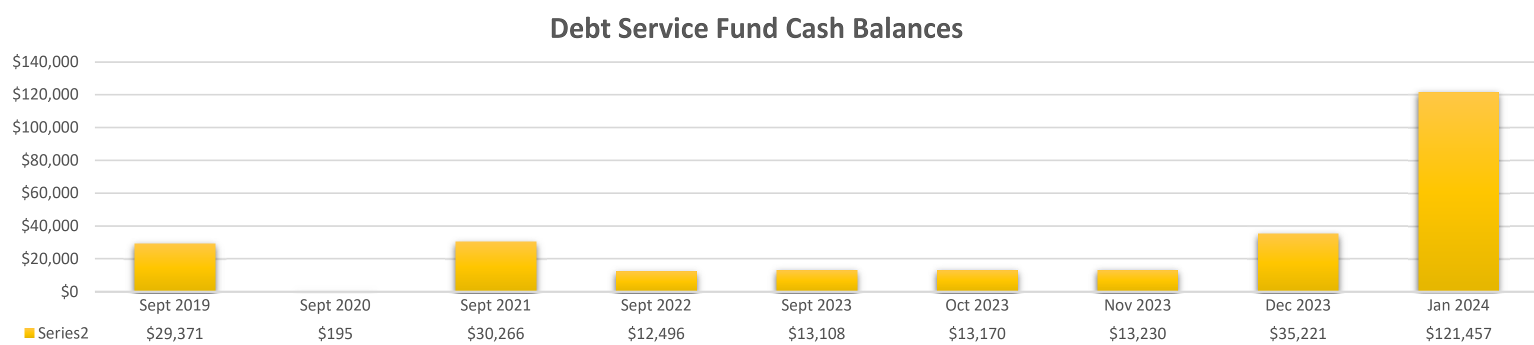
| | ARPA Fund | Debt Service Fund | General Fund | Public Safety | Utilities Fund |
|---|---|---|---|---|---|
| 60619 HRA Remibursements | | | 3,148.47 | | |
| 60622 Taxable Fringe Benefits | | | 461.52 | | |
| Total 606 Employee Costs | $ 0.00 | $ 0.00 | $ 44,505.29 | $ 110,218.50 | $ 0.00 |
| 619 Software Subscriptions | | | 1,269.31 | | |
| 621 IT Support | | | 2,620.00 | | |
| 622 Office Supplies - City Hall | | | 804.99 | | |
| 623 Office Equipment | | | 225.53 | | |
| 624 Office Equip Maintenance | | | 780.21 | | |
| 625 Printed Materials | | | 152.41 | | |
| 626 Postage-City Hall | | | 104.57 | | |
| 628 Bank Fees | | | 1,873.88 | | |
| 62801 Service Charges | | | | | 5.00 |
| Total 628 Bank Fees | $ 0.00 | $ 0.00 | $ 1,873.88 | $ 0.00 | $ 5.00 |
| 630 Legal & Professional | | | | | |
| 63001 Accounting & Payroll Services | | | 6,600.00 | | 1,395.00 |
| 63002 Financial Audit | | | 12,950.00 | | |
| 63003 Legal | | | 6,441.00 | | |
| 63005 City Planner | | | 3,000.00 | | |
| 63008 Financial Consulting | | | 1,137.50 | | |
| Total 630 Legal & Professional | $ 0.00 | $ 0.00 | $ 30,128.50 | $ 0.00 | $ 1,395.00 |
| 648 Training | | | | | |
| 64801 Admin Training | | | 993.89 | | |
| 64802 Council Training | | | 423.61 | | |
| Total 648 Training | $ 0.00 | $ 0.00 | $ 1,417.50 | $ 0.00 | $ 0.00 |
| 649 Exp Account- City Administrator | | | 154.91 | | |
| 652 Staff Appreciation | | | | 31.21 | |
| 660 Bond Interest Expense | | 4,211.98 | | | |
| 699 Miscellaneous Expenses | | | 636.61 | | |
| Total 600 General & Administrative Exp | $ 0.00 | $ 4,211.98 | $ 84,673.71 | $ 110,249.71 | $ 1,400.00 |
| Total Expenses | $ 0.00 | $ 4,211.98 | $ 108,155.45 | $ 126,217.62 | $ 52,105.78 |
| Net Operating Income | $ 4,271.66 | $ 26,225.89 | $ 199,720.33 | $ (126,217.62) | $ (5,494.63) |
| Net Surplus/(Deficit) | $ 4,271.66 | $ 26,225.89 | $ 199,720.33 | $ (126,217.62) | $ (5,494.63) |

**City of McLendon Chisholm**
**Cash Account Balances**

| Fund | Account | Sept 30,23 | Oct 31, 23 | Nov 30, 23 | Dec 31, 23 | Jan 31, 24 |
|---|---|---|---|---|---|---|
| Debt Service | 130 · 9003 Logic I&S Fund | 13,108 | 13,170 | 13,230 | 21 | - |
| Debt Service | 121 · 7138 - Alliance I&S Fund | | | | 35,200 | 121,457 |
| **I&S Total** | | **13,108** | **13,170** | **13,230** | **35,221** | **121,457** |
| General | 100 · 3738 - Alliance Operating | 1,853,044 | 1,711,060 | 1,723,720 | 1,841,551 | 2,191,825 |
| General | 103 · Texpool 300001 | 20,084 | 20,263 | 20,353 | 20,353 | 20,538 |
| General | 125 · Logic - 9001 General Fund Reserves | 319,043 | 320,545 | 335,431 | 337,009 | 2,890,993 |
| General | 127 · Logic-9004 Operating | 1,974,836 | 1,984,132 | 1,993,199 | 2,002,579 | - |
| **General Total** | | **4,167,007** | **4,036,000** | **4,072,702** | **4,201,492** | **5,103,357** |
| Utility | 106 · 5071 - Alliance Utility Fund | 531,076 | 505,282 | 553,386 | 586,690 | 705,624 |
| Utility | 126 · Logic - 9002 Utility Fund | 430,432 | 457,061 | 459,149 | 461,310 | 463,469 |
| Utility | 132 · Logic - Central Bank | 42,759 | 55,841 | 67,991 | 85,905 | 5,952 |
| **Utility Total** | | **1,004,266** | **1,018,184** | **1,080,526** | **1,133,905** | **1,175,044** |
| **Fire Capital Reserve** | 102 · 634 Alliance Construction | 43,376 | 43,740 | 43,919 | 264 | 264 |
| **Fire Capital Reserve** | 128 · 9005 Logic Fire Dept Reserve | 397,443 | 399,314 | 401,138 | 446,879 | - |
| **Reserves Total** | **128 · 9005 Logic Fire Dept Reserve** | **440,819** | **443,053** | **445,058** | **447,143** | **264** |
| ARPA Fund | 131 · Logic 9007 ARPA Fund | **900,261** | 904,499 | 908,632 | 912,908 | 917,180 |
| **ARPA Fund Total** | | **900,261** | **904,499** | **908,632** | **912,908** | **917,180** |
| **Total** | | **6,525,462** | **6,414,905** | **6,520,148** | **6,730,669** | **7,317,302** |

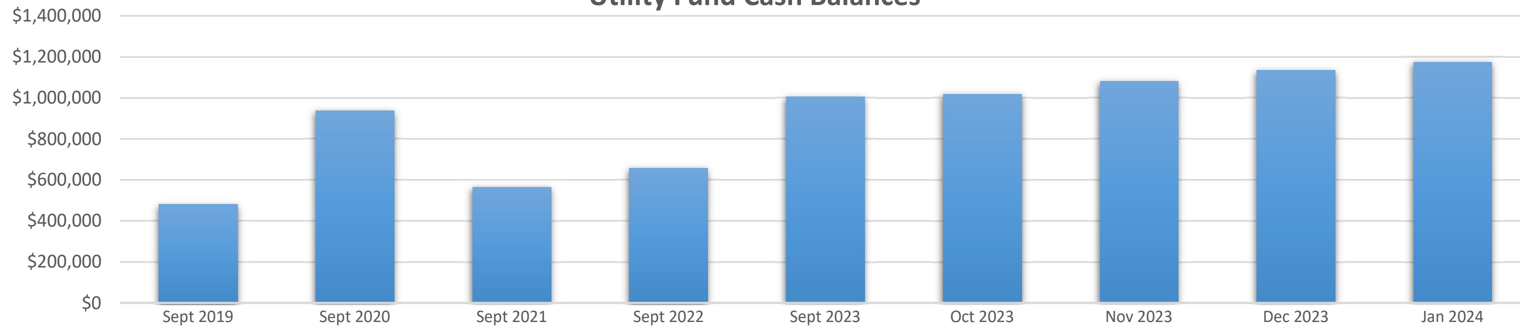
**City of McLendon Chisholm**
**Cash Balance Report**
**As of December 31, 2023**



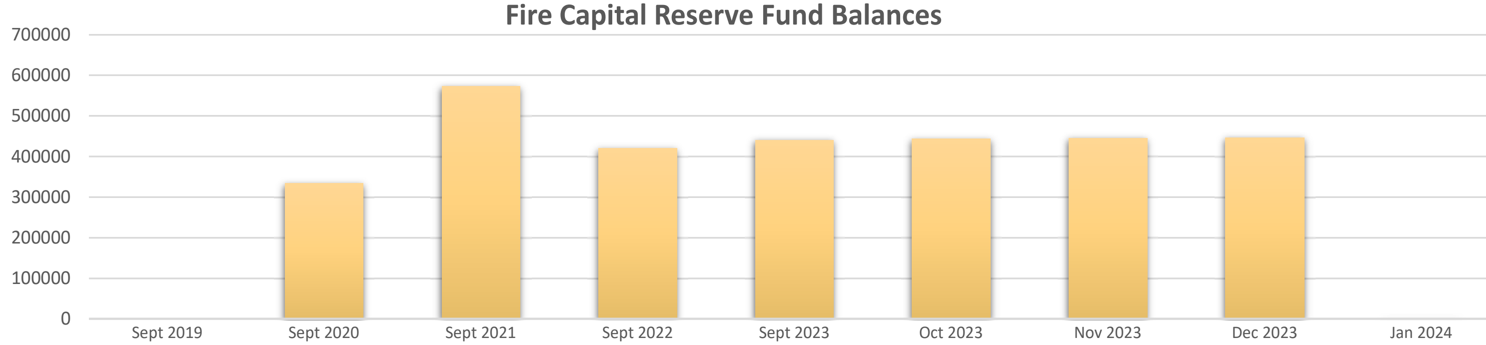
**City of McLendon Chisholm**
**Cash Balance Report**
**As of December 31, 2023**

## Utility Fund Cash Balances




| | Sept 2019 | Sept 2020 | Sept 2021 | Sept 2022 | Sept 2023 | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 |
|---|---|---|---|---|---|---|---|---|---|
| Series2 | $480,173 | $937,070 | $565,534 | $656,385 | $1,004,266 | $1,018,184 | $1,080,526 | $1,133,905 | $1,175,044 |

## Fire Capital Reserve Fund Balances




| | Sept 2019 | Sept 2020 | Sept 2021 | Sept 2022 | Sept 2023 | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 |
|---|---|---|---|---|---|---|---|---|---|
| Series2 | | $334,052 | $573,355 | $420,696 | $440,819 | $443,053 | $445,058 | $447,143 | $264 |

**Alarm Date between** 2023-12-01 **and** 2023-12-31

## Total Calls by District

| District | 2023-12-01 | Total |
|---|---|---|
| County District | 30 | **30** |
| City Limit District | 25 | **25** |
| **Total** | **55** | **55** |

**Incident Date between** 2023-12-01 **and** 2023-12-31

| Incident Date | Incident Number | NFIRS Number | Incident Type Code | Incident Type | District | Status |
|---|---|---|---|---|---|---|
| 12/3/2023 | 2023-00000567 | 0000575 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 12/3/2023 | 2023-00000568 | 0000574 | 138 | Off-road vehicle or heavy equipment fire | County District | 1 |
| 12/4/2023 | 2023-00000569 | 0000576 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 12/4/2023 | 2023-00000570 | 0000577 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 12/5/2023 | 2023-00000571 | 0000593 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 12/6/2023 | 2023-00000572 | 0000578 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 12/7/2023 | 2023-00000573 | 0000579 | 311 | Medical assist, assist EMS crew | City Limit District | 1 |
| 12/8/2023 | 2023-00000574 | 0000580 | 611 | Dispatched & canceled en route | City Limit District | 1 |
| 12/8/2023 | 2023-00000575 | 0000583 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 12/9/2023 | 2023-00000576 | 0000581 | 522 | Water or steam leak | City Limit District | 1 |
| 12/9/2023 | 2023-00000577 | 0000584 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 12/9/2023 | 2023-00000578 | 0000586 | 733 | Smoke detector activation due to malfunction | County District | 1 |
| 12/9/2023 | 2023-00000579 | 0000582 | 356 | High-angle rescue | County District | 1 |
| 12/9/2023 | 2023-00000580 | 0000585 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 12/9/2023 | 2023-00000581 | 0000587 | 611 | Dispatched & canceled en route | County District | 1 |
| 12/10/2023 | 2023-00000582 | 0000588 | 142 | Brush or brush-and-grass mixture fire | County District | 1 |
| 12/10/2023 | 2023-00000583 | 0000589 | 311 | Medical assist, assist EMS crew | City Limit District | 1 |
| 12/11/2023 | 2023-00000584 | 0000590 | 311 | Medical assist, assist EMS crew | City Limit District | 1 |
| 12/11/2023 | 2023-00000585 | 0000591 | 324 | Motor vehicle accident with no injuries. | City Limit District | 1 |
| 12/11/2023 | 2023-00000586 | 0000592 | 735 | Alarm system sounded due to malfunction | County District | 1 |
| 12/11/2023 | 2023-00000587 | 0000595 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 12/12/2023 | 2023-00000588 | 0000594 | 142 | Brush or brush-and-grass mixture fire | County District | 1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 12/12/2023 | 2023-00000589 | 0000596 | 311 | Medical assist, assist EMS crew | City Limit District | 1 |
| 12/12/2023 | 2023-00000590 | 0000597 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 12/12/2023 | 2023-00000591 | 0000598 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 12/14/2023 | 2023-00000594 | 0000600 | 311 | Medical assist, assist EMS crew | City Limit District | 1 |
| 12/14/2023 | 2023-00000595 | 0000599 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 12/15/2023 | 2023-00000596 | 0000601 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 12/15/2023 | 2023-00000597 | 0000602 | 650 | Steam, other gas mistaken for smoke, other | City Limit District | 1 |
| 12/16/2023 | 2023-00000598 | 0000603 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 12/16/2023 | 2023-00000599 | 0000604 | 411 | Gasoline or other flammable liquid spill | County District | 1 |
| 12/17/2023 | 2023-00000600 | 0000605 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 12/17/2023 | 2023-00000601 | 0000606 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 12/19/2023 | 2023-00000602 | 0000607 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 12/20/2023 | 2023-00000603 | 0000609 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 12/20/2023 | 2023-00000604 | 0000608 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 12/20/2023 | 2023-00000605 | 0000611 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 12/21/2023 | 2023-00000606 | 0000612 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 12/21/2023 | 2023-00000607 | 0000613 | 322 | Motor vehicle accident with injuries | City Limit District | 1 |
| 12/21/2023 | 2023-00000608 | 0000614 | 324 | Motor vehicle accident with no injuries. | County District | 1 |
| 12/21/2023 | 2023-00000609 | 0000615 | 142 | Brush or brush-and-grass mixture fire | County District | 1 |
| 12/21/2023 | 2023-00000610 | 0000610 | 735 | Alarm system sounded due to malfunction | County District | 1 |
| 12/21/2023 | 2023-00000611 | 0000616 | 324 | Motor vehicle accident with no injuries. | County District | 1 |
| 12/21/2023 | 2023-00000612 | 0000617 | 324 | Motor vehicle accident with no injuries. | City Limit District | 1 |
| 12/22/2023 | 2023-00000613 | 0000618 | 322 | Motor vehicle accident with injuries | City Limit District | 1 |
| 12/23/2023 | 2023-00000614 | 0000619 | 611 | Dispatched & canceled en route | City Limit District | 1 |
| 12/23/2023 | 2023-00000615 | 0000620 | 611 | Dispatched & canceled en route | City Limit District | 1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 12/24/2023 | 2023-00000616 | 0000621 | 324 | Motor vehicle accident with no injuries. | City Limit District | 1 |
| 12/24/2023 | 2023-00000617 | 0000624 | 324 | Motor vehicle accident with no injuries. | County District | 1 |
| 12/25/2023 | 2023-00000618 | 0000622 | 331 | Lock-in (if lock out , use 511 ) | County District | 1 |
| 12/25/2023 | 2023-00000619 | 0000623 | 611 | Dispatched & canceled en route | City Limit District | 1 |
| 12/25/2023 | 2023-00000620 | 0000625 | 322 | Motor vehicle accident with injuries | City Limit District | 1 |
| 12/28/2023 | 2023-00000621 | 0000627 | 746 | Carbon monoxide detector activation, no CO | County District | 1 |
| 12/28/2023 | 2023-00000622 | 0000628 | 733 | Smoke detector activation due to malfunction | City Limit District | 1 |
| 12/29/2023 | 2023-00000623 | 0000626 | 311 | Medical assist, assist EMS crew | City Limit District | 1 |
| 12/31/2023 | 2023-00000624 | 0000631 | 611 | Dispatched & canceled en route | City Limit District | 1 |
| 12/31/2023 | 2023-00000625 | 0000630 | 324 | Motor vehicle accident with no injuries. | City Limit District | 1 |

