



# City of Seagoville

## Meeting Agenda

### City Council

City Hall  
702 N. Hwy 175  
Seagoville, Texas 75159

Monday, April 1, 2024

6:30 PM

Council Chambers

**LACKEY STEPPER SEBASTIAN**  
MAYOR

**RICK HOWARD**  
PLACE 1

**ALLEN GRIMES**  
PLACE 4

**PATRICK STALLINGS**  
CITY MANAGER

**JOSE HERNANDEZ**  
PLACE 2

**JON EPPS**  
PLACE 5

**HAROLD MAGILL**  
PLACE 3 - MAYOR PRO TEM

Notice is hereby given that the City Council of the City of Seagoville, Texas will meet in a Regular Called Meeting at 6:30 p.m. for Work Session, and Regular Session will begin at 7:00 p.m., to be held at City Hall, 702 N. Hwy 175 Seagoville, Texas 75159.

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item listed herein.

The City of Seagoville reserves the right to reconvene, recess or realign any session or order of business at any time prior to adjournment. The purpose of the meeting is to consider the following items:

#### **WORK SESSION – 6:30 PM**

- 1. Call to Order**
- 2. Receive a presentation regarding the Comprehensive Annual Financial Report for Fiscal Year 2023.**
- 3. Discuss Regular Session agenda items.**
- 4. Adjourn**

#### **REGULAR SESSION – 7:00 PM**

- 5. Call to Order**
- 6. Invocation**
- 7. Pledge of Allegiance**
- 8. Mayor's Report**
- 9. Citizen's Comments**

This portion of the meeting is to allow each speaker up to six (6) minutes to address the council on items not posted on the current agenda. City Council may not discuss these items but may respond with factual data or policy information or place the item on a future agenda. Anyone wishing to speak should submit a Speaker Request Form to the City Secretary.

**Consent Agenda**

- 10. Consider approving the City Council meeting minutes: March 18, 2024**
- 11. Consider a Resolution approving an agreement for consulting services on a water and wastewater cost of service and rate design study update with NewGen Strategies and Solutions, LLC.; in an amount not to exceed fifteen thousand dollars and zero cents (\$15,000.00); authorizing the City Manager to execute any and all necessary documents.**
- 12. Consider a Resolution approving a professional services contract with Pipeline Analysis, LLC, for the purpose of performing various field tests and inspections of the wastewater collection system within the Highway 175 Lift station service area, preparing final reports containing recommended system repairs and the estimated costs associated with reducing wet weather inflow and infiltration in an amount not to exceed ninety-nine thousand one hundred forty-five dollars and zero cents (\$99,145.00); authorizing the City Manager to execute any and all necessary documents.**

**Regular Agenda**

- 13. FIRST READING: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Seagoville Venture No. Three-S-SI Rio Grande, LP, a Texas Limited Partnership, as reflected in the terms and conditions of an Economic Development Incentive Agreement between the parties.**
- 14. FIRST READING: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Hallett No. I L.P., a Texas Limited Partnership, as reflected in the terms and conditions of an Economic Development Incentive Agreement between the parties.**
- 15. FIRST READING: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Jeremiah Hatch and Ryan Hatch, also known as Ryan Macon, doing business as Closing the Gap Learning Center, as reflected in the terms and conditions of an economic development incentive agreement between the parties.**
- 16. Discuss and consider a Resolution authorizing Anderson Asphalt & Concrete Paving to provide asphalt road repair work on East Malloy Bridge Road for compensation in an amount not to exceed six hundred eight thousand thirty-five dollars and forty cents (\$608,035.40); authorizing the City Manager to execute any and all necessary documents.**
- 17. SECOND READING: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Seagoville Venture No. Three-S-SI Rio Grande, LP, a Texas Limited Partnership, as reflected in the terms and conditions of an Economic Development Incentive Agreement between the parties.**

- 18. SECOND READING: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Hallett No. I L.P., a Texas Limited Partnership, as reflected in the terms and conditions of an Economic Development Incentive Agreement between the parties.**
- 19. SECOND READING: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Jeremiah Hatch and Ryan Hatch, also known as Ryan Macon, doing business as Closing the Gap Learning Center, as reflected in the terms and conditions of an economic development incentive agreement between the parties.**
- 20. Items of community interest and councilmember reports.**

Pursuant to Section 551.0415 of the Texas Government Code, the City Council or City Administration may report information on the following items: 1) expression of thanks, congratulations, or condolences, 2) information about holiday schedules, 3) recognition of individuals, 4) reminders about upcoming City events, 5) information about community events, and 6) announcements involving an imminent threat to public health and safety.