**Alarm Date between** 2024-01-01 **and** 2024-01-31

## Total Calls by District

| District | 2024-01-01 | Total |
|---|---|---|
| County District | 24 | **24** |
| City Limit District | 24 | **24** |
| County Mutual Aid | 2 | **2** |
| Out of County Aid | 1 | **1** |
| **Total** | **51** | **51** |

**Incident Date between** 2023-01-01 **and** 2023-01-31

| Incident Date | Incident Number | NFIRS Number | Incident Type Code | Incident Type | District | Status |
|---|---|---|---|---|---|---|
| 1/1/2023 | 2023-00000001 | 0000001 | 611 | Dispatched & canceled en route | County District | 1 |
| 1/1/2023 | 2023-00000002 | 0000003 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/1/2023 | 2023-00000003 | 0000005 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 1/1/2023 | 2023-00000004 | 0000004 | 412 | Gas leak (natural gas or LPG) | County District | 1 |
| 1/2/2023 | 2023-00000005 | 0000006 | 324 | Motor vehicle accident with no injuries. | City Limit District | 1 |
| 1/4/2023 | 2023-00000006 | 0000007 | 173 | Cultivated trees or nursery stock fire | County District | 1 |
| 1/4/2023 | 2023-00000007 | 0000008 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 1/4/2023 | 2023-00000008 | 0000009 | 412 | Gas leak (natural gas or LPG) | County District | 1 |
| 1/5/2023 | 2023-00000009 | 0000010 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 1/5/2023 | 2023-00000010 | 0000011 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 1/5/2023 | 2023-00000011 | 0000012 | 143 | Grass fire | City Limit District | 1 |
| 1/7/2023 | 2023-00000012 | 0000013 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 1/9/2023 | 2023-00000013 | 0000014 | 322 | Motor vehicle accident with injuries | County District | 1 |
| 1/10/2023 | 2023-00000014 | 0000016 | 311 | Medical assist, assist EMS crew | City Limit District | 1 |
| 1/10/2023 | 2023-00000015 | 0000017 | 611 | Dispatched & canceled en route | City Limit District | 1 |
| 1/10/2023 | 2023-00000016 | 0000015 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/11/2023 | 2023-00000017 | 0000018 | 554 | Assist invalid | City Limit District | 1 |
| 1/11/2023 | 2023-00000018 | 0000020 | 324 | Motor vehicle accident with no injuries. | County District | 1 |
| 1/12/2023 | 2023-00000019 | 0000021 | 324 | Motor vehicle accident with no injuries. | City Limit District | 1 |
| 1/13/2023 | 2023-00000020 | 0000022 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 1/13/2023 | 2023-00000021 | 0000023 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/13/2023 | 2023-00000022 | 0000024 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1/13/2023 | 2023-00000023 | 0000025 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/13/2023 | 2023-00000024 | 0000026 | 324 | Motor vehicle accident with no injuries. | City Limit District | 1 |
| 1/14/2023 | 2023-00000025 | 0000027 | 311 | Medical assist, assist EMS crew | City Limit District | 1 |
| 1/14/2023 | 2023-00000026 | 0000032 | 611 | Dispatched & canceled en route | County Mutual Aid | 1 |
| 1/15/2023 | 2023-00000027 | 0000029 | 311 | Medical assist, assist EMS crew | City Limit District | 1 |
| 1/15/2023 | 2023-00000028 | 0000030 | 322 | Motor vehicle accident with injuries | City Limit District | 1 |
| 1/15/2023 | 2023-00000029 | 0000031 | 611 | Dispatched & canceled en route | City Limit District | 1 |
| 1/16/2023 | 2023-00000030 | 0000033 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/16/2023 | 2023-00000031 | 0000034 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 1/18/2023 | 2023-00000032 | 0000035 | 611 | Dispatched & canceled en route | County Mutual Aid | 1 |
| 1/18/2023 | 2023-00000033 | 0000037 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/19/2023 | 2023-00000034 | 0000039 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 1/19/2023 | 2023-00000035 | 0000038 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 1/20/2023 | 2023-00000036 | 0000040 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 1/20/2023 | 2023-00000037 | 0000041 | 323 | Motor vehicle/pedestrian accident (MV Ped) | County District | 1 |
| 1/20/2023 | 2023-00000038 | 0000042 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/21/2023 | 2023-00000039 | 0000043 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 1/23/2023 | 2023-00000040 | 0000044 | 651 | Smoke scare, odor of smoke | County District | 1 |
| 1/24/2023 | 2023-00000041 | 0000045 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |
| 1/24/2023 | 2023-00000042 | 0000046 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/24/2023 | 2023-00000043 | 0000047 | 611 | Dispatched & canceled en route | City Limit District | 1 |
| 1/25/2023 | 2023-00000044 | 0000048 | 118 | Trash or rubbish fire, contained | City Limit District | 1 |
| 1/25/2023 | 2023-00000045 | 0000050 | 611 | Dispatched & canceled en route | City Limit District | 1 |
| 1/25/2023 | 2023-00000046 | 0000049 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/26/2023 | 2023-00000047 | 0000051 | 321 | EMS call, excluding vehicle accident with injury | City Limit District | 1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1/27/2023 | 2023-00000048 | 0000052 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/27/2023 | 2023-00000049 | 0000054 | 324 | Motor vehicle accident with no injuries. | County District | 1 |
| 1/28/2023 | 2023-00000050 | 0000053 | 745 | Alarm system activation, no fire - unintentional | City Limit District | 1 |
| 1/30/2023 | 2023-00000051 | 0000056 | 311 | Medical assist, assist EMS crew | County District | 1 |
| 1/30/2023 | 2023-00000052 | 0000055 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |
| 1/30/2023 | 2023-00000053 | 0000057 | 134 | Water vehicle fire | County Mutual Aid | 1 |
| 1/31/2023 | 2023-00000054 | 0000058 | 321 | EMS call, excluding vehicle accident with injury | County District | 1 |

BURGESS
195 Murray Farm Road, Suite 200
Fairview, TX 75075
888-644-6489
www.burgess-inc.com

# Municipal Monthly Report – January 2024

Burgess has completed the following services for the City of McLendon-Chisholm for the month of November 2023

Municipal Plan Reviews - 30

Municipal Permits Issued - 14

Total Inspections – 214

- Passed – 142
- Failed – 72

Thank You,

**Melissa Dennis**
Municipal Services Manager
Burgess Construction Consultants, Inc.
195 Murray Farm Rd - Ste 200
Fairview, TX 75069
**o.** 469-424-4786


# Community Waste Disposal Monthly Report to the City of McLendon-Chisholm

Jason Roemer *Vice President*

# Municipal Recycling Program






## Single Stream Recycling

Participation in the Residential Curbside Recycling Program continues to demonstrate that residents of the City of McLendon-Chisholm are dedicated to the preservation of the Texas environment for future generations.

The chart below details the statistics of the CWD Residential Curbside Recycling Program.

| | Jan-2024 | Dec-2023 | Nov-2023 | Oct-2023 | Sep-2023 | Aug-2023 | Jul-2023 | Jun-2023 | May-2023 | Apr-2023 | Mar-2023 | Feb-2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Homes** | 1,723 | 1,723 | 1,723 | 1,723 | 1,521 | 1,521 | 1,521 | 1,465 | 1,465 | 1,355 | 1,355 | 1,299 |
| **Resi Rcy Tonnage** | 25.08 | 35.49 | 28.9 | 26.99 | 20.79 | 25.67 | 28.56 | 39.22 | 31.92 | 46.33 | 52.37 | 8.83 |
| **Pounds / Home / Month** | 29.11 | 41.2 | 33.55 | 31.33 | 27.34 | 33.75 | 37.55 | 53.54 | 43.58 | 68.38 | 77.3 | 13.6 |

# Municipal Service Inquiries

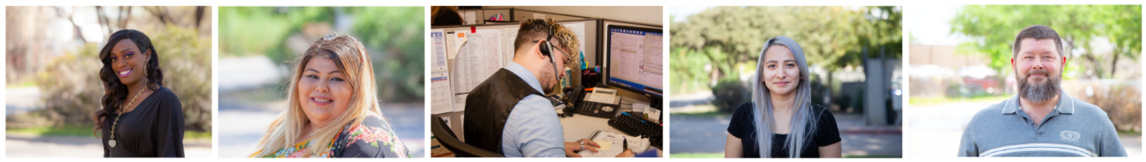


## Residential Solid Waste Services

The Solid Waste Industry has a standard service inquiry ratio of 1.0 inquiries per 1,000 service opportunities.

| | Jan-2024 | Dec-2023 | Nov-2023 | Oct-2023 | Sep-2023 | Aug-2023 | Jul-2023 | Jun-2023 | May-2023 | Apr-2023 | Mar-2023 | Feb-2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Service Opportunities** | 14,310 | 14,310 | 14,310 | 14,310 | 12,721 | 12,721 | 12,721 | 12,210 | 12,210 | 11,734 | 11,734 | 11,249 |
| **Service Inquiries** | 6 | 23 | 15 | 26 | 3 | 5 | 6 | 9 | 10 | 12 | 37 | 7 |
| **Per 1,000 Service Opps** | 0.42 | 1.61 | 1.05 | 1.82 | 0.24 | 0.39 | 0.47 | 0.74 | 0.82 | 1.02 | 3.15 | 0.62 |

# Customer Service Inquiries - Detail



## Good Service is Good Business

CWD's Customer Service Community is available to provide solutions via phone or online. Our efficient team is here to support the City of McLendon-Chisholm and we continually strive for top-notch performance to ensure residents receive the most value out of their waste and recycling services.

**City Account Grievances for the Period of 01/01/02024 - 01/31/02024**

| Date | Account | Address | Service Type | Service Code |
|---|---|---|---|---|
| 01/06/02024 | 108255-584 | DOIGG, STANLEY | RESI-RECYCLE | SERVICE RCYCART |
| | | | | **Total RESI-RECYCLE: 1** |
| 01/02/02024 | 108255-1146 | LUCINDA ROGERS | RESI-TRASH | SERVICE TRASH CART |
| 01/11/02024 | 108255-963 | KRISTEN L FULLER | RESI-TRASH | SERVICE TRASH CART |
| 01/11/02024 | 108255-1146 | LUCINDA ROGERS | RESI-TRASH | SERVICE TRASH CART |
| 01/16/02024 | 108255-963 | KRISTEN L FULLER | RESI-TRASH | SERVICE TRASH CART |
| 01/26/02024 | 108255-1711 | GILROY VANDENTOP | RESI-TRASH | SERVICE TRASH CART |
| | | | | **Total RESI-TRASH: 5** |
| | | | | **Total Inquiries: 6** |

[redacted]

| | | | | | |
|---|---|---|---|---|---|
| **Report Time:** | 02/01/2024 06:43:13 | **Login ID:** | county\sburks | **Jurisdiction:** | |
| **Incident Number:** | | **Call Number:** | | **Agencies:** | Police, Fire, EMS |
| **From Date:** | 01/01/2024 00:00:00 | **To Date:** | 01/31/2024 23:59:59 | **Phone Number:** | |
| **Last Name:** | | **First Name:** | | **Location:** | |
| **Plate #:** | | **Plate State:** | | **Include Canceled:** | No |
| **Type:** | | **Priority:** | | **Source:** | |
| **Disposition:** | | **Unit:** | | **Officer:** | |
| **Narrative:** | | | | | |

| Create Date/Time | Call Type | Fire Call Type | EMS Call Type |
|---|---|---|---|
| 1/31/2024 19:24 | Lift Assist | Lift Assist | Lift Assist |
| 1/30/2024 23:38 | Neighborhood Check | | |
| 1/30/2024 20:49 | Accident Minor | Accident Minor | |
| 1/30/2024 20:23 | Motorist Assist | | |
| 1/30/2024 19:23 | Reckless Driver | | |
| 1/30/2024 14:46 | Traffic Stop | | |
| 1/30/2024 10:28 | Traffic Stop | | |
| 1/30/2024 1:46 | Business Check | | |
| 1/29/2024 20:52 | Intoxicated Person | | |
| 1/29/2024 14:09 | Traffic Stop | | |
| 1/29/2024 8:06 | Medical Call | Medical Call | Medical Call |
| 1/29/2024 7:24 | Traffic Stop | | |
| 1/29/2024 3:06 | Neighborhood Check | | |
| 1/29/2024 3:02 | Business Check | | |
| 1/28/2024 17:11 | Business Check | | |
| 1/28/2024 12:40 | Alarm | | |
| 1/28/2024 9:14 | Extra Patrol | | |
| 1/27/2024 17:08 | Odor Investigation | Odor Investigation | |
| 1/27/2024 14:43 | Alarm | | |
| 1/26/2024 17:34 | Accident Major | Accident Major | Accident Major |
| 1/25/2024 15:32 | Alarm | | |
| 1/25/2024 9:52 | Medical Call | Medical Call | Medical Call |

[redacted]

| | | | | | |
|---|---|---|---|---|---|
| **Report Time:** | 02/01/2024 06:43:13 | **Login ID:** | county\sburks | **Jurisdiction:** | |
| **Incident Number:** | | **Call Number:** | | **Agencies:** | Police, Fire, EMS |
| **From Date:** | 01/01/2024 00:00:00 | **To Date:** | 01/31/2024 23:59:59 | **Phone Number:** | |
| **Last Name:** | | **First Name:** | | **Location:** | |
| **Plate #:** | | **Plate State:** | | **Include Canceled:** | No |
| **Type:** | | **Priority:** | | **Source:** | |
| **Disposition:** | | **Unit:** | | **Officer:** | |
| **Narrative:** | | | | | |

| Create Date/Time | Call Type | Fire Call Type | EMS Call Type | |
|---|---|---|---|---|
| 1/25/2024 8:51 | Accident Hit and Run | | | [redacted] |
| 1/25/2024 2:36 | Business Check | | | |
| 1/25/2024 2:28 | Business Check | | | |
| 1/25/2024 2:25 | Business Check | | | |
| 1/24/2024 19:56 | Medical Call | Medical Call | Medical Call | |
| 1/24/2024 10:25 | Suspicious Person/Vehicle | | | |
| 1/24/2024 3:01 | Traffic Stop | | | |
| 1/24/2024 2:39 | Neighborhood Check | | | |
| 1/23/2024 17:00 | Accident Minor | Accident Minor | | |
| 1/23/2024 16:43 | Accident Minor | Accident Minor | Accident Minor | |
| 1/23/2024 12:01 | Civil Process | | | |
| 1/23/2024 8:25 | Business Check | | | |
| 1/23/2024 3:33 | Business Check | | | |
| 1/22/2024 22:50 | Medical Call | Medical Call | Medical Call | |
| 1/22/2024 16:33 | Harassment/Threat | | | |
| 1/22/2024 12:36 | Neighborhood Check | | | |
| 1/22/2024 9:49 | Follow Up | | | |
| 1/22/2024 8:19 | Meet Complainant | Meet Complainant | | |
| 1/22/2024 1:28 | Business Check | | | |
| 1/21/2024 16:29 | Meet Complainant | | | |
| 1/21/2024 14:57 | Extra Patrol | | | |
| 1/21/2024 14:19 | Extra Patrol | | | |

[redacted]

| | | | | | |
|---|---|---|---|---|---|
| **Report Time:** | 02/01/2024 06:43:13 | **Login ID:** | county\sburks | **Jurisdiction:** | |
| **Incident Number:** | | **Call Number:** | | **Agencies:** | Police, Fire, EMS |
| **From Date:** | 01/01/2024 00:00:00 | **To Date:** | 01/31/2024 23:59:59 | **Phone Number:** | |
| **Last Name:** | | **First Name:** | | **Location:** | |
| **Plate #:** | | **Plate State:** | | **Include Canceled:** | No |
| **Type:** | | **Priority:** | | **Source:** | |
| **Disposition:** | | **Unit:** | | **Officer:** | |
| **Narrative:** | | | | | |

| Create Date/Time | Call Type | Fire Call Type | EMS Call Type | |
|---|---|---|---|---|
| 1/21/2024 13:56 | Extra Patrol | | | [redacted] |
| 1/21/2024 10:00 | Meet Complainant | | | |
| 1/21/2024 9:46 | Meet Complainant | | | |
| 1/21/2024 8:29 | Alarm | | | |
| 1/20/2024 22:25 | Accident Major | Accident Major | Accident Major | |
| 1/20/2024 12:37 | Reckless Driver | | | |
| 1/20/2024 11:16 | Traffic Hazard | | | |
| 1/19/2024 10:13 | Alarm Residential Fire | Alarm Residential Fire | | |
| 1/19/2024 9:44 | Accident Major | Accident Major | Medical Call | |
| 1/19/2024 8:58 | Meet Complainant | | | |
| 1/19/2024 8:14 | Civil Process | | | |
| 1/19/2024 2:25 | Fire Grass | Fire Grass | | |
| 1/18/2024 13:25 | Traffic Stop | | | |
| 1/18/2024 12:58 | Traffic Stop | | | |
| 1/17/2024 21:56 | Suspicious Person/Vehicle | | | |
| 1/17/2024 21:49 | Mental Person | | | |
| 1/17/2024 15:46 | Fraud | | | |
| 1/17/2024 9:29 | Extra Patrol | | | |
| 1/17/2024 9:26 | Neighborhood Check | | | |
| 1/17/2024 9:16 | Neighborhood Check | | | |
| 1/17/2024 9:10 | Neighborhood Check | | | |
| 1/17/2024 7:38 | UUMV | | | |

[redacted]

| | | | | | |
|---|---|---|---|---|---|
| **Report Time:** | 02/01/2024 06:43:13 | **Login ID:** | county\sburks | **Jurisdiction:** | |
| **Incident Number:** | | **Call Number:** | | **Agencies:** | Police, Fire, EMS |
| **From Date:** | 01/01/2024 00:00:00 | **To Date:** | 01/31/2024 23:59:59 | **Phone Number:** | |
| **Last Name:** | | **First Name:** | | **Location:** | |
| **Plate #:** | | **Plate State:** | | **Include Canceled:** | No |
| **Type:** | | **Priority:** | | **Source:** | |
| **Disposition:** | | **Unit:** | | **Officer:** | |
| **Narrative:** | | | | | |

| Create Date/Time | Call Type | Fire Call Type | EMS Call Type | [redacted] |
|---|---|---|---|---|
| 1/16/2024 23:47 | Traffic Stop | | | [redacted] |
| 1/16/2024 21:34 | Alarm | | | [redacted] |
| 1/16/2024 10:31 | Extra Patrol | | | [redacted] |
| 1/16/2024 9:49 | Extra Patrol | | | [redacted] |
| 1/16/2024 9:15 | Lift Assist | Lift Assist | Medical Call | [redacted] |
| 1/16/2024 6:55 | Alarm Residential Fire | Alarm Residential Fire | | [redacted] |
| 1/16/2024 5:24 | Property Damage | | | [redacted] |
| 1/16/2024 2:27 | Medical Call | Medical Call | Medical Call | [redacted] |
| 1/15/2024 20:13 | Traffic Stop | | | [redacted] |
| 1/15/2024 19:54 | Alarm | | | [redacted] |
| 1/15/2024 19:34 | Alarm Medical | Alarm Medical | Alarm Medical | [redacted] |
| 1/15/2024 17:24 | Civil Matter | | | [redacted] |
| 1/15/2024 9:16 | Alarm | | | [redacted] |
| 1/15/2024 6:01 | Alarm Residential Fire | Alarm Residential Fire | | [redacted] |
| 1/15/2024 0:55 | Business Check | | | [redacted] |
| 1/14/2024 23:07 | Alarm | | | [redacted] |
| 1/14/2024 20:49 | Civil Matter | | | [redacted] |
| 1/14/2024 19:13 | Smoke Investigation | Smoke Investigation | | [redacted] |
| 1/14/2024 16:33 | Disturbance Family | | | [redacted] |
| 1/14/2024 15:06 | Civil Matter | | | [redacted] |
| 1/13/2024 19:27 | Civil Matter | | | [redacted] |
| 1/13/2024 11:26 | Alarm | | | [redacted] |

**Report Time:** 02/01/2024 06:43:13 **Login ID:** county\sburks **Jurisdiction:**
**Incident Number:** **Call Number:** **Agencies:** Police, Fire, EMS
**From Date:** 01/01/2024 00:00:00 **To Date:** 01/31/2024 23:59:59 **Phone Number:**
**Last Name:** **First Name:** **Location:**
**Plate #:** **Plate State:** **Include Canceled:** No
**Type:** **Priority:** **Source:**
**Disposition:** **Unit:** **Officer:**
**Narrative:**

| Create Date/Time | Call Type | Fire Call Type | EMS Call Type | [redacted] |
|---|---|---|---|---|
| 1/12/2024 22:33 | Reckless Driver | | | |
| 1/12/2024 14:59 | CPS Referral | | | |
| 1/12/2024 11:17 | Traffic Stop | | | |
| 1/12/2024 9:20 | Motorist Assist | | | |
| 1/12/2024 7:44 | Alarm | | | |
| 1/12/2024 6:21 | Alarm | | | |
| 1/12/2024 4:53 | Alarm | | | |
| 1/11/2024 21:11 | Suspicious Person/Vehicle | | | |
| 1/11/2024 16:22 | Reckless Driver | | | |
| 1/11/2024 16:12 | Traffic Stop | | | |
| 1/11/2024 15:50 | Disturbance | | | |
| 1/10/2024 16:33 | Civil Matter | | | |
| 1/10/2024 15:43 | Meet Complainant | | | |
| 1/10/2024 4:10 | Traffic Stop | | | |
| 1/9/2024 21:51 | Traffic Stop | | | |
| 1/9/2024 20:22 | Lift Assist | Lift Assist | Lift Assist | |
| 1/9/2024 14:28 | Alarm | | | |
| 1/9/2024 12:24 | Assist Public | Assist Public | | |
| 1/9/2024 9:29 | Alarm | | | |
| 1/9/2024 0:13 | Alarm | | | |
| 1/8/2024 20:15 | Accident Minor | Accident Minor | | |
| 1/8/2024 18:38 | Follow Up | | | |

[redacted]

| | | | | | |
|---|---|---|---|---|---|
| **Report Time:** | 02/01/2024 06:43:13 | **Login ID:** | county\sburks | **Jurisdiction:** | |
| **Incident Number:** | | **Call Number:** | | **Agencies:** | Police, Fire, EMS |
| **From Date:** | 01/01/2024 00:00:00 | **To Date:** | 01/31/2024 23:59:59 | **Phone Number:** | |
| **Last Name:** | | **First Name:** | | **Location:** | |
| **Plate #:** | | **Plate State:** | | **Include Canceled:** | No |
| **Type:** | | **Priority:** | | **Source:** | |
| **Disposition:** | | **Unit:** | | **Officer:** | |
| **Narrative:** | | | | | |

| Create Date/Time | Call Type | Fire Call Type | EMS Call Type | [redacted] |
|---|---|---|---|---|
| 1/8/2024 18:03 | Reckless Driver | | | |
| 1/8/2024 17:51 | Alarm | | | |
| 1/8/2024 14:18 | Meet Complainant | | | |
| 1/8/2024 13:12 | Fraud | | | |
| 1/8/2024 11:06 | Extra Patrol | | | |
| 1/8/2024 5:40 | Lift Assist | Lift Assist | Lift Assist | |
| 1/8/2024 3:13 | Suspicious Person/Vehicle | | | |
| 1/8/2024 0:41 | Suspicious Person/Vehicle | | | |
| 1/8/2024 0:32 | Neighborhood Check | | | |
| 1/7/2024 16:58 | Welfare Check | | | |
| 1/7/2024 12:08 | Extra Patrol | | | |
| 1/6/2024 22:26 | Person w/Gun | | | |
| 1/6/2024 21:38 | Shots Fired | | | |
| 1/5/2024 21:08 | Harassment/Threat | | | |
| 1/5/2024 17:00 | Medical Call | Medical Call | Medical Call | |
| 1/5/2024 13:38 | Harassment/Threat | | | |
| 1/4/2024 18:36 | Accident Minor | Accident Minor | | |
| 1/4/2024 16:58 | Civil Process | | | |
| 1/4/2024 13:15 | Suspicious Person/Vehicle | | | |
| 1/4/2024 7:11 | Shots Fired | | | |
| 1/3/2024 18:52 | Animal Loose Livestock | | | |
| 1/3/2024 18:28 | Alarm | | | |

[redacted]

| | | | | | |
|---|---|---|---|---|---|
| **Report Time:** | 02/01/2024 06:43:13 | **Login ID:** | county\sburks | **Jurisdiction:** | |
| **Incident Number:** | | **Call Number:** | | **Agencies:** | Police, Fire, EMS |
| **From Date:** | 01/01/2024 00:00:00 | **To Date:** | 01/31/2024 23:59:59 | **Phone Number:** | |
| **Last Name:** | | **First Name:** | | **Location:** | |
| **Plate #:** | | **Plate State:** | | **Include Canceled:** | No |
| **Type:** | | **Priority:** | | **Source:** | |
| **Disposition:** | | **Unit:** | | **Officer:** | |
| **Narrative:** | | | | | |

| Create Date/Time | Call Type | Fire Call Type | EMS Call Type | [redacted] |
|---|---|---|---|---|
| 1/3/2024 17:01 | Motorist Assist | | | |
| 1/3/2024 15:21 | Medical Call | Medical Call | Medical Call | |
| 1/2/2024 14:31 | Traffic Stop | | | |
| 1/2/2024 13:48 | Theft | | | |
| 1/2/2024 1:57 | Neighborhood Check | | | |
| 1/1/2024 15:06 | Reckless Driver | | | |
| 1/1/2024 2:08 | Shots Fired | | | |

**Mark Woodruff**

Year: 2023

| | JAN | | | | | | | | | | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Builder Const-Time Violation | 3 | | | | | | | | | | | 3 |
| Total Violations | 133 | | | | | | | | | | | 133 |
| Total Inspections | 138 | | | | | | | | | | | 138 |
| Total Reinspections | 139 | | | | | | | | | | | 139 |
| Extensions Granted | 1 | | | | | | | | | | | 1 |
| Voluntary Compliance | 133 | | | | | | | | | | | 133 |
| Notification Letters (NOVs) | 7 | | | | | | | | | | | 7 |
| Door-tags (DTs) | 126 | | | | | | | | | | | 126 |
| Total Complaints | 11 | | | | | | | | | | | 11 |
| Valid Complaints | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| Invalid Complaints | 4 | | | | | | | | | | | 4 |
| City Abatements (CWOs) | 0 | | | | | | | | | | | 0 |
| Substandard Structures | 1 | | | | | | | | | | | 1 |
| Citations Issued | 0 | | | | | | | | | | | 0 |
| Municipal Court Cases | 0 | | | | | | | | | | | 0 |
| Transferred to Other Dept. | 1 | | | | | | | | | | | 1 |

**Mark Woodruff - Citations**

| Month | Citation # | Property Address | Citation Issued To | Reset Court Date | Reset to Trial | Full Fine | Reduced Fine | Fine Amount | FTA |
|---|---|---|---|---|---|---|---|---|---|
| | 00100 | | | | | | | | |
| | 00101 | | | | | | | | |
| | 00102 | | | | | | | | |
| | 00103 | | | | | | | | |
| | 00104 | | | | | | | | |
| | 00105 | | | | | | | | |
| | 00106 | | | | | | | | |
| | 00107 | | | | | | | | |
| | 00108 | | | | | | | | |
| | 00109 | | | | | | | | |
| | 00110 | | | | | | | | |

**Mark Woodruff - Problem Properties/ MISC.**

| Property Address | Property Owner | Occupant | Vacant? Yes or No | Case Type | Date of Last Action |
|---|---|---|---|---|---|
| Edwards Road | MC Streets | N/A | N/A | Road Repair | 1.02.24 |
| 1761 San Donato Ln. | Timothy Uhlik | Same | N/A | Container Pod | 1.03.24 |
| 1810 Verona Ln. | Castlerock Homes | N/A (new build) | Y | Trash & Debris | 1.03.24 |
| Klutts/League/FM 550 west/E | TXDOT | N/A | N/A | Road Repair | 1.08.24 |
| 1155 Frontier Trail* | Cathy Johnson | N/A | N/A | Road Repair | 1.08.24 |
| MC City Limits | McLendon-Chisholm | ** Street Signs Down ** | N/A | Street Sign Repai | 1.09.24 |
| 1851 Tuscany Dr. | L. Provenzano | Same | N/A | Noise | |
| Edwards Road | MC (Pothole Repair - 5 Areas) | N/A | N/A | Road Repair | 1.18.24 |
| 1404 Arezzo Lane/Perry Homes | Perry Homes Builder | Jobsite Trailer - Removal | N/A | Miscellaneous | 1.22.24 |
| Pullen Road (Road Condition) | MC | Complaints | N/A | Road Repair | 1.23.24 |
| Fontier Trail @ League Road* | Private Road | N/A | N/A | Road Repair | 1.26.24 |
| S. Smith Road | McLendon-Chisholm | Potholes/New Potholes | N/A | Road Repair | 1.26.24 |
| 100 Serene Haven | Pam Bazzell | Same | N/A | Fire Hydrant | 1.29.24 |
| | | | | | |
| | | | | | |
| | | | | | |

| Comments |
| --- |
| Liz Johnson filed complaint about potholes. In person contact - update her after meeting on 16th/developer |
| Pod staged in street/complaints. Issed door-tag and reinspect 1-15. He called and will have it moved |
| Trash & Debris scattered in neighborhood. (complaint) Waged formal complaint - sent notice to Castlerock |
| Large-deep potholes at (4) locations. TXDOT is going to make the necessary repairs. |
| Request Road* be graded due to potholes. MC will not make the repairs to private road. Emailed complainant |
| Repaired street signs that were blown down due to high winds. City-Wide. |
| Private resident installing new roof. Complainant is aware ordinance does not apply to private contractors |
| Andy Hofher (Developer) and I took measurements of damaged road - forward to Stephen Davis for review. |
| PH Removing trailer and 8' privacy fence; Sent email to adjacent property 1378 Arezzo Ln. making them aware |
| Damage from commercial vehicles/equipment - Heritage Project; sent email to Developer to meet soon. |
| Met with Stan Morris about road*condition. Private road and City will not make improvements on it. |
| Filled numerous potholes and used 550 lbs. of Rock Asphalt Cold Patch. Task completed. |
| Inquiry Fire Hydrant & Private Road Issue. Provided feedback on both issues - task completed. |
| |
| |
| |

All American Dogs, Inc.