### **EXECUTIVE SESSION**

- 21. City Council may convene into closed Executive Session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee:**
- A. City Manager**
  - B. City Attorney**
  - C. City Secretary**

### **REGULAR SESSION**

- 22. Take any necessary action as a result of the closed Executive Session.**
- 23. Discuss and consider approving an amendment to the City Manager's contract to provide for a one-year extension.**
- 24. Discuss future agenda items.**
- 25. Adjourn**

### **CERTIFICATE**

I certify that the above Notice of Meeting was posted on the bulletin board at the City Hall of the City of Seagoville, Texas on this 28<sup>th</sup> day of March 2024, by 5 p.m.

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Sara Egan, City Secretary

The City of Seagoville does not discriminate based on disability in the admission or access to, or treatment or employment in, its programs or activities. If you have a request for services that will make this program accessible to you, please contact the City of Seagoville at least 72 hours in advance at (972) 287-6819 or email [citysecretary@seagoville.us](mailto:citysecretary@seagoville.us). (TDD access 1-800-RELAY-TX)

### **UPCOMING DATES:**

- Monday, April 15, 2024, Regular City Council Meeting
- Monday, April 22, 2024, First Day of Early Voting for May Election



TO: Mayor and City Council  
FROM: Gail French, Director of Finance  
DATE: April 1, 2024  
ITEM: 2  
DESCRIPTION: Receive a presentation regarding the Comprehensive Annual Financial Report for Fiscal Year 2023.

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### **INTRODUCTION**

Receive a presentation regarding the Comprehensive Annual Financial Report for Fiscal Year 2023.

### **BACKGROUND**

The City of Seagoville is required to have an audit of its financial records carried out annually. The City of Seagoville retained the firm of BrooksWatson & Co, to perform and report on the audit of the fiscal year ended September 30, 2023. Mike Brooks, Partner of BrooksWatson & Co. will present the audit to Council. The Audit Committee has met with the firm and City staff to discuss the audit in detail.

### **ATTACHMENTS**

1. Annual Comprehensive Financial Report

*ANNUAL COMPREHENSIVE  
FINANCIAL REPORT*

of the

**City of Seagoville, Texas**

**For the Year Ended  
September 30, 2023**

**Prepared by**

Gail French  
Finance Director

*Seagoville* ★

# City of Seagoville, Texas

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September 30, 2023

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***INTRODUCTORY SECTION***

*Seagoville* ★



March 11, 2024

To the Honorable Mayor,  
Members of the City Council  
And the Citizens of the City of Seagoville, Texas

The annual comprehensive financial report (“ACFR”) of the City of Seagoville, Texas, for the fiscal year ending September 30, 2023, is hereby submitted. The City accepts full responsibility for the accuracy of the data, as well as the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City charter requires an annual audit to be conducted of the financial records by an independent public accountant. This requirement has been fulfilled and the report of the independent auditor is included in this report. BrooksWatson & Co. PLLC, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Seagoville’s financial statements as of and for the year ended September 30, 2023. The independent auditors’ report is located at the front of the financial section of this report.

The Management’s Discussion and Analysis (MD&A) can be found immediately following the independent auditors’ report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **Reporting Entity**

The accompanying financial statements present the City (the primary government) and its component unit. Component units are classified as either discretely presented or blended. The City of Seagoville’s component unit, the Economic Development Corporation, is discretely presented, which means that the component unit is an entity that is legally separate from the City, but for which the City is financially accountable, or whose relationship with the City is such that exclusion would be misleading or incomplete.