# City Of Mclendon-chisholm Report

Jan 1, 2024 - Jan 31, 2024

| Location | Notes | Code |
| --- | --- | --- |
| Jan 25, 2024 10:55 AM<br>1371 w fm 550 | Patrolled city focusing on stray animals. Spoke to Shelly patrolled the area 10 am to 11:15 am | Animal Control |
| Jan 25, 2024 10:30 AM<br>fm 1139 and quail creek | Picked up a deceased animal at this location. | Animal Control |
| Jan 16, 2024 11:45 AM<br>1371 w fm 550 | Patrolled city focusing on stray animals. Spoke to Shelly<br>Patrolled the area 9:45 to 10:45 am | Animal Control |
| Jan 16, 2024 10:03 AM<br>fm 550 and paddock | Picked up a deceased raccoon in this area. | Animal Control |
| Jan 10, 2024 4:33 PM<br>1371 w fm 550 | Patrolled city focusing on stray animals. 0945-1056, drove through Kingston and Sonoma Verde | Animal Control |
| Jan 4, 2024 4:25 PM<br>1371 w fm 550 | Patrolled city focusing on stray animals. 1015-1115, spoke with Shelly | Animal Control |

# CITY OF MCLENDON-CHISHOLM, TEXAS

## AUDITED FINANCIAL STATEMENTS

## SEPTEMBER 30, 2023

MURREY PASCHALL & CAPERTON, P.C.
Certified Public Accountants

CITY OF MCLENDON-CHISHOLM, TEXAS
TABLE OF CONTENTS
SEPTEMBER 30, 2023


Independent Auditor's Report — Page 3

Management's Discussion and Analysis — Page 5

Basic Financial Statements
- Government-Wide Financial Statements
  - Statement of Net Assets — Page 12
  - Statement of Activities — Page 13
- Fund Financial Statements
  - Balance Sheet – Governmental Funds — Page 14
  - Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Assets — Page 15
  - Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds — Page 16
  - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities — Page 17
  - Statement of Net Assets - Proprietary Fund — Page 18
  - Statement of Revenues, Expenses, and Changes in Fund Balance - Proprietary Funds — Page 19
  - Statement of Cash Flows – Proprietary Fund — Page 20
- Notes to Financial Statements — Page 21
- Required Supplementary Information
  - Statement of Revenue, Expenditures, and Changes in the Fund Balances-Budget and Actual – Governmental Funds — Page 40
  - Statement of Revenue, Expenses, and Changes in the Fund Balance-Budget and Actual – Proprietary Fund — Page 41
  - Schedule of Changes in Net Pension Liability and Related Ratios — Page 42
  - Schedule of Contributions — Page 43
  - Schedule of Changes in OPEB Liability and Related Ratios — Page 45

Murrey Paschall & Caperton PC

Certified Public Accountants

# INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of McLendon-Chisholm, Texas
McLendon-Chisholm, Texas

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINIONS

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of the City of McLendon-Chisholm, Texas (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

### BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of McLendon-Chisholm, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the required GASB 68 Pension Schedules on pages 5–11 and pages 40-45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Murrey, Paschall & Caperton, PC

Murrey, Paschall & Caperton, P.C.
*Certified Public Accountants*
Forney, Texas

January 8, 2024

Within this section of the City of McLendon-Chisholm, Texas' annual financial report, the City's management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the City's primary government.

## FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by $26,568,737 (net assets) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by $26,443,020. This includes contributed assets received as part of the Phase 1 and 2 agreement with the developer of the Sonoma Verde planned community, MC 550 Investors, L.P. Total developer contributed assets to the city now total $19,798,320.

- Total net assets are comprised of the following:
  1) Capital assets, net of related debt, of $20,605,259.
  2) Restricted for various funds of $1,460,063 (including ARPA Grants).
  3) Unrestricted net assets of $4,503,415 represent the portion available to maintain the City's continuing obligations to citizens.

- The City's general fund reported total ending fund balance of $4,478,935 this year. This compares to the prior year ending fund balance of $3,690,795, showing an increase of $788,140 during the current year. Note this is primarily the result of continued growth and development within the City.

- The City's liabilities are accounts payable, sewer tap rebates and long-term debt.

- The City has implemented GASB Statement No. 68 which requires the City to record its Net Pension Asset $10,752. The City also implemented GASB Statement No. 75 which requires the City to record its OPEB Liability ($16,871). Both of these also require related deferred outflows and inflows of resources per TMRS reporting guides.

## OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the financial statements.

### *Government-Wide Financial Statements*

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Assets*. This is the citywide statement of financial position presenting information that includes all the City's assets and liabilities, with the difference reported as *net assets*. Over time, the increases or decreases of net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and fees and on occasion grants from state and federal sources. Governmental activities include general government, public safety, public services, and culture and recreation. Business-type activities include airports, water utilities, solid waste management, storm water drainage, golf courses, fairgrounds and stadium, ground transportation, and parking. Fiduciary activities such as employee pension plans are not included in government-wide statements since these assets are not available to fund City programs. During 2023, the City continued collecting sewer tap fees which are considered business-type funds. See further discussion in the notes to the financial statements.

The City's financial reporting includes the funds of the City (primary government). There are currently no component units.

The government-wide financial statements are presented on pages 12-13 of this report.

*Fund Financial Statements*

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City taken as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. The City of McLendon-Chisholm, Texas has governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of expendable resources during the year and balances of expendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of the expendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the government-wide statements to assist in understanding the differences between the two perspectives.

They City maintains several individual governmental funds organized according to their type (general fund, public safety, grant funds, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of these funds as all of which are considered to be major funds.

The basic governmental fund financial statements are presented on pages 14-17 of this report.

*Proprietary funds* are used to report the same functions presented as business-type funds to account for its utility operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. See reporting on pages 18-20.

The City adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance theses current period activities. The budgetary schedule provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The statement shows multiple columns: 1) the original and final budget as amended by the Council (if any changes); 2) the actual resources, charges to appropriations, and ending balances in the General Fund and 3) the difference or variance between the final budget and the actual resources and charges.

The budgetary comparison statement can be found on page 40-41 of this report.

*Notes to the financial statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements on page 21 of this report.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As year-to year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

Comparative data is accumulated and presented to assist analysis. The City's net assets at fiscal year-end are $26,568,737. This is a $125,717 increase from last year's net assets of $26,443,020.

A large portion of the City's net assets (77.55%) reflects its investments in capital assets (e.g. contributed capital assets, land, furniture, equipment and leasehold improvements). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The city received Bond proceeds during 2015 in the amount of $2,150,000 for the primary purpose of constructing a new city hall which was completed in 2016. During 2018 the city voted to establish an escrow account for an early bond redemption. As of September 30, 2023, the funds in this escrow account were $238,546 and are expected to be applied against debt principal.

The remaining balance of unrestricted net assets of $4,503,415 may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF MCLENDON-CHISHOLM, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

| | Governmental Activities | | Business-Type Activities | | Total Government | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current assets | $ 6,228,110 | $ 5,509,335 | $ 1,024,878 | $ 777,152 | $ 7,252,988 | $ 6,286,487 |
| Capital and deferred outflows | 14,945,017 | 15,904,297 | 7,197,897 | 7,346,815 | 22,142,914 | 23,251,112 |
| Total assets and def. outflows | 21,173,127 | 21,413,632 | 8,222,775 | 8,123,967 | 29,395,902 | 29,537,599 |
| Long-term bonds outstanding | 1,320,000 | 1,415,000 | - | - | 1,320,000 | 1,415,000 |
| Other liabilities and def. inflows | 1,361,237 | 1,539,402 | 145,928 | 140,177 | 1,507,165 | 1,679,579 |
| Total liabilities and def. inflows | 2,681,237 | 2,954,402 | 145,928 | 140,177 | 2,827,165 | 3,094,579 |
| Net assets | | | | | | |
| Invested in capital assets, net of debt | 13,407,362 | 14,232,508 | 7,197,897 | 7,346,815 | 20,605,259 | 21,579,323 |
| Restricted | 1,460,063 | 1,441,084 | - | - | 1,460,063 | 1,441,084 |
| Unrestricted (deficit) | 3,624,465 | 2,785,638 | 878,950 | 636,975 | 4,503,415 | 3,422,613 |
| Total net assets | $ 18,491,890 | $ 18,459,230 | $ 8,076,847 | $ 7,983,790 | $ 26,568,737 | $ 26,443,020 |

| | Governmental Activities | | Business-type Activities | | Total Government | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Program revenues | | | | | | |
| Charges for services | $ 1,270,359 | $ 1,315,688 | $ 828,858 | $ 1,059,837 | $ 2,099,217 | $ 2,375,525 |
| Ad Valorem Tax | 872,573 | 801,909 | - | - | 872,573 | 801,909 |
| Franchise & Sales Tax | 1,200,604 | 1,291,997 | - | - | 1,200,604 | 1,291,997 |
| Investment Income | 268,302 | 32,595 | 41,105 | 5,669 | 309,407 | 38,264 |
| Other Sources | - | - | - | - | - | - |
| Total revenues | 3,611,838 | 3,442,189 | 869,963 | 1,065,506 | 4,481,801 | 4,507,695 |
| Program expenses | | | | | | |
| General government | 2,079,825 | 1,937,292 | - | - | 2,079,825 | 1,937,292 |
| Cultural & Recreation | 6,571 | 2,506 | - | - | 6,571 | 2,506 |
| Infrastructure | 23,254 | 100,500 | - | - | 23,254 | 100,500 |
| Public Safety | 1,425,969 | 1,166,896 | - | - | 1,425,969 | 1,166,896 |
| Debt Service | 43,559 | 45,657 | - | - | 43,559 | 45,657 |
| Utilities | - | - | 776,906 | 919,332 | 776,906 | 919,332 |
| Total expenses | 3,579,178 | 3,252,851 | 776,906 | 919,332 | 4,356,084 | 4,172,183 |
| Excess (deficiency) before transfers | 32,660 | 189,338 | 93,057 | 146,174 | 125,717 | 335,512 |
| Transfers | - | - | - | - | - | - |
| Increase (decrease) in net assets | 32,660 | 189,338 | 93,057 | 146,174 | 125,717 | 335,512 |
| Plus Developer Contribution | - | - | - | - | - | - |
| Total Change in Net Assets | $ 32,660 | $ 189,338 | $ 93,057 | $ 146,174 | $ 125,717 | $ 335,512 |

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of expendable resources. Governmental funds reported ending fund balances of $5,938,998. Of this year-end total, $4,478,935 is unassigned indicating availability for continuing City service requirements while the remaining $1,460,063 is restricted to debt service, ARPA Grant regulations, and public safety.

*Major Governmental Funds*

*General Fund* – The City does levy property taxes. Other revenues that are received are from such miscellaneous sources as state sales tax sharing, franchise taxes, etc. The basic expenses of a governmental nature involve the maintaining of a city hall and the associated expenses of the city government.

*Public Safety Fund* – Established the track expenditures related to the MC Fire and Rescue department. Aside from a small contract with the county to provide fire services, a majority of these costs are covered by transfers from the general fund.

*Capital Projects Fund* – The City established this fund in 2021 to track the construction of the new fire station funded by a TxDOT grant. The project was completed in 2022 and future projects are not yet in the works.

*ARPA Grant Fund* – The City established this fund to track restricted grant funds. During 2021 and 2022, the City received round 1 and round 2 of the COVID relief funds known as APRA. See further discussion in the notes later in the report.

*Debt Service Fund* – The City established this fund to track property taxes and debt payments related to the City Hall bonds. See further discussion in the long-term debt notes later in this report.

*Proprietary Fund* - The City has a component utility unit: the sewer system of the Sonoma Verde Development. Although a part of the city, this operates primarily as a business selling the services provided to the public. The business-type activities operated at a net gain of $93,057 (after depreciation expense) in 2023.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The general, debt service, public safety, ARPA and construction fund budgets for fiscal year 2023 were expected to be a deficit with $500,000 used from reserves primarily for the implementation of law enforcement that ended up not taking place in FY2023. Therefore, the actual was a gain of $807,118 as they saved on expenditures and received over $250,000 of unbudgeted interest income on savings.

## CAPITAL ASSETS

The City's investment in capital assets for its governmental activities, net of depreciation and related debt, as of September 30, 2023 is $22,076,988. These include land, furniture, equipment, fire department assets, leasehold improvements and developer contributed assets in Sonoma Verde. There were no major additions during FY2023.

At the end of the current fiscal year, the City had total bond debt outstanding of $1,415,000.

Additional information regarding the City of McLendon-Chisholm's capital assets can be found in Note IV on page 27.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET CONSIDERATIONS

The rapid growth of Rockwall County will continue to foster additional home starts in the area, thus increasing City income from permits, inspections and filings.

General Fund expenses for the 2023-2024 fiscal year are budgeted to increase compared to the 2022-2023 budget. The major difference for 2023-2024 will be increases in income and related expenses for property taxes, employee costs, professional fees, road repairs, capital projects and sales tax revenue. For more information see the announcement on the city website.

Population growth in the City and County has been an important topic for City leaders and citizenry for several decades. The City has seen an increase in retail establishments and single-family homes. The City expects its population to continue to increase and is working to plan for the needs of the citizens and generating revenues to support those needs. This is a primary focus of the City. Additionally, the City sees its ability to balance the need for professional services (such as planning, engineering, legal and, financial) with population growth as a challenge in the future.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrates the City's commitment to public accountability. If you have questions regarding this report or would like to request additional information, you may submit a request to the City Secretary at 1371 West FM 550, McLendon-Chisholm, Texas 75032.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2023

| | PRIMARY GOVERNMENT | | |
|---|---|---|---|
| | Government Activities | Business-Type Activities | Total |
| Assets | | | |
| Cash & Equivalents | $ 5,876,194 | $ 1,024,878 | $ 6,901,072 |
| Miscellaneous Receivables and Prepaids | 209,792 | - | 209,792 |
| Sales Tax Receivable | 142,124 | - | 142,124 |
| Development Revenue Receivable | - | - | - |
| Total Current Assets | 6,228,110 | 1,024,878 | 7,252,988 |
| Capital Assets (Note IV) | | | |
| Furniture & Equipment - City | 327,820 | - | 327,820 |
| Equipment & Gear - Fire Dept | 1,242,380 | - | 1,242,380 |
| Leasehold Improvements | 25,985 | - | 25,985 |
| Building | 2,170,689 | - | 2,170,689 |
| Building - Fire Dept | 3,885,590 | - | 3,885,590 |
| Infrastructure | 11,952,762 | 8,284,634 | 20,237,396 |
| Land | 322,511 | - | 322,511 |
| Construction in Progress | - | - | - |
| Accumulated Depreciation | (5,048,646) | (1,086,737) | (6,135,383) |
| Total Capital Assets | 14,879,091 | 7,197,897 | 22,076,988 |
| Other Assets and Deferred Outflows | | | |
| Net Pension and OPEB Asset | 10,752 | - | 10,752 |
| Deferred Outflows - Pension and OPEB | 55,174 | - | 55,174 |
| Total Other Assets and Deferred Outflows | 65,926 | - | 65,926 |
| Total Assets and Deferred Outflows | 21,173,127 | 8,222,775 | 29,395,902 |
| Liabilities | | | |
| Account Payable | 282,507 | 145,928 | 428,435 |
| Sonoma Verde Repairs Reserve | 81,039 | - | 81,039 |
| Net Pension and OPEB Liability | 16,871 | - | 16,871 |
| Deferred Inflows - Pensions and OPEB | 8,120 | - | 8,120 |
| Accrued Bond Interest | 6,605 | - | 6,605 |
| Bond Premium, net amortization | 56,729 | - | 56,729 |
| Current - Notes Payable (Note V) | 95,000 | - | 95,000 |
| Deferred Grant Income (Note XII) | 814,366 | - | 814,366 |
| Long-term - Notes Payable (Note V) | 1,320,000 | - | 1,320,000 |
| Total Liabilities and Deferred Inflows | 2,681,237 | 145,928 | 2,827,165 |
| Net Assets | | | |
| Investment in Capital Assets, net of related debt | 13,407,362 | 7,197,897 | 20,605,259 |
| Restricted funds | 1,460,063 | - | 1,460,063 |
| Unrestricted | 3,624,465 | 878,950 | 4,503,415 |
| Total Net Assets | $ 18,491,890 | $ 8,076,847 | $ 26,568,737 |

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | PROGRAM REVENUE | | |
|---|---|---|---|
| | Expenses | Charges for Services | Net Revenue (Expense) |
| Primary Government | | | |
| Government Activities | | | |
| Culture and Recreation | $ 6,571 | $ - | $ (6,571) |
| General Government | 2,079,825 | 1,142,046 | (937,779) |
| Infrastructure | 23,254 | - | (23,254) |
| Public Safety | 1,425,969 | 128,313 | (1,297,656) |
| Debt Service | 43,559 | - | (43,559) |
| | 3,579,178 | 1,270,359 | (2,308,819) |
| Business Type: | | | |
| Utility | 776,906 | 828,858 | 51,952 |
| Total Business-Type Activities | 776,906 | 828,858 | 51,952 |

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Change in Net Assets: | | | |
| Net (Expense) / Revenue | (2,308,819) | 51,952 | (2,256,867) |
| Ad Valorem Tax | 872,573 | - | 872,573 |
| Sales Tax | 924,019 | - | 924,019 |
| Franchise | 276,585 | - | 276,585 |
| Investment Income | 268,302 | 41,105 | 309,407 |
| Change in Net Assets | 32,660 | 93,057 | 125,717 |
| Net Assets: Beginning | 18,459,230 | 7,983,790 | 26,443,020 |
| Plus Developer Contribution: | - | - | - |
| Net Assets: Ending | $ 18,491,890 | $ 8,076,847 | $ 26,568,737 |

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

| | General Fund | Public Safety Fund | Capital Projects Fund | ARPA Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash & Equivalents | $ 4,326,836 | $ 397,443 | $ - | $ 900,261 | $ 251,654 | $ 5,876,194 |
| Miscellaneous Receivables and Prepaids | 209,792 | - | - | - | - | 209,792 |
| Sales Tax Receivable | 142,124 | - | - | - | - | 142,124 |
| Development Revenue Receivable | - | - | - | - | - | - |
| Total Current Assets | 4,678,752 | 397,443 | - | 900,261 | 251,654 | 6,228,110 |
| Total Assets | $ 4,678,752 | $ 397,443 | $ - | $ 900,261 | $ 251,654 | $ 6,228,110 |
| **Liabilities** | | | | | | |
| Account Payable | $ 199,817 | $ - | $ - | $ 82,690 | $ - | $ 282,507 |
| Accrued Liabilities | - | - | - | - | 6,605 | 6,605 |
| Total Current Liabilities | 199,817 | - | - | 82,690 | 6,605 | 289,112 |
| **Fund Balance** | | | | | | |
| Restricted Funds | - | 397,443 | - | 817,571 | 245,049 | 1,460,063 |
| Unassigned | 4,478,935 | - | - | - | - | 4,478,935 |
| Total Fund Balances | 4,478,935 | 397,443 | - | 817,571 | 245,049 | 5,938,998 |
| Total Liabilities and Fund Balance | $ 4,678,752 | $ 397,443 | $ - | $ 900,261 | $ 251,654 | $ 6,228,110 |

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2023

| | |
|---|---|
| Total Fund Balance - Total Governmental Funds | $ 5,938,998 |
| Amounts reported for government assets in the Statement of Net Assets are different because: | |
| Capital Assets of $19,927,737, net of Depreciation of $5,048,646 are not financial resources and, therefore are not reported in the funds. See note IV for additional detail | 14,879,091 |
| Net other post employment benefit obligation in governmental activities does not require current financial resources and therefore is not reported in the governmental funds balance sheet. | 40,935 |
| Bond Premiums, net are not due and payable and, therefore are not reported in the funds. | (56,729) |
| Long-term liabilities including bonds payable, notes payable, total OPEB, and net pension liability, are not due in the current period and therefore, are not reported in the funds. | (2,310,405) |
| Net Assets of Governmental Activities | $ 18,491,890 |

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | General Fund | Public Safety Fund | Capital Projects Fund | ARPA Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Revenues | | | | | | |
| Ad Valorem Tax | $ 715,583 | $ - | $ - | $ - | $ 156,990 | $ 872,573 |
| Sales Tax | 924,019 | - | - | - | - | 924,019 |
| Franchise | 276,585 | - | - | - | - | 276,585 |
| Investment Income | 207,273 | 20,308 | - | 40,109 | 612 | 268,302 |
| Service Revenue | 1,046,709 | 128,313 | - | - | - | 1,175,022 |
| Deferred Grant Proceeds | - | - | - | - | - | - |
| | 3,170,168 | 148,621 | - | 40,109 | 157,602 | 3,516,501 |
| Expenditures | | | | | | |
| Culture and Recreation | 6,571 | - | - | - | - | 6,571 |
| General Government | 1,285,910 | - | - | 82,690 | 2,037 | 1,370,639 |
| Infrastructure | 23,254 | - | - | - | - | 23,254 |
| Public Safety | - | 1,162,346 | - | - | - | 1,162,346 |
| Capital Expenditures | - | - | - | - | - | - |
| Debt Service: Principal | - | - | - | - | 95,000 | 95,000 |
| Debt Service: Gross Interest | - | - | - | - | 51,573 | 51,573 |
| | 1,315,735 | 1,162,346 | - | 82,690 | 148,610 | 2,709,383 |
| Transfers between funds | (1,066,293) | 1,066,293 | - | - | - | - |
| Net Change in Fund Balance | 788,140 | 52,568 | - | (42,581) | 8,992 | 807,118 |
| Fund Balance: Beginning | 3,690,795 | 344,875 | - | 860,152 | 236,057 | 5,131,880 |
| Fund Balance: Ending | $ 4,478,935 | $ 397,443 | $ - | $ 817,571 | $ 245,049 | $ 5,938,998 |

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | |
|---|---|
| Net Change in Fund Balance - Total Governmental Funds | $ 807,118 |
| Amounts reported for government activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeds depreciation in the current period is (less depr. $928,161 add asset disposal $ 95,337.) | (832,824) |
| Governmental funds report all payments to pension benefits as expenditures. However in the government-wide statement of activities the pension expense is actuarially determined. (Paid to TMRS - Actuary Expense) | 14,254 |
| The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term consumes the current financial resources of government funds. Neither transaction however, has any effect on the net position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued; wheras, these amounts are deferred and amortized in the Statement of Activities. | 44,112 |
| Change Net Assets of Governmental Activities | $ 32,660 |

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF NET ASSETS - PROPRIETARY FUND
SEPTEMBER 30, 2023

| | Business-Type Activities (Utility Fund) |
|---|---|
| Assets | |
| Cash & Equivalents | $ 1,024,878 |
| Miscellaneous Receivables and Prepaids | - |
| Total Current Assets | 1,024,878 |
| | |
| Infrastructure | 8,284,634 |
| (less) Accumulated Depreciation | (1,086,737) |
| Total Capital Assets | 7,197,897 |
| | |
| Total Assets | $ 8,222,775 |
| | |
| Liabilities | |
| Sewer Tap Rebates | $ 18,000 |
| Payables | 127,928 |
| Total Liabilities | 145,928 |
| | |
| Net Assets | |
| Investment in Capital Assets, net of related debt | 7,197,897 |
| Unrestricted | 878,950 |
| Total Net Assets | 8,076,847 |
| | |
| Total Liabilities and Net Assets | $ 8,222,775 |

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Business-Type Activities (Utility Operations Fund) |
|---|---|
| Revenues | |
| Sewer Connection Fees | $ 165,000 |
| Sewer Customer Service | 663,858 |
| Interest Income | 41,105 |
| Total Revenues | 869,963 |
| Expenses | |
| Sewer Connection Developer Fee | 99,000 |
| Septic Maintenance | 495,631 |
| Legal and Professional | 16,748 |
| Depreciation | 165,527 |
| Total Expenses | 776,906 |
| Change in Net Assets | 93,057 |
| Net Assets: Beginning | 7,983,790 |
| Net Assets: Ending | $ 8,076,847 |

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Business-type Activities (Utility Operations Fund) |
|---|---|
| Cash flows from operating activities: | |
| Receipts from customers and users | $ 869,963 |
| Payments to suppliers | (484,862) |
| Payments to employees | - |
| Net cash provided by operating activities | 385,101 |
| Cash flows from noncapital financing activities: | |
| Transfers In (Out) from Other Funds | - |
| Net cash provided (used) by noncapital financing activities | - |
| Cash flows from capital and related financing activities: | |
| Acquisition and construction of capital assets paid by City | (16,608) |
| Net cash provided (used) by capital and related financing activities | (16,608) |
| Net increase (decrease) in cash and cash equivalents | 368,493 |
| Cash and cash equivalents at beginning of year | 656,385 |
| Cash and cash equivalents at end of year | $ 1,024,878 |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | |
| Operating income (loss) | $ 93,057 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | |
| Depreciation and amortization | 165,527 |
| (Increase) decrease in accounts current receivables (due to / due from recon) | 120,767 |
| Increase (decrease) in accounts current liabilities (sewer tap fees) | 5,750 |
| Total adjustments | 292,044 |
| Net cash provided by operating activities | $ 385,101 |

The accompanying notes are an integral part of the financial statements.

## NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. *Introduction*

The accounting and reporting framework and the more significant accounting principles and practices of the City of McLendon-Chisholm, Texas (City) are discussed in subsequent sections of this Note. The remaining notes are organized to provide explanations, including required disclosures of the City's financial activities for the fiscal year ended September 30, 2023.

### B. *Financial Reporting Entity*

Incorporated in 1969, the City of McLendon-Chisholm, Texas is a General Law Municipality in which citizens elect the mayor at large and five council members at large. The accompanying financial statements present the City's primary government.

Based on the primary accountability for fiscal matter, authority to make decisions, appoint administrators and managers, and significantly influence operations, the City meets the definition of a "Financial Reporting Entity" as defined by GASB statement 14.

The accompanying financial statements present the City's primary government.

### C. *Basis of Presentation*

Government-Wide and Fund Financial Statements

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the individual fund of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Government-Wide Financial Statements

The government-wide financial statements include the statements of net assets and the statement of activities. These statements report financial information of the City as a whole. The government has a Proprietary Fund other than the General Fund and no component units. Therefore, the statements distinguish between governmental and business type activities, one being generally supported by taxes and City general revenues, while the other is generally financed with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities that capture the expenses and program revenues associated with a distinct functional activity. Program revenue includes charges for services, which report fees and other charges to users of the City's services (specifically permit fees). Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds and proprietary funds.

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in the other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general obligation long-term debt paid from taxes levied by the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City has one custodial fund, the Sonoma Verde Public Improvement District (PID), to account for bond proceeds, assessments, and related debt associated with the issuance of bonds issued by the City as an agent for the District.

*D. Basis of Accounting*

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

The government-wide financial statement uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. However, expenditures related to claims and judgments are recorded only when payment is due and payable shortly after year end as required by GASB Interpretations No. 6.

Program revenues as reported in the Statement of Activities include 1) charges to customers for goods, services, or privileges provided and 2) capital grants. Other revenues received by the City that are internally dedicated by their purpose are reported as general revenues rather than program revenues. In this respect, all tax revenues are included in general revenues.

Sales tax and franchise tax revenues recorded in the General Fund are recognized under the susceptible to accrual concept. License and permits, charges for services, and miscellaneous revenues are recorded as revenues when received in cash, as the related receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements are used as guidance.

Allocation of indirect expenses: The City currently has no indirect expenses.

Estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect certain reported amounts. Accordingly, actual results could differ from those estimates.

The General Fund and the Debt Service fund are the only two operating funds of the City.

E. *Financial Statement Amounts*

Cash and Equivalents – The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables – Ad valorem taxes are levied by October 1 on the assessed value listed with and established by Rockwall Central Appraisal District. The Rockwall County Tax Assessor/Collector bills and collects the City's taxes. Taxes are due upon receipt of the bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Other receivables include sales taxes collected within 60 days of year end and other miscellaneous balances due to the city.

Investments – Accounting pronouncement GASB Statement 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, applied to investments in external investing pools, investments purchased with maturities greater than one year, mutual funds, and certain investment agreements. Generally, governmental entities are required to report the "fair market" changes for these investments at year-end and record these gains and losses on their income statement. Investments with maturities less than one year at the time of purchase are stated at cost or amortized cost. The fair value of the City's position in these investment pools is the same as the value of the pool shares.

Capital Assets – The City's capital assets with useful lives of more than one year are stated at historical cost if purchased or constructed and comprehensively reported in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value at the date of donation. The City generally capitalizes purchases of $1,000 or more as outlays occur. Other costs incurred for repairs and maintenance are expensed. Capital assets are being depreciated using the straight-line method over periods between 5 and 15 years.

Impairment of Long-lived Assets – the City reviews potential impairments of long-lived assets when there is evidence that events or changes in circumstances have made the recovery of an asset's carrying value unlikely. An impairment loss is recognized if the sum of the expected, undiscounted future cash flows is less than the net book value of the asset. Generally, the amount of the impairment loss is measured as the excess of the net book value of the assets over the estimated fair value. As of September 30, 2023, no impairment of long-lived assets is necessary.

Long-Term Obligations – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net position. Bond premium or discount as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the related bond premiums or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premium received on debt issuances is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Deferred outflows related to pensions, which arise only under an accrual basis of accounting, is reported only in the government-wide and proprietary statements of net position. This amount is deferred and amortized over the actuarial determined recognition period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under an accrual basis of accounting that qualifies for reporting in this category. This amount is deferred and amortized over the actuarial determined recognition period.

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

Fund Equity – GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – includes the portion of net resources that cannot be spent because of their forms (i.e., inventory, long-term debt, or prepaid items) or because they must remain intact such as the principle of an endowment.
- *Restricted fund balance* – includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e., externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – includes the portion of net resources on which the City Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a resolution of the City Council. The resolution must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.
- *Assigned fund balance* – includes the portion of net resources for which an intended use has been established by the City Council or the City official authorized to do so by the City Council. Assignment of fund balance is much less formal than commitments and do not require formal action for their imposition or removal.
- *Unassigned fund balance* – includes the amounts in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as needed.

## NOTE II. COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provisions

- In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

| Violation | Action Taken |
|---|---|
| None Reported | Not applicable |

Deficit Fund Balance or Fund Net Position of Individual Funds

- Following are funds having deficit fund balances or net position at year end, if any, along with remarks which address such deficits:

| Fund Name | Deficit Amount |
|---|---|
| None | None |

Budgets and Budgetary Accounting

- The Texas Uniform Budget Law requires each mayor or city manager to prepare a budget each year to cover all the expenditures of the municipality for the succeeding year. The budget should be prepared at least 30 days prior to the setting of a tax levy by the city. Not less than 15 days prior to the levying of taxes a public hearing should be held, after being duly advertised. After this the Council should adopt the budget. The City complied with state requirements.

NOTE III. DEPOSITS AND INVESTMENTS

Deposits - State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year-end, the City's bank accounts are at a federally insured institution and the balances amounted to $6,901,071, all of which is covered by federal depository insurance and pledged securities.

Investments – Public funds of the City of McLendon-Chisholm, Texas may be invested in the following: (1) obligations of the United States Government or its agencies and instrumentalities, (2) fully insured or collateralized certificates of deposit from any bank domiciled in the State of Texas, (3) repurchase agreements not to exceed 180 days to stated maturity, (4) AAA-rated, no-load, SEC registered money market funds, and (5) AAA-rated, constant dollar Texas Local Government.

Deposits and Investments are comprised of the following:

| | VALUE | PERCENTAGE |
|---|---|---|
| Alliance Bank | $ 2,436,909 | 35.31% |
| Logic | 4,162,687 | 60.32% |
| Bond Early Redemption Escrow | 238,546 | 3.46% |
| Central Bank | 42,759 | 0.62% |
| TexPool | 20,172 | 0.29% |
| Total | $ 6,901,071 | 100.00% |

*Pledged Securities through Alliance Bank: market valued at $3,403,001 as of September 30, 2023.*

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE IV. CAPITAL ASSETS

The following tables provide a summary of changes in capital assets:

Capital Assets Activity - Governmental

| | 09/30/22 | Increases | Decreases | 09/30/23 |
|---|---|---|---|---|
| Capital Assets | | | | |
| Land | $ 322,511 | $ - | $ - | $ 322,511 |
| Buildings | 2,170,689 | - | - | 2,170,689 |
| Furniture & Equipment | 327,820 | - | - | 327,820 |
| Fire & Rescue Equipment | 1,349,872 | - | (107,492) | 1,242,380 |
| Fire & Rescue Building | 3,885,590 | - | - | 3,885,590 |
| Improvements | 25,985 | - | - | 25,985 |
| Infrastructure | 11,952,762 | - | - | 11,952,762 |
| CIP | - | - | - | - |
| Total Depreciable: | 20,035,229 | - | (107,492) | 19,927,737 |
| Less Accumulated Depreciation | (4,227,977) | (928,161) | 107,492 | (5,048,646) |
| Total Capital Assets | $ 15,807,252 | $ (928,161) | $ - | $ 14,879,091 |

Capital Assets Activity - Business Type

| | 09/30/22 | Increases | Decreases | 09/30/23 |
|---|---|---|---|---|
| Capital Assets | | | | |
| Infrastructure | $ 8,268,026 | $ 16,608 | $ - | $ 8,284,634 |
| Total Depreciable: | 8,268,026 | 16,608 | - | 8,284,634 |
| Less Accumulated Depreciation | (921,211) | (165,526) | - | (1,086,737) |
| Total Fixed Assets | $ 7,346,815 | $ (148,918) | $ - | $ 7,197,897 |

*During FY2023, there were no significant fixed asset additions. There were several old fire trucks and equipment sold and new trucks put on order for future years.*

*During the year, there were no completed infrastructure assets from MC 550 Investors, L.P. who are developing the Sonoma Verde planned community. In the upcoming year, the City expects to receive Improvement Area 3 and 4 additions after approval from the City engineer. Sonoma PID (not the City) is expected to reimburse the developer for these costs while the City continues to pay each lot's sewer tap rebates.*

NOTE V. LONG-TERM OBLIGATIONS

Government-Type Activities

New City Hall Bond - The City of McLendon-Chisholm, Texas Combination Tax and Limited Surplus Revenue Certificate of Obligation, Series 2015 were issued January 27, 2015, in the amount of $2,090,000 and bears interest at the rate of 2% - 4%. Principal payments began in February 2016. Expected payoff 2035.