This report includes the financial statements of the funds required to account for those activities, as well as organizations and functions which are related to the City and are controlled by or dependent upon the City's governing body, the City Council. The criteria used by the City for including activities in preparing its financial statements are set forth in Governmental Accounting Standards Board (GASB) Statements. Based on these criteria, all municipal services listed are included in the City's 2023 financial statements.

## The City of Seagoville

Seagoville, Texas, incorporated in 1926, sits at the southeast corner of Dallas County, bordering the Southern Pacific line ten miles from Mesquite, with Kaufman County to the east, and the City of Dallas on the northwest. The City of Seagoville has grown from a small rural town of 8,969 in 1990 to a suburban city with approximately 19,580 citizens.

The City of Seagoville is home to a Federal Correctional Institution, an Army Reserve Center, O' Reilly Distribution Center, the 334-acre Post Oak Preserve, the 500 acre Dallas Independent School District's Environmental Center, and the 200 acre North Texas Municipal Water District Water Reclamation Facility, one of the largest water reclamation projects in the country. This natural water filtration system attracts wildlife and is designed to be a tourist destination for bird watchers.



The City provides a full range of services, general administrative services, public safety services, to include: police and fire protection, communications, ambulance services, an animal shelter and code enforcement; community services: municipal court, library, senior center, health and sanitation; community development: building inspection, planning, streets, parks and recreation; additionally, water and sewer utility services.

The City of Seagoville is a Home rule city which operates under a Council/City Manager form of government. The Council consists of the Mayor and five Council members. Council members serve two- year terms and are responsible for appointing the City Manager, Municipal Judge and City Secretary. The City Manager serves as the administrative head of the government and is responsible for implementing and carrying out the goals and objectives set forth by the City Council; and is responsible for the overall operations of the entire city.

The key to Seagoville's success as a thriving suburb which has managed to retain its own identity and down-home atmosphere is its citizenry. From its churches of every denomination to its active parent-teacher organizations, active senior life, civic groups, and sports teams, to its owner-operated personalized service companies; Seagoville's outstanding feature is the caring and involvement of the people who call it home.

## **Economic Outlook and Conditions**

The City of Seagoville is expected to reach build-out in 2040 and has experienced planned and sustainable growth. Prudent financial planning, oversight, and flexibility have enabled the City to weather the economic slowdown in a comparably favorable or better position than many other cities in the Dallas/Fort Worth Metropolitan Statistical Area. The homebuilding market in Seagoville mirrors the resurgent housing market in the Dallas/Fort Worth region.

Seagoville has been able to provide affordable housing and sufficient availability; each new home being built in new and existing subdivisions continues to support City-provided service. Economic development is evidenced in the major retail outlets and small manufacturers that have acquired property and established a presence in the City. Wal-Mart is one of the dominant retail businesses opening in the last few years. Wal-Mart has served as an anchor along the Highway 175 corridor attracting two other retail centers in the same geographical area. The result has been that the City's economic position has improved. The additional revenue stream from sales tax has helped to augment the City's ad valorem tax revenue.

In order to provide for orderly growth and aggressively improve on the City's infrastructure, the City Council approved a multi-year Capital Improvement Program (CIP). CIP funding has resulted in significant infrastructure improvements over the last three years with both tax-supported and self-supported debt. Working in concert with accurate five-year revenue and expense projections has enabled the City to plan for and meet the need for infrastructure improvements. With the City's first CIP in 2006, the City of Seagoville received a rating upgrade from Baa2 to Aa3, reflecting the City's growing tax base, favorable tax position, and solid financial operation. The rating upgrade was maintained through Moody's Investor Service with the subsequent 2023 \$4,695,000 bond issue.

An increase in the industrial development area of the city has experienced a road expansion of nearly one-half mile. Although the character of the Highway 175 will undoubtedly change in coming decades, Seagoville is positioned to become a dynamic gateway in the southeastern sector of Dallas County. The proposed future Loop 9 Toll Road through the eastern portion of the city is a significant highway expansion which will allow the city to realize its full economic potential in the coming years.