Principal and interest payments projected for the following five years:

| | Principal | Interest |
|---|---|---|
| 2024 | $ 95,000 | $ 50,544 |
| 2025 | 100,000 | 48,350 |
| 2026 | 100,000 | 45,475 |
| 2027 | 105,000 | 41,887 |
| 2028 and subsequent years | 1,015,000 | 170,425 |
| TOTAL | $ 1,415,000 | $ 356,681 |

It is noted that the Sonoma Public Improvement District issued $7,600,000 in Certificate of Obligation Bonds in April of 2015 in the City of McLendon-Chisholm's name for Phase I improvements. These Phase 1 improvements were also funded by a long-term developer reimbursement note for $3,100,000. Additionally, in 2019, the PID issued $6,225,000 in Certificate of Obligation Bonds in the City's name for Phase II Improvements. These Phase II improvements were also funded by a long-term developer reimbursement note for $1,290,079. Additionally, in 2021, the PID issued $5,935,000 in Certificate of Obligation Bonds in the City's name for Phase III Improvements. Additionally, in 2022, the PID issued $13,460,000 in Certificate of Obligation Bonds in the City's name for Phase IV Improvements. All PID debt is expected to be paid with additional property assessment fees in the Sonoma Verde planned development with expected payoff by 2049. The City has no obligation to pay the PID Bonds from any other sources.

NOTE VI. DEBT SERVICE FUND

According to generally accepted accounting principles, when taxes are assessed to service the interest and principle payments of a debt obligation, a debt service fund should be established and used for this purpose. The current year's financial statements reflect the Debt Service Fund and the accounting of appropriate activities through it.

NOTE VII. EMPLOYEE PENSION PLAN

**A. Plan Description**

The City participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Comprehensive Annual Financial Report (Annual Report) that can be obtained at www.tmrs.com.

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

**B. Benefits Provided**

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

| | |
|---|---|
| Deposit Rate: | 7% |
| City's Full Retirement Rate: | 2022/7.31%; 2023/7.33% |
| Matching Ratio (City to Employee): | 2 to 1 |
| Years Required for Vesting: | 5 years |
| Service Retirement Eligibilities: | 5 yrs/age 60; 20 yrs/any age |

Employees covered by benefit terms.

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

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 2 |
| Inactive employees entitled to but not yet receiving benefits | 9 |
| Active employees | 14 |
| | 25 |

### C. Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 7.31% and 7.33% in calendar years 2022 and 2023, respectively. The city's contributions to TMRS for the year ended September 30, 2023 were $67,544 and were equal to the required contributions.

### D. Net Pension Liability

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

**Actuarial assumptions:**

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

| | |
|---|---|
| Inflation | 2.5% per year |
| Overall payroll growth | 2.75% per year, adjusted down for population declines, if any |
| Investment Rate of Return | 6.75%, net of pension plan investment expense, including inflation |

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Global Equity | 35.0% | 7.7% |
| Core Fixed Income | 6.0% | 4.9% |
| Non-Core Fixed Income | 20.0% | 8.7% |
| Real Return | 12.0% | 8.1% |
| Real Estate | 12.0% | 5.8% |
| Absolute Return | 5.0% | 6.9% |
| Private Equity | 10.0% | 11.8% |
| Total | 100.0% | |

**Discount Rate**

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

**Changes in Net Pension Liability**

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| **Balance at 12/31/2021** | $ 279,126 | $ 334,686 | $ (55,560) |
| Changes for the year: | | | |
| Service cost | 103,351 | - | 103,351 |
| Interest | 22,003 | - | 22,003 |
| Change of benefit terms | - | - | - |
| Difference between expected and actual experience | (3,262) | - | (3,262) |
| Changes of assumptions | - | - | - |
| Contributions - employer | - | 52,067 | (52,067) |
| Contributions - employee | - | 49,859 | (49,859) |
| Net investment income | - | (24,683) | 24,683 |
| Benefit payments, including refunds of employee contributions | (9,660) | (9,660) | - |
| Administrative expense | - | (211) | 211 |
| Other changes | - | 252 | (252) |
| Net changes | $ 112,432 | $ 67,624 | $ 45,108 |
| **Balance at 12/31/2022** | $ 391,558 | $ 402,310 | $ (10,752) |

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

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

| | 1% Decrease in Discount Rate (5.75%) | Discount Rate (6.75%) | 1% Increase in Discount Rate (7.75%) |
|---|---|---|---|
| City's net pension liability | $ 44,302 | $ (10,752) | $ (55,261) |

**Pension Plan Fiduciary Net Position**

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

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

For the year ended September 30, 2023, the city recognized pension expense of $53,290.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual economic experience | $ - | $ 28,745 |
| Changes in actuarial assumptions | - | 703 |
| Difference between projected and actual investment earnings | 25,902 | - |
| Contributions subsequent to the measurement date | 51,835 | - |
| Total | $ 77,737 | $ 29,448 |

$51,835 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended Dec 31: | |
|---|---|
| 2023 | $ (1,345) |
| 2024 | 889 |
| 2025 | 1250 |
| 2026 | 4,236 |
| 2027 | (4,430) |
| Thereafter | (4,146) |
| Total | $ (3,546) |

**F. Other Post Employment Benefit (SDBF)**

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

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

**Employees covered by benefit terms.**
At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms established by City Ordinance:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 2 |
| Inactive employees entitled to but not yet receiving benefits | 1 |
| Active employees | 14 |
| | 17 |

**Changes in OPEB**

| | Total OPEB Liability |
|---|---|
| Balance at 12/31/2021 | $ 15,859 |
| Changes for the year: | |
| Service cost | 4,060 |
| Interest on Total OPEB | 325 |
| Change of benefit terms | - |
| Difference between expected and actual experience | 4,190 |
| Changes of assumptions or other inputs | (7,136) |
| Benefit payments, including refunds of employee contributions | (427) |
| Net changes | $ 1,012 |
| Balance at 12/31/2022 | $ 16,871 |

**Summary of Actuarial Assumptions:**

| | |
|---|---|
| Inflation | 2.5% |
| Salary Increases | 3.50% to 11.5% including inflation |
| Discount Rate * | 4.05% |
| Retirees' share of benefit-related costs | $0 |
| Administrative expenses | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68. |
| Mortality rates – service retirees | 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. |
| Mortality rates – disabled retirees | 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |

**The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.*
***Note: The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.*

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

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

| | 1% Decrease (3.05%) | Discount Rate (4.05%) | 1% Increase (5.05%) |
|---|---|---|---|
| Total OPEB liability | $ 19,701 | $ 16,871 | $ 14,579 |

**OPEB Expense**

| | Total OPEB Expense |
|---|---|
| Service Cost | $ 4,060 |
| Interest on Total OPEB | 325 |
| Change of benefit terms | - |
| Employer administrative costs | - |
| Recognition of deferred outflows/inflows of resources | |
| Differences between expected and actual expense | 467 |
| Changes in assumptions or other inputs | (539) |
| **Total OPEB Expense** | $ 4,313 |

**Deferred (Inflows) / Outflows of Resources**

| | Deferred (INFLOWS) of resources | Deferred OUTFLOWS of resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 3,429 |
| Changes in assumptions and other inputs | (3,932) | - |
| Net Total | (3,932) | 3,429 |
| Contributions made subsequent to measurement date | - | - |

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future OPEB expense (excluding city-provided contributions made subsequent to the measurement date):

| Year ended Dec 31: | NET deferred out/(in) |
|---|---|
| 2023 | $ (57) |
| 2024 | (57) |
| 2025 | (57) |
| 2026 | (57) |
| 2027 | (57) |
| Thereafter | 218 |
| Total | $ (503) |

| **Schedule of Contributions - (Retiree-only portion of the rate, for OPEB):**<br><br>**Plan / Calendar Year** | Total SBD Contribution Rate | Retiree portion SBD Contribution Rate |
|---|---|---|
| 2023 | 0.31% | 0.07% |
| 2022 | 0.15% | 0.06% |
| 2021 | 0.12% | 0.06% |
| 2020 | 0.08% | 0.02% |
| 2019 | 0.79% | 0.01% |
| 2018 | 0.81% | 0.00% |
| 2017 | 0.77% | 0.00% |

*Note 1: Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contributions for retirees.*
*Note 2: In order to determine the retiree portion of the City's Supplemental Death Benefit Plan contributions (that which is considered OPEB), the City should perform the following calculation: Total covered payroll * Retiree Portion of SDB Contribution (Rate)*

## NOTE VIII. RISK MANAGEMENT COVERAGE

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above coverage. The City continues to carry commercial coinsurance for other risk of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three years.

## NOTE IX. LITIGATION

Currently management is unaware of significant pending litigation against the City.

## NOTE X. COMMITTMENTS

*Developer*

- On May 27, 2014, the city entered an agreement with the developer of Sonoma Verde to establish a utility fund to track sewer tap fees $3,000 per connection. The developer funded the account with $15,000 and the city reimburses the developer 60% of each fee collected. Per the agreement, funds are restricted to utility-related operation and maintenance.

*Public Safety*

- Fire: Previously this was provided by the McLendon-Chisholm Volunteer Fire Department through a contract with the City. In October of 2018, the City merged the VFD into the City to form the McLendon-Chisholm Fire & Rescue department to provide fire-fighting and other related emergency services to residents of the city.
- Police: Provided by Rockwall County Sheriff's Department.
- Emergency: Rockwall County EMS provides ambulance service to Rockwall County residents, which includes the residents of the City of McLendon-Chisholm.

*Infrastructure*

The City has four city streets that it maintains. Since the City does not have a road maintenance department, it contracts with Rockwall County to maintain these roads. The State of Texas maintains the State Highway and Farm to Market Roads. Private roads are maintained by the residents of those roads. Repairs are open to outside bids.

*Utilities*

- Sewer for all citizens outside of the Sonoma Verde Development is not provided by the City. Septic systems are individually owned by residents.
- Water is provided by RCH Water Supply Corporation and High Point WSC.
- Electric service is provided by Oncor and Farmers Electric.
- Gas service is not provided by the City. Residents may privately own propane tanks.
- Trash collection is not provided by the City. However, the city contracted with CWD for trash pickup for the city residents and businesses.

## NOTE XI. PID CUSTODIAL FUND

The City has one custodial fund, the Sonoma Verde Public Improvement District (PID), to account for bond proceeds, assessments, and related debt associated with the issuance of bonds by the City as an agent for the District. The PID was created for the acquisition, construction, and development of public improvements to include roads, drainage, water distribution, sanitary sewer system and other costs associated with the development and financing of these improvements. All special assessments are collected by the Rockwall CAD with funds held in various Wilmington Trust accounts. As of September 30, 2023, the PID reported an unaudited balance of $11,229,188 cash on hand at Wilmington Trust and total outstanding long-term debt of $33,515,000. The City does not have any direct or contingent liability or moral obligation for the payment of this debt. The table below shows the breakdown between Phase 1 and Phase 2 and Phase 3 and Phase 4 PID assets and debt:

| | **Phase 1** | **Phase 2 (IA#2)** | **Phase 3 (IA#3)** | **Phase 4 (IA#4)** | **Total** |
|---|---|---|---|---|---|
| **Cash** | $ 271,219 | $ 766,590 | $ 1,049,391 | $ 9,141,988 | $ 11,229,188 |
| **Debt** | $ 8,510,000 | $ 5,880,000 | $ 5,700,000 | $ 13,425,000 | $ 33,515,000 |

## NOTE XII. FEDERAL, STATE AND LOCAL GRANT REVENUE

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

Under the American Rescue Plan Act (ARPA) of 2021, the Coronavirus Local Fiscal Recovery Fund (CLFRF) provides emergency funding for eligible local governments. The U.S. Treasury manages the distribution of these funds to Texas counties and cities with populations above 50,000. Cities, villages, towns, and townships serving populations of less than 50,000 are classified as non-entitlement units of local government (NEUs) and will receive funding distributed by TDEM.

The City of McLendon-Chisholm was awarded a total of $856,100.45. Half of this balance was released to the City in August 2021 ($428,050.23) and the remaining portion was received in September 2022. These funds earned $42,109 in interest income during FY2023 and the City spent $82,690. As such, these remaining funds ($814,365.69) were included in the financials as a deferred grant revenue liability and should be released to income in future years when the funds are spent.

## NOTE XIII. SUBSEQUENT EVENTS

The City has evaluated all events or transactions that occurred after September 30, 2023 up through January 8, 2024, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure.

Required Supplementary Information

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NON-GAAP BUDGETARY BASIS

| | Budget Revised General | Budget Revised Public Safety | Budget Revised Capital Projects | Budget Revised ARPA | Budget Revised Debt Service | Budget Revised Total | Actual General | Actual Public Safety | Actual Capital Projects | Actual ARPA | Actual Debt Service | Actual Total | Total Variance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | | | | | | | |
| Ad Valorem Tax | $ 680,000 | $ - | $ - | $ - | $ 144,165 | $ 824,165 | $ 715,583 | $ - | $ - | $ - | $ 156,990 | $ 872,573 | $ 48,408 |
| Sales Tax | 975,000 | - | - | - | - | 975,000 | 924,019 | - | - | - | - | 924,019 | (50,981) |
| Franchise | 232,000 | - | - | - | - | 232,000 | 276,585 | - | - | - | - | 276,585 | 44,585 |
| Investment Income | 8,800 | 1,860 | - | - | - | 10,660 | 207,273 | 20,308 | - | 40,109 | 612 | 268,302 | 257,642 |
| Service Revenue | 1,364,700 | 127,500 | - | - | - | 1,492,200 | 1,046,709 | 128,313 | - | - | - | 1,175,022 | (317,178) |
| | 3,260,500 | 129,360 | - | - | 144,165 | 3,534,025 | 3,170,168 | 148,621 | - | 40,109 | 157,602 | 3,516,501 | (17,524) |
| Expenditures | | | | | | | | | | | | | |
| Culture and Recreation | 5,000 | - | - | - | - | 5,000 | 6,571 | - | - | - | - | 6,571 | 1,571 |
| General Government | 1,363,860 | - | - | - | 1,100 | 1,364,960 | 1,285,910 | - | - | 82,690 | 2,037 | 1,370,639 | 5,679 |
| Infrastructure | 25,000 | - | - | - | - | 25,000 | 23,254 | - | - | - | - | 23,254 | (1,746) |
| Public Safety | - | 1,696,000 | - | - | - | 1,696,000 | - | 1,162,346 | - | - | - | 1,162,346 | (533,654) * |
| Capital Expenditures | 300,000 | - | - | - | - | 300,000 | - | - | - | - | - | - | (300,000) ** |
| Bond Principal | - | - | - | - | 95,000 | 95,000 | - | - | - | - | 95,000 | 95,000 | - |
| Bond Interest | - | - | - | - | 48,065 | 48,065 | - | - | - | - | 51,573 | 51,573 | 3,508 |
| | 1,693,860 | 1,696,000 | - | - | 144,165 | 3,534,025 | 1,315,735 | 1,162,346 | - | 82,690 | 148,610 | 2,709,383 | (824,642) |
| Deferred Grant Revenue | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers between funds | (1,566,640) | 1,566,640 | - | - | - | - | (1,066,293) | 1,066,293 | - | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - | - | - | 788,140 | 52,568 | - | (42,581) | 8,992 | 807,118 | 807,118 |
| Fund Balance: Beginning | 3,690,795 | 344,875 | - | 860,152 | 236,057 | 5,131,879 | 3,690,795 | 344,875 | - | 860,152 | 236,057 | 5,131,880 | |
| Fund Balance: Ending | $3,690,795 | $ 344,875 | $ - | $860,152 | $ 236,057 | $5,131,879 | $4,478,935 | $ 397,443 | $ - | $817,571 | $ 245,049 | $5,938,998 | |

** Public Safety Budget included $500,000 for Law Enforcement that has been pushed to future years.*
*** No significant capital projects in FY2023.*

See independent auditor's report.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NON-GAAP BUDGETARY BASIS

| | Budget Original | Budget Amendments | Budget Final | Actual | Variance |
|---|---|---|---|---|---|
| Revenues | | ** | | | |
| Sewer Connection Fees & Service | $ 1,108,532 | $ - | $ 1,108,532 | $ 869,963 | $ (238,569) * |
| | 1,108,532 | - | 1,108,532 | 869,963 | (238,569) |
| Expenses | | | | | |
| Sewer Connection Developer Fee | 291,600 | - | 291,600 | 99,000 | (192,600) * |
| Septic Maintenance | 567,370 | - | 567,370 | 495,631 | (71,739) |
| Office and Admin | 16,700 | - | 16,700 | 16,748 | 48 |
| Depreciation | - | - | - | 165,527 | 165,527 |
| | 875,670 | - | 875,670 | 776,906 | (98,764) |
| Transfers In (Out) | - | - | - | - | - |
| Net Change in Fund Balance | 232,862 | - | 232,862 | 93,057 | (139,805) |
| Fund Balance: Beginning | 7,983,790 | - | 7,983,790 | 7,983,790 | |
| Plus Developer Contribution: | - | - | - | - | |
| Fund Balance: Ending | $ 8,216,652 | $ - | $ 8,216,652 | $ 8,076,847 | |

** Slow down in new homes led to reduced Sewer Tap Fees and related Rebates related to Sonoma Verde developmen*
*** There were no budget amendments for FY2023.*

See independent auditor's report.