## **Major Initiatives**

The City of Seagoville under the directive of the City Council undertook a number of initiatives during the fiscal year to provide for and improve the quality of governmental service the citizens of Seagoville have come to expect. These improvements were identified after a systematic review of all activities of the city in which each program was analyzed to ensure that it was needed and wanted by the community and that it was being provided with maximum efficiency at the lowest cost possible.

Capital asset acquisitions enhanced the quality of life for Seagoville residents. This year, the city added three drones for the police department, a 1997 Pierce firetruck, a fire department brush truck, new chain link fence for the Parks department, various street projects, new animal shelter project, and continued the construction of a new police station, completion anticipated fiscal year 2024.

The City added a police officer position, a firefighter position, and a litter crew worker position to continue to provide mowing and upkeep of City rights of way. Additionally, the FY 2023 budget provided resources to complete street improvements in various areas of the city.

### **Long-Term Financial Planning**

Unassigned fund balance in the general fund (31% of total general fund expenditures) falls within the policy guidelines set by the Council for budgetary and planning purposes (approximately 15% of total general fund expenditures).

### **Other Information**

#### **Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Seagoville for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2022. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully Submitted,

*Patrick Stallings*

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Patrick Stallings  
City Manager

*Gail French*

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Gail French  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Seagoville  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO



# City of Seagoville, Texas

## Principal City Officials

2023-2024

### City Council

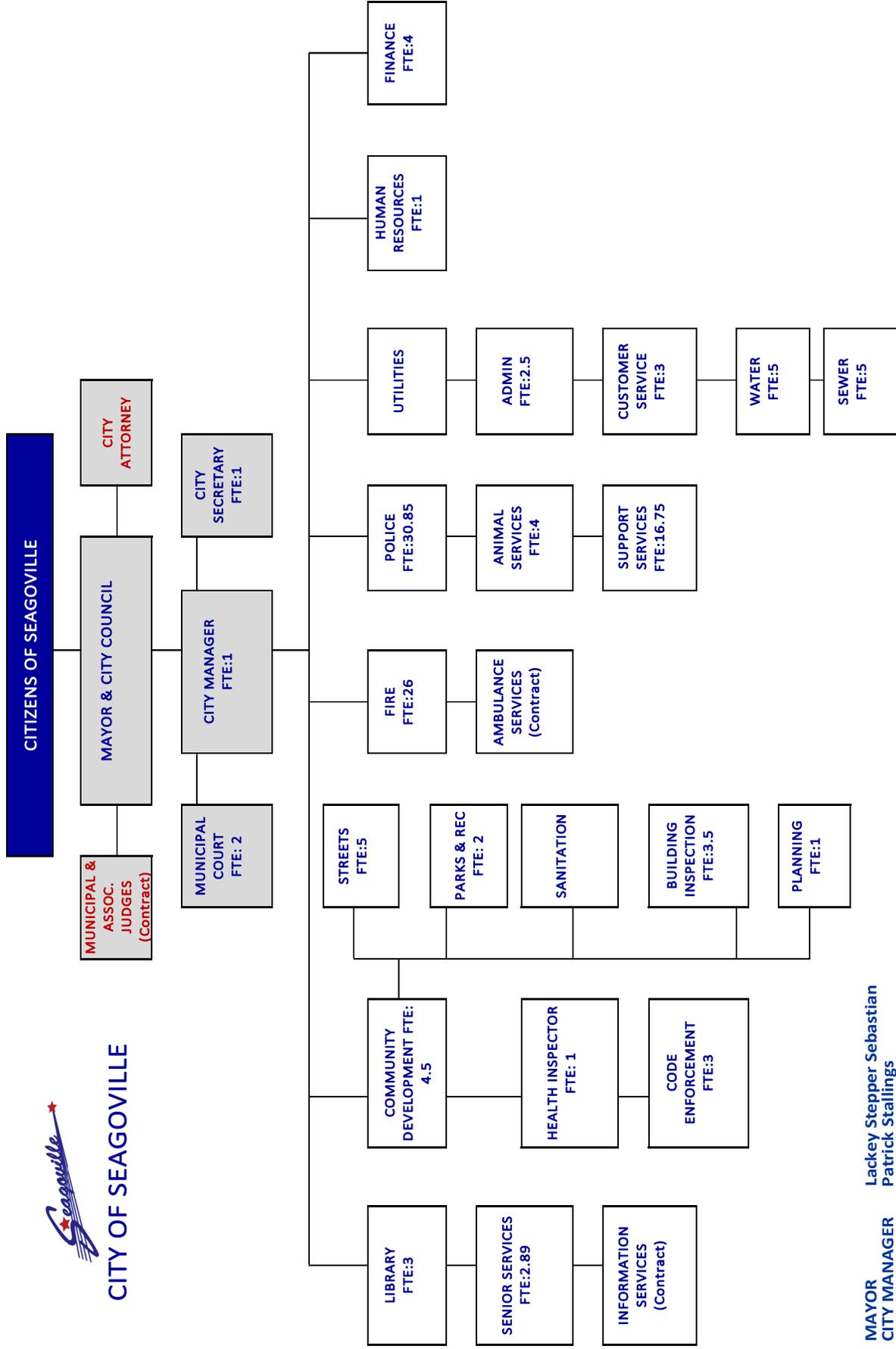
Lackey Stepper Sebastian	Mayor	Term Expires May, 2025
Rick Howard	Council Member, Place 1	Term Expires May, 2024
Jose Hernandez	Council Member, Place 2	Term Expires May, 2025
Harold Magill	Mayor Pro-Tem, Place 3	Term Expires May, 2024
Allen Grimes	Council Member, Place 4	Term Expires June, 2025
Jon Epps	Council Member, Place 5	Term Expires June, 2024