CITY OF MCLENDON-CHISHOLM, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS*

| | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 | 12/31/2022 |
|---|---|---|---|---|---|---|---|---|
| Total Pension Liability | | | | | | | | |
| Service Cost | $ 8,673 | $ 11,982 | $ 13,095 | $ 19,267 | $ 31,030 | $ 69,707 | $ 87,199 | $ 103,351 |
| Interest (on the Total Pension Liability) | 3,726 | 4,394 | 5,520 | 6,905 | 8,599 | 12,713 | 15,776 | 22,003 |
| Changes of benefit terms | - | - | - | - | - | 9,798 | - | - |
| Difference between expected and actual experience | (4,993) | (64) | (167) | (1,303) | 3,072 | (34,122) | (7,131) | (3,262) |
| Change of assumptions | 2,804 | - | - | - | (1,219) | - | - | - |
| Benefit payments, including refunds of employee contributions | - | - | (383) | (1,648) | (9,660) | (9,660) | (13,678) | (9,660) |
| Net Change in Total Pension Liability | 10,210 | 16,312 | 18,065 | 23,221 | 31,822 | 48,436 | 82,166 | 112,432 |
| Total Pension Liability - Beginning | 48,894 | 59,104 | 75,416 | 93,481 | 116,702 | 148,524 | 196,960 | 279,126 |
| Total Pension Liability - Ending (a) | $ 59,104 | $ 75,416 | $ 93,481 | $ 116,702 | $ 148,524 | $ 196,960 | $ 279,126 | $ 391,558 |
| Plan Fiduciary Net Position | | | | | | | | |
| Contributions - Employer | $ 9,266 | $ 11,521 | $ 14,385 | $ 52,439 | $ 38,136 | $ 7,431 | $ 42,349 | $ 52,067 |
| Contributions - Employee | 5,932 | 6,847 | 7,457 | 11,835 | 22,356 | 24,441 | 41,664 | 49,859 |
| Net Investment Income | 7 | 1,298 | 5,397 | (1,978) | 19,692 | 15,055 | 30,730 | (24,683) |
| Benefit payments, including refunds of employee contributions | - | - | (383) | (1,648) | (9,660) | (9,660) | (13,678) | (9,660) |
| Administrative Expense | (4) | (15) | (29) | (38) | (110) | (97) | (141) | (211) |
| Other | - | (1) | (1) | (2) | (4) | (3) | 1 | 252 |
| Net Change in Plan Fiduciary Net Position | 15,201 | 19,650 | 26,826 | 60,608 | 70,410 | 37,167 | 100,925 | 67,624 |
| Plan Fiduciary Net Position - Beginning | 3,899 | 19,100 | 38,750 | 65,576 | 126,184 | 196,594 | 233,761 | 334,686 |
| Plan Fiduciary Net Position - Ending (b) | $ 19,100 | $ 38,750 | $ 65,576 | $ 126,184 | $ 196,594 | $ 233,761 | $ 334,686 | $ 402,310 |
| Net Pension Liability - Ending (a) - (b) | $ 40,004 | $ 36,666 | $ 27,905 | $ (9,482) | $ (48,070) | $ (36,801) | $ (55,560) | $ (10,752) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 32.32% | 51.38% | 70.15% | 108.12% | 132.37% | 118.68% | 119.90% | 102.75% |
| Covered Employee Payroll | $ 118,650 | $ 136,938 | $ 149,143 | $ 236,696 | $ 447,115 | $ 488,827 | $ 600,541 | $ 712,277 |
| Net Pension Liability as a Percentage of Covered Employee Payroll | 33.72% | 26.78% | 18.71% | -4.01% | -10.75% | -7.53% | -9.25% | -1.51% |

* Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

CITY OF MCLENDON-CHISHOLM, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of Changes in the City's Net Pension Liability and Related Ratios shows the changes in Total Pension Liability less the changes in Fiduciary Net Position, resulting in the net pension liability calculation for the city. Note that this is a 10-year schedule, to be created by the city prospectively, over the next 10-year period. This schedule is provided in the GRS Reporting Package (for the current period).

The Schedule of Employer Contributions shows the city's required annual contributions from the actuarial valuation, compared with the actual contributions remitted. This schedule is based on the city's respective fiscal year-end, and should be created by the city, and built over the next 10-year period. The city should also provide the Notes to Schedule of Contributions, including the methods and assumptions used to determine the contribution rates and information about benefit changes during the year, if any. Information to complete the Notes to Schedule of Contributions is provided in the GRS Reporting Package.

LAST 10 FISCAL YEARS WILL ULTIMATELY BE DISPLAYED

| Fiscal year ending September 30, | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Actuarially Determined Contribution | $ 10,809 | $ 11,647 | $ 14,268 | $ 15,347 | $ 22,060 |
| Contributions in relation to the actuarially determined contribution | $ (10,809) | $ (11,647) | $ (14,268) | $ (15,347) | $ (22,060) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Covered employee payroll | $ 114,086 | $ 132,555 | $ 136,938 | $ 149,143 | $ 236,696 |
| Contributions as a percentage of covered employee payroll | 9.47% | 8.78% | 10.42% | 10.29% | 9.32% |

| Fiscal year ending September 30, | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Actuarially Determined Contribution | $ 16,170 | $ 32,264 | $ 51,805 | $ 65,692 | |
| Contributions in relation to the actuarially determined contribution | $ (16,170) | $ (32,264) | $ (51,805) | $ (65,692) | |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | |
| Covered employee payroll | $ 447,115 | $ 488,827 | $ 721,244 | $ 901,381 | |
| Contributions as a percentage of covered employee payroll | 3.62% | 6.6% | 7.18% | 7.29% | |

CITY OF MCLENDON-CHISHOLM, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

NOTES TO SCHEDULE OF CONTRIBUTIONS

**Valuation Date:**

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

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

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | N/A |
| Asset Valuation Method | 10 Year smoothed market; 12% soft corridor |
| Inflation | 2.5% |
| Salary Increases | 3.50% to 11.5% including inflation |
| Investment Rate of Return | 6.75% |
| Retirement Age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018. |
| Mortality | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.<br>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |
| Other Information | 1) There were no benefit changes during the year. |

CITY OF MCLENDON-CHISHOLM, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS*

| | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 | 12/31/2022 |
|---|---|---|---|---|---|---|---|
| Total OPEB Liability | | | | | | | |
| Service Cost | $ - | $ 761 | $ 1,325 | $ 626 | $ 929 | $ 2,582 | $ 4,060 |
| Interest on total OPEB | - | 236 | 266 | 313 | 300 | 295 | 325 |
| Changes of benefit terms | - | - | - | - | - | - | - |
| Benefit payments / refunds of employee contributions | - | - | - | (45) | (98) | (360) | (427) |
| Recognition of deferred outflows/inflows | - | - | - | - | - | - | - |
| Differences between expected and actual | - | 509 | (270) | 79 | 355 | (710) | 4,190 |
| Changes in assumptions or other inputs | - | - | (533) | 1,358 | 1,682 | 402 | (7,136) |
| Net Changes | - | 1,506 | 788 | 2,331 | 3,168 | 2,209 | 1,012 |
| Total OPEB Liability - Beginning | - | 5,857 | 7,363 | 8,151 | 10,482 | 13,650 | 15,859 |
| Total OPEB Liability - Ending | $ 5,857 | $ 7,363 | $ 8,151 | $ 10,482 | $ 13,650 | $ 15,859 | $ 16,871 |
| Covered Employee Payroll | $ 136,938 | $ 149,143 | $ 236,696 | $ 447,115 | $ 488,827 | $ 600,541 | $ 712,277 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 4.28% | 4.94% | 3.44% | 2.34% | 2.79% | 2.64% | 2.37% |

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

* Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

**Murrey Paschall & Caperton PC**
**Certified Public Accountants**

January 8, 2024

To the Honorable Mayor and Members of the City Council
City of McLendon-Chisholm, Texas

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the City of McLendon-Chisholm, Texas, for the year ended September 30, 2023, and have issued our report thereon dated January 8, 2024. Professional standards require that we advise you of the following matters relating to our audit.

## OUR RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENT AUDIT

As communicated in our engagement letter dated October 9, 2023, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

## PLANNED SCOPE AND TIMING OF THE AUDIT

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## COMPLIANCE WITH ALL ETHICS REQUIREMENTS REGARDING INDEPENDENCE

The engagement team has complied with all relevant ethical requirements regarding independence.

SIGNIFICANT AUDIT FINDINGS

*Qualitative Aspects of the City's Significant Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of McLendon-Chisholm, Texas are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

*Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive estimate affecting the City of McLendon-Chisholm, Texas's financial statements was:

> Management's estimate of the depreciation of the City's fixed assets is based upon management's estimate of the specific assets useful life and the cost of the assets is depreciated accordingly. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

*Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgement and are particularly sensitive because of their significance to financial statement users. There was no long-term debt or any other sensitive disclosures to note.

> The disclosure of Long-term Obligations in Note V to the financial statements as these represent significant future debt payments in the form of interest and principal.

The financial statement disclosures are neutral, consistent, and clear.

*Significant Unusual Transactions*

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no unusual transactions noted.

*Significant Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 8, 2024.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

- *Under the American Rescue Plan Act (ARPA) of 2021, the Coronavirus Local Fiscal Recovery Fund (CLFRF) provides emergency funding for eligible local governments. The City has $814,365.69 remaining in ARPA funds that requires recipients to obligate the funds by Dec. 31, 2024, and spend them by Dec. 31, 2026.*

OTHER MATTERS

We applied certain limited procedures to the MD&A, Budget and Actual schedules by fund type, as well as the GASB 68 and GASB 75 Pension/OPEB Liability schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

RESTRICTION ON USE

This information is intended solely for the information and use of the Honorable Mayor and City Council and management of the City of McLendon-Chisholm, Texas and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Murrey Paschall & Caperton, PC

Murrey Paschall & Caperton, P.C.

# Operational Budgeting

PRODUCT BRIEF

ClearGov

The typical budgeting process is time-consuming, cumbersome and error prone. After weeks of communicating by email and exchanging spreadsheets, all data collected is manually consolidated into a master spreadsheet.

In contrast, ClearGov offers collaborative budgeting software that streamlines communication with department heads and other budget stakeholders.
A one-stop shop to dynamically forecast what-if scenarios, build a budget and communicate budgeting rationale.

## Key Features:

- **Operational Budget Dashboard** - Quickly see and share the status of your budget-building process. Filter on current and historical financial data. Automatically aggregate all budget requests in one place.

- **Departmental Collaboration** - Easily assign department budgets and invite department heads to submit requests and rationale. Efficiently track request and review status and send automatic reminders.

- **AI Driven Forecasting** - Sophisticated yet easy-to-use AI module enables you to create unlimited forecasts. Easily modify assumptions at the category level and instantly see the impact.

- **Centralized Communication** - Add comments, documents and supporting information to any line item. All content is centralized to streamline your budget review and communication process.

- **Audit Trail** - All budget edits are automatically tracked and stored within an audit trail. Easily review the historical record of budget decisions and communication.

- **Report Builder** - Create and export custom reports to share your operational budget with internal and external stakeholders and existing systems.


GET A DEMO

# Operational Budgeting

PRODUCT BRIEF

ClearGov

## How It Works

### Collect

Simply export your budget data to Excel and we'll build you a custom dashboard that mirrors your chart of accounts. Invite department heads to submit budget changes and collect their requests in one central location.

### Create

Create unlimited budgets to plan for multiple scenarios or build an AI-based forecast to use as the basis for long-term planning. You can also import your personnel budget from ClearGov into your operating budget for an efficient workflow that saves time.

### Communicate

Communicate your budget internally by giving stakeholders viewing access. Then, publish the adopted version to your Transparency center and/or Digital Budget Book to share with internal (e.g., council members) and external stakeholders e.g., citizens).

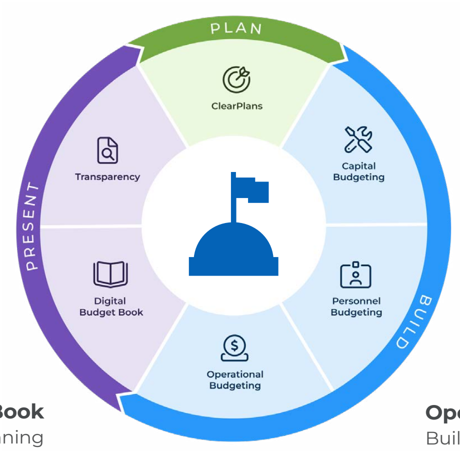
## Budget Cycle Management

Operational Budgeting is part of ClearGov's integrated suite of cloud-native financial solutions that is complementary to ERP/accounting systems and helps local governments streamline their budgeting process.

**ClearPlans**
Bring plans to life, track progress, and publish quickly and easily

**Transparency**
Tell your financial story to drive community support

**Digital Budget Book**
Produce an interactive and award-winning budget book in a fraction of the time




**Capital Budgeting**
Automate the way you collect, organize and optimize capital utilization

**Personnel Budgeting**
Manage positions, compensation, and benefits; perform scenario planning and what-if analysis

**Operational Budgeting**
Build your forecast and annual budget more efficiently and collaboratively

"Having the budget online eliminates version control issues and lets everyone know where we are in the process. Instead of calling or emailing department heads, I can just go into ClearGov and access all the requests and supporting documentation in one spot."

Sean O'Brien, Special Assistant to the Finance Director,
Town of Natick, MA

CITY OF McLENDON-CHISHOLM
1371 West FM 550, McLendon-Chisholm, Texas 75032

**PRELIMINARY PLAT CHECKLIST**

Copies: 10 copies, 1 electronic pdf required, plus Letter of Transmittal/Application
Fee: ____________________________________

Filing: Follow Developments Cycle Timeline. Confirm Meeting Dates with Staff.
**CIVIL DESIGNS MUST BE APPROVED PRIOR TO FILING OF THE FINAL PLAT**

1. ______ 10 legible prints and 1 electronic pdf furnished to the City.

2. ______ Letter of Transmittal (10 copies) furnished with preliminary plat application stating:
   a). ______ type of street surfacing
   b). ______ drainage
   c). ______ soil test report results
   d). ______ sanitary facilities
   e). ______ proposed water service plan
   f). ______ name and address of property owner/agent and engineer

3. ______ Drawn to scale 1” – 200’

4. ______ Scale, date, and north point shown

5. ______ Legal description

6. ______ Existing Features inside subdivision
   a). ______ existing boundary lines of land to be subdivided
   b). ______ bearings and distances shown
   c). ______ location of existing watercourses, railroads and drainage/transportation features
   d). ______ location and width of existing streets, alleys, easements, pipelines, watercourses, existing water and sewer mains.

7. ______ Existing Features outside subdivision
   a). ______ names and property lines of adjoining property owners
   b). ______ names and locations of adjacent subdivisions, streets, easements, pipelines, watercourses, and existing water and sewer mains

8. ______ New Features inside subdivision

a). ______ Proposed name of subdivision
b). ______ location, right-of-way width and names of proposed streets
c). ______ width and depth of all lots
d). ______ location of building lines, alleys and easements
e). ______ location and size of sites for schools, churches, parks and special land uses
f). ______ location and size of areas to be dedicated to public or reserved for common use by owners in subdivision
g). ______ approximate acreage of property to be subdivided
h). ______ any proposed utility plant
i). ______ proposed use of any land/areas not within boundaries of lots or rights-of-way

9. ______ Compliance with zoning regulations and/or proposed zoning (for subdivisions with City Limits)

a). ______ proposed uses satisfy zoning use regulations
b). ______ all lots meet minimum lots size requirements
c). ______ all lots meet frontage, depth and width requirements
d). ______ building setback lines meet front, rear, and side-yard setbacks
e). ______ meets minimum dwelling size requirements
f). ______ meets 15% lot coverage requirement
g). ______ meets off-street and covered parking requirements

10. ______ Proposed streets and alleys conform to comprehensive, traffic and thoroughfare plan.