### City Executive Staff

Pat Stallings	City Manager
Cindy Brown	Assistant City Manager
Gail French	Finance Director
Ray Calverley	Police Chief
Todd Gilcrease	Fire Chief
Melinda Welsh	Interim City Secretary
Vivian Rawlings	Library Director
Bill Medina	Community Development Director
Chris Ryan	Water Utilities Director



# CITY OF SEAGOVILLE



**MAYOR** Lackey Stepper Sebastian  
**CITY MANAGER** Patrick Stallings

*Seagoville* ★

***FINANCIAL SECTION***

*Seagoville* ★



## *INDEPENDENT AUDITOR'S REPORT*

To the Honorable Mayor and  
Members of the City Council  
City of Seagoville, Texas:

### **Report on the Audit of the Financial Statements**

#### *Opinions*

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Seagoville, Texas, as of September 30, 2023, and the respective changes in financial position and cash flows 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 (GAAS). 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 City of Seagoville, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

The City's 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's ability to continue as a going concern for one year after the date that the financial statements are issued.

### *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 GAAS 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 GAAS, 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's 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's ability to continue as a going concern for a reasonable period of time.

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

### *Emphasis of Matter*

As discussed in Note V.G. to the financial statements, due to accounting errors, the City restated beginning net position/fund balance of business-type activities, the capital projects fund, and the water and sewer. Our opinion is not modified with respect to these matters.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Brooks Watson & Co.  
Certified Public Accountants  
Houston, Texas  
March 11, 2024

*Seagoville* ★

# City of Seagoville, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### September 30, 2023

As management of the City of Seagoville, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2023 by \$49,060,679. Of this amount, \$18,220,692 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4,156,003. The majority of the City's net position are invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$22,789,225 at September 30, 2023, an increase of \$7,974,638 from the prior fiscal year; this includes an increase of \$2,505,507 in the general fund, a decrease of \$63,134 in the capital projects fund, an increase of \$186,005 in the COVID recovery fund, an increase of \$2,958,912 in the Simonds Road project fund, and an increase of \$2,387,348 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$10,363,838 or 76% of total general fund expenditures.

#### **Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

#### **Government-Wide Statements**

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

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

**City of Seagoville, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2023**

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community services, and community development. The business-type activities of the City include water and sewer utilities.

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

The government-wide financial statements can be found on pages 18-23 of this report.

## **FUND FINANCIAL STATEMENTS**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**City of Seagoville, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2023**

The City maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects funds, Simonds Road project, and COVID local recovery fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, capital projects, and various special revenue funds. The City did not adopt a budget for the COVID local recovery, Seagoville toy drive donations, park development, central fire station, Greenwalt Farms, or developer funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 24-31 of this report.

**Proprietary Funds**

The City's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its utility operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund, which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 32-36 of this report.

**Component Units**

The City maintains the accounting and financial statements for one component unit. The Seagoville Economic Development Corporation is a discretely presented component unit, which is displayed on the government-wide financial statements.

**Notes to Financial Statements**

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 37-75 of this report.

**City of Seagoville, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2023**

**Other Information**

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System and schedule of changes in the OPEB liabilities. RSI can be found after the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Seagoville, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by \$49,060,679 as of September 30, 2023, in the primary government.

The largest portion of the City's net position, \$29,899,734 reflects its investments in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Seagoville, Texas's net position of \$940,253 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$18,220,692 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Seagoville, Texas is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**City of Seagoville, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2023**

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	2023			2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 28,282,453	\$ 9,347,447	\$ 37,629,900	\$ 19,819,107	\$ 8,583,394	\$ 28,402,501
Long-term assets	24,402,616	16,848,744	41,251,360	24,482,750	17,298,070	41,780,820
<b>Total Assets</b>	<b>52,685,069</b>	<b>26,196,191</b>	<b>78,881,260</b>	<b>44,301,857</b>	<b>25,881,464</b>	<b>70,183,321</b>
<b>Deferred Outflows of Resources</b>	<b>2,408,685</b>	<b>322,560</b>	<b>2,731,245</b>	<b>870,344</b>	<b>122,974</b>	<b>993,318</b>
Current liabilities	6,496,378	1,173,269	7,669,647	5,814,413	1,867,067	7,681,480
Long-term liabilities	20,840,808	3,966,747	24,807,555	13,271,276	3,940,292	17,211,568
<b>Total Liabilities</b>	<b>27,337,186</b>	<b>5,140,016</b>	<b>32,477,202</b>	<b>19,085,689</b>	<b>5,807,359</b>	<b>24,893,048</b>
<b>Deferred Inflows of Resources</b>	<b>65,813</b>	<b>8,811</b>	<b>74,624</b>	<b>1,208,205</b>	<b>170,710</b>	<b>1,378,915</b>
Net Position:						
Net investment in capital assets	16,892,551	13,007,183	29,899,734	16,357,948	12,226,997	28,584,945
Restricted	734,727	205,526	940,253	1,168,239	203,979	1,372,218
Unrestricted	10,063,477	8,157,215	18,220,692	7,352,120	7,595,393	14,947,513
<b>Total Net Position</b>	<b>\$ 27,690,755</b>	<b>\$ 21,369,924</b>	<b>\$ 49,060,679</b>	<b>\$ 24,878,307</b>	<b>\$ 20,026,369</b>	<b>\$ 44,904,676</b>

Current and other assets in governmental activities increased by \$8,463,346 or 43% primarily due to greater cash on hand, resulting from unspent bond proceeds and operating surpluses during the year. Current liabilities for business-type activities decreased primarily due to the payoff of a note payable obligation during the current year. Long-term liabilities for the governmental activities increased by \$7,569,532 or 57% primarily as a result of new debt issuances during the year and the increase in the City's net pension liability for fiscal year 2023.