11. ______ Typical cross-sections of streets and location and width of sidewalks

12. ______ Locations of flood plains shown

13. ______ Compliance with drainage requirements shown

14. ______ Approval block for Chairperson of Planning & Zoning, Mayor and City Secretary.

15. ______ An approved water service plan from a municipal water supply, rural water supply corporation, Municipal Utility District (MUD), individually owned wells, or privately owned water systems SHALL be furnished to the City at the time of application filing

**This list is reference material and does not supersede any City of McLendon-Chisholm Ordinance.**

*Preliminary Plat Checklist October 9, 2017*

CITY OF McLENDON-CHISHOLM
1371 West FM 550, McLendon-Chisholm, Texas 75032

**PRELIMINARY PLAT CHECKLIST**

Copies: 10 copies, 1 electronic pdf required, plus Letter of Transmittal/Application
Fee: ____________________________________

Filing: Follow Developments Cycle Timeline. Confirm Meeting Dates with Staff.
**CIVIL DESIGNS MUST BE APPROVED PRIOR TO FILING OF THE FINAL PLAT**

1. ______ 10 legible prints and 1 electronic pdf furnished to the City.

2. ______ Letter of Transmittal (10 copies) furnished with preliminary plat application stating:
a). ______ type of street surfacing
b). ______ drainage
c). ______ soil test report results
d). ______ sanitary facilities
e). ______ proposed water supply
f). ______ name and address of property owner/agent and engineer

3. ______ Drawn to scale 1" – 200'

4. ______ Scale, date, and north point shown

5. ______ Legal description

6. ______ Existing Features inside subdivision
a). ______ existing boundary lines of land to be subdivided
b). ______ bearings and distances shown
c). ______ location of existing watercourses, railroads and drainage/transportation features
d). ______ location and width of existing streets, alleys, easements, pipelines, watercourses, existing water and sewer mains.

7. ______ Existing Features outside subdivision
a). ______ names and property lines of adjoining property owners
b). ______ names and locations of adjacent subdivisions, streets, easements, pipelines, watercourses, and existing water and sewer mains

8. ______ New Features inside subdivision
a). ______ Proposed name of subdivision
b). ______ location, right-of-way width and names of proposed streets

c). ______ width and depth of all lots
d). ______ location of building lines, alleys and easements
e). ______ location and size of sites for schools, churches, parks and special land uses
f). ______ location and size of areas to be dedicated to public or reserved for common use by owners in subdivision
g). ______ approximate acreage of property to be subdivided
h). ______ any proposed utility plant
i). ______ proposed use of any land/areas not within boundaries of lots or rights-of-way

9. ______ Compliance with zoning regulations and/or proposed zoning (for subdivisions with City Limits)
a). ______ proposed uses satisfy zoning use regulations
b). ______ all lots meet minimum lots size requirements
c). ______ all lots meet frontage, depth and width requirements
d). ______ building setback lines meet front, rear, and side-yard setbacks
e). ______ meets minimum dwelling size requirements
f). ______ meets 15% lot coverage requirement
g). ______ meets off-street and covered parking requirements

10. ______ Proposed streets and alleys conform to comprehensive, traffic and thoroughfare plan.

11. ______ Typical cross-sections of streets and location and width of sidewalks

12. ______ Locations of flood plains shown

13. ______ Compliance with drainage requirements shown

14. ______ Approval block for Chairperson of Planning & Zoning, Mayor and City Secretary.

**This list is reference material and does not supersede any City of McLendon-Chisholm Ordinance.**

City of McLendon-Chisholm

Staff Report

**Date:** February 27, 2024

**Agenda Item:** Review/Action – Discussion and action for Application Changes by the City Staff for the planning department to add language on applications stating that developers must be able to provide potable water sufficient to meet our fire code standards for fighting fires

**Fiscal Impact:** NONE

**Background:** Currently the City of McLendon-Chisholm does not provide retail water services within the City limits or in the ETJ (Extra Territorial Jurisdiction) area. At present, there are 3 retail water services providers that hold CCN's (Certificate of Convenience and Necessity) to provide water within the City and in the ETJ area.

The City Council and Planning and Zoning Commission have both expressed concern regarding retail water providers that hold a CCN (Certificate of Convenience and Necessity) in our geographic area being able to provide water to residential and commercial developments within the City limits and the ETJ (Extra Territorial Jurisdiction) area that meet the City of Mclendon-Chisholm potable water and fire code standards.

The following actions have been taken as part of updating the City of McLendon-Chisholm's preliminary plat application:

- #2 Item E – "proposed water supply" has been updated to read "proposed water service plan"
- #15 – addition of new item. Item #15 will read "An approved water service plan from a municipal water supply, rural water supply corporation, Municipal Utility District (MUD), individually owned wells, or privately owned water systems SHALL be furnished to the City at the time of application filing."

The review and potential action on these items will allow the City Council, Planning and Zoning Commission, and City Staff to examine and validate water service plans for both residential and commercial developments within the City of McLendon-Chisholm and its ETJ area as the City works to become a retail water provider.

**Staff Assigned:** Asa Woodberry, City Planner

**Ordinance No. 2024-**

**AN ORDINANCE OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE AND ZONING MAP OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, AS HERETOFORE AMENDED, BY GRANTING A CHANGE IN ZONING DISTRICT FROM PD TRIPLE CREEK TO PD PLANNED DEVELOPMENT ZONING DISTRICT LEGACY PARK ESTATES, PROVIDING FOR 328 SINGLE-FAMILY LOTS AND A COMMUNITY PARK ON A 148.15 ACRE TRACT OF LAND LOCATED GENERALLY AROUND THREE SIDES OF 1371 WEST FM 550 [MCLENDON-CHISHOLM CITY HALL] MCLENDON-CHISHOLM, TEXAS, MORE PARTICULARLY DESCRIBED HEREIN IN EXHIBIT A, IN THE CITY OF MCLENDON-CHISHOLM, ROCKWALL COUNTY, TEXAS, PROVIDING A REPEALING CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY OR FINE NOT TO EXCEED THE SUM OF TWO THOUSAND ($2,000) DOLLARS FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS,** the Planning and Zoning Commission of the City of McLendon-Chisholm and the governing body of the City of McLendon-Chisholm, in compliance with state laws and with reference to amending the Comprehensive Zoning Ordinance and Zoning Map, have given the requisite notice by publication and otherwise, and after holding required public hearings and affording a full and fair hearing to all property owners and interested persons generally, the governing body of the City of McLendon-Chisholm is of the opinion that said Comprehensive Zoning Ordinance and Map should be amended as provided herein. Now therefore:

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS:**

**SECTION 1.** That the Comprehensive Zoning Ordinance and Zoning Map of the City of McLendon-Chisholm, Texas, heretofore duly passed by the governing body of the City of McLendon-Chisholm, as heretofore amended, be hereby amended by changing the Zoning District designation on the 148.15-acre tract of land more particularly described in Exhibit “A”, attached hereto and incorporated herein, and herein referred to as the “Property” from PD Triple Creek to a Planned Development District “Legacy Park Estates”. Development of the property shall conform to the Concept Plan as described in EXHIBIT B, and as described in Exhibit “C” Planned Development District Development Standards and amending the Official Zoning Map to reflect the approved change in zoning district.

**SECTION 2.** That all provisions of the ordinances of the City of McLendon-Chisholm in conflict with the provisions of this ordinance as applicable to the Property are hereby repealed and all other provisions of the ordinances of the City of McLendon-Chisholm not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 3.** That should any sentence, paragraph, subdivision, clause, phrase, or section of this ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this ordinance as a whole or any part or provision hereof other than the part so decided to be invalid, illegal, or unconstitutional, and shall not affect the validity of the Comprehensive Zoning Ordinance or Map as a whole.

**SECTION 4.** This ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law in such cases provides.

**DULY PASSED** by the City Council of the City of McLendon-Chisholm, Texas on day of ____________ 2024.

APPROVED:

______________________

MAYOR

ATTEST:

______________________

CITY SECRETARY

APPROVED AS TO FORM.

______________________

CITY ATTORNEY

EXHIBIT A

Legal Description for Zoning Change: LEGACY PARK ESTATES

All that certain lot, tract or parcel of land situated in the KING LATHAM SURVEY, ABSTRACT NO. 133, Rockwall County, Texas, and being a part of a 159.4006 acres tract of land as described in a Special Warranty deed from Tyrone E. Davenport and Cheryl Anne Davenport to The Chiefton 2X, LP, dated March 8, 2006 and being recorded in Volume 4464, Page 283 of the Official Public Records of Rockwall County, Texas, and being more particularly described as follows:

TRACT 1

BEGINNING at a 1/2" iron rod found for corner in the southeast right-of-way line of F.M. 550, said point being at the west corner of said 159.4006 acres tract of land;

THENCE N. 45 deg. 00 min. 00 sec. E. along said right-of-way line, a distance of 900.74 feet to a 1/2" iron rod with yellow plastic cap found for corner at the west corner of a 2.00 acres tract of land as described in a Deed from The Chiefton 2X, LP to The City of McLendon-Chisholm, Texas, as recorded in Volume 7229, Page 249 of the Official Public Records of Rockwall County, Texas;

THENCE S. 45 deg. 00 min. 00 sec. E. a distance of 960.00 feet to a 1/2" iron rod with yellow plastic cap found for corner at the south corner of a 10.00 acres tract of land as described in a Deed from The Chiefton 2X, LP to The City of McLendon-Chisholm, Texas, as recorded in Document no. 20130000499269 of the Official Public Records of Rockwall County, Texas;

THENCE N. 45 deg. 00 min. 00 sec. E. along the southeast line of said 10.00 acres tract, a distance of 681.00 feet to a 1/2" iron rod with yellow plastic cap found for corner at the east corner of same;
THENCE N. 45 deg. 00 min. 00 sec. W. along the northeast line of said 10.00 acres tract, a distance of 960.00 feet to a 1/2" iron rod with yellow plastic cap found for corner in the southeast right-of-way line of F.M. 550;

THENCE N. 45 deg. 00 min. 00 sec. E. along said right-of-way line, a distance of 840.00 feet to a 1/2" iron rod found for corner in an old road bed, at the north corner of said 159.4006 acres tract;

THENCE S. 45 deg. 25 min. 58 sec. E. along said old road bed and northeast boundary of said tract, a distance of 2983.44 feet to a 1/2" iron rod found for corner;

THENCE S. 45 deg. 15 min. 03 sec. W. along said old road bed and passing a 1" iron pipe at a turn in same at 784.39 feet and continuing for a total distance of 2243.27 feet to a 3/8" iron rod found for corner at base of 3" steel fence post in concrete at the south most corner of said 159.4006 acres tract of land;

THENCE N. 44 deg. 44 min. 43 sec. W. a distance of 1494.36 feet to a 1" iron pipe found for corner;

THENCE S. 45 deg. 05 min. 25 sec. W. a distance of 212.95 feet to a 1/2" iron rod found for corner;

THENCE N. 44 deg. 47 min. 44 sec. W. a distance of 1478.86 feet to the POINT OF BEGINNING and containing 144.41 acres of land.
TRACT 2

All that certain lot, tract or parcel of land situated in the KING LATHAM SURVEY, ABSTRACT NO. 133, Rockwall County, Texas, and being a part of a 10.00 acres tract of land as described in a Warranty deed from Richard B. Skibell to Tyrone E. Davenport and Cheryl Anne Davenport, dated October 20, 2004 and being recorded in Volume 3742, Page 268 of the Official Public Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 3/8" iron rod found at the base of a 3" steel fence post in concrete at the east corner of said 10.00 acres tract and at the south corner of a 159.4006 acres tract of land as described in a Special Warranty deed from Tyrone E. Davenport and Cheryl Anne Davenport to The Chiefton 2X, LP, dated March 8, 2006 and being recorded in Volume 4464, Page 283 of the Official Public Records of Rockwall County, Texas;

THENCE S. 45 deg. 27 min. 19 sec. W. along the southeast line of said 10.00 acres tract, a distance of 559.20 feet to a point in edge of water for corner;

THENCE N. 44 deg. 17 min. 46 sec. W. a distance of 300.60 feet to a point in edge of water for corner in the northwest boundary line of said 10.00 acres tract of land;

THENCE N. 45 deg. 35 min. 26 sec. E. along the northwest boundary line of said 10.00 acres tract of land, a distance of 556.85 feet to a 1/2" iron rod with yellow plastic cap found for corner;

THENCE S. 44 deg. 44 min. 43 sec. E. a distance of 299.28 feet to the POINT OF BEGINNING and containing 3.84 acres of land.

EXHIBIT B

**Revised Concept Plan: October 2023**

EXHIBIT C

LEGACY PARK ESTATES

PLANNED DEVELOPMENT DISTRICT DEVELOPMENT STANDARDS

For Approximately 148.15 Acres

City of McLendon-Chisholm, Rockwall County, Texas

**1. Purpose and Intent**

This Planned Development District (PD) provides the minimum development standards for a residential subdivision containing 328 single-family residential lots with a minimum lot size of eight thousand seven hundred fifty square feet of land with a minimum lot width of 70 feet and a city park. The city park may include temporary as well as permanent structures to include: detention facilities, a facility housing a heritage center, a heritage museum, a library, ponds, benches, grills, gazebos, trails, and playing fields. This development is approximately 148.15 acres of land generally located near the existing McLendon-Chisholm City Hall on FM 550 further described in EXHIBIT A attached to and made a part of this ordinance.

**2. Special Provisions**

This Exhibit C provides the PD Development Standards which is included and made a part of the ordinance adopting this Planned Development District.

a. Minor amendments amendment to the PDD including approved Concept or Development plans must conform to the following process; " Changes of detail which do not alter the basic relationship of the proposed development to adjacent property and which do not alter the uses permitted or increase the density, building height, or coverage of the site and which do not decrease the off-street parking ratio, reduce the yards provided at the boundary of the site, or alter the landscape plans as indicated on the approved conceptual plan may be authorized by the mayor or his/her designee. If an agreement cannot be reached regarding whether or not a detail site plan conforms to the original concept plan, the city council shall determine the conformity." [Zoning Ordinance, Section 5-1, Planned Development District, subsection D. 1. (c)]

b. Requests for minor amendments shall be made in writing and shall explain the reason or reasons for the requested amendment. Requests for minor amendments shall pay a fee as established by the City Council for the review and processing of a minor amendment request.

**3. Development Plan**

Prior to development of any portion of this planned development district, the City Council shall consider a development plan upon recommendation from the Planning and Zoning Commission. Any development plan shall conform to the Concept Plan that has been approved and made a part of this ordinance.

This development may be constructed in phases. However, if constructed in phases, each phase shall have a development plan reviewed and recommended by the Planning and Zoning Commission and reviewed and approved by the City Council prior to any construction in that phase.

**4. Development Standards**

Lot layout shall conform to the Concept Plan that has been adopted and is part of this ordinance.

**a.** This is a single-family zoning district.

**b.** Permitted uses. In this zoning district, no building or land shall be used, and no building shall be constructed, reconstructed, altered or enlarged, unless otherwise permitted in accordance with section 3-1. Use of land and buildings of the City of McLendon-Chisholm Zoning Ordinance as shown for the SF 1.5 Residential District.

**c.** Area requirements. Minimum residential lot size 8,750 square feet.

**d.** Setbacks.

| | | |
|---|---|---|
| Setbacks. | Front yard | 20 feet |
| | Side yard | 5 feet |
| | Rear yard | 20 feet |

Front yard setbacks shall be consistent for the entire block face. Side yard setbacks shall be consistent for the entire block face.

e. Lot width. Minimum lot width is 70 feet.
For lots fronting on a cul-de-sac or eyebrow, the minimum lot width shall be measured at the front setback line.

f. Lot depth. 120 feet.

g. Minimum Dwelling size. 1,800 square feet.

h. Lot coverage. 70 percent.

i. Maximum Height. 36 feet.

j. Off-street parking. Shall conform to section 6-7, Off-street parking and loading requirements of the McLendon-Chisholm Zoning Ordinance.

k. Accessory structures. Shall conform to the requirements of section 6-3 of the McLendon-Chisholm Zoning Ordinance.

l. Landscaping shall be in accordance with landscaping and berming as shown on the Concept Plan. A detailed landscape plan shall accompany all applications for approval of detailed development plans [site plans] shall include a landscape plan that conforms to the requirements of Section 6-10 of the City of McLendon-Chisholm Zoning ordinance for residential developments.

J. The park, as shown on the Concept Plan, shall be constructed as shown on the Concept Plan and requires the approval by the City Council upon recommendation from the Planning and Zoning Commission of a development plan for the construction and maintenance of the park.
   1. Park lighting shall be designed to limit light intrusion into neighboring residential areas.