**City of Seagoville, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2023**

**Statement of Activities:**

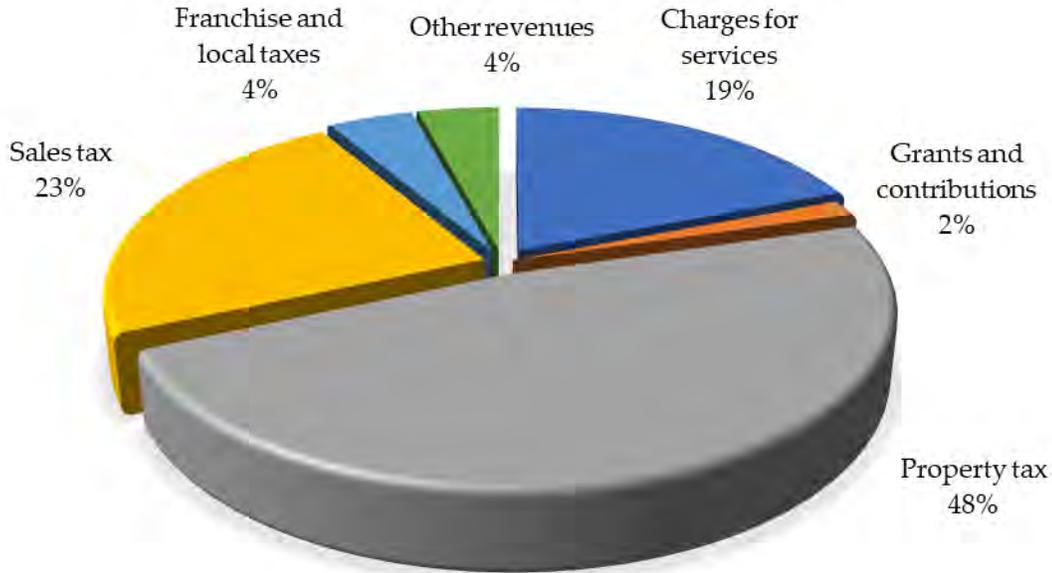
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2023			For the Year Ended September 30, 2022		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 3,451,650	\$ 8,671,832	\$ 12,123,482	\$ 3,528,961	\$ 7,959,675	\$ 11,488,636
Operating grants	261,116	-	261,116	640,760	-	640,760
General revenues:						
Property tax	8,696,375	-	8,696,375	7,408,831	-	7,408,831
Sales tax	4,194,963	-	4,194,963	4,050,595	-	4,050,595
Franchise & local taxes	788,842	-	788,842	728,738	-	728,738
Investment income	624,893	116,712	741,605	63,050	16,604	79,654
Other revenues	130,201	89,470	219,671	51,558	64,526	116,084
<b>Total Revenues</b>	<b>18,148,040</b>	<b>8,878,014</b>	<b>27,026,054</b>	<b>16,472,493</b>	<b>8,040,805</b>	<b>24,513,298</b>
<b>Expenses</b>						
General government	1,920,906	-	1,920,906	1,765,363	-	1,765,363
Public safety	7,920,766	-	7,920,766	7,070,451	-	7,070,451
Community services	1,809,612	-	1,809,612	1,977,435	-	1,977,435
Community development	3,560,467	-	3,560,467	2,617,439	-	2,617,439
Interest and fiscal charges	489,377	101,097	590,474	401,922	126,314	528,236
Water and sewer	-	7,067,826	7,067,826	-	7,265,694	7,265,694
<b>Total Expenses</b>	<b>15,701,128</b>	<b>7,168,923</b>	<b>22,870,051</b>	<b>13,832,610</b>	<b>7,392,008</b>	<b>21,224,618</b>
<b>Change in Net Position</b>						
<b>Before Transfers</b>	2,446,912	1,709,091	4,156,003	2,639,883	648,797	3,288,680
Transfers	365,536	(365,536)	-	206,010	(206,010)	-
<b>Total</b>	<b>365,536</b>	<b>(365,536)</b>	<b>-</b>	<b>206,010</b>	<b>(206,010)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>2,812,448</b>	<b>1,343,555</b>	<b>4,156,003</b>	<b>2,845,893</b>	<b>442,787</b>	<b>3,288,680</b>
Beginning Net Position	24,878,307	20,026,369	44,904,676	22,032,414	19,583,582	41,615,996
<b>Ending Net Position</b>	<b>\$ 27,690,755</b>	<b>\$ 21,369,924</b>	<b>\$ 49,060,679</b>	<b>\$ 24,878,307</b>	<b>\$ 20,026,369</b>	<b>\$ 44,904,676</b>

**City of Seagoville, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2023**

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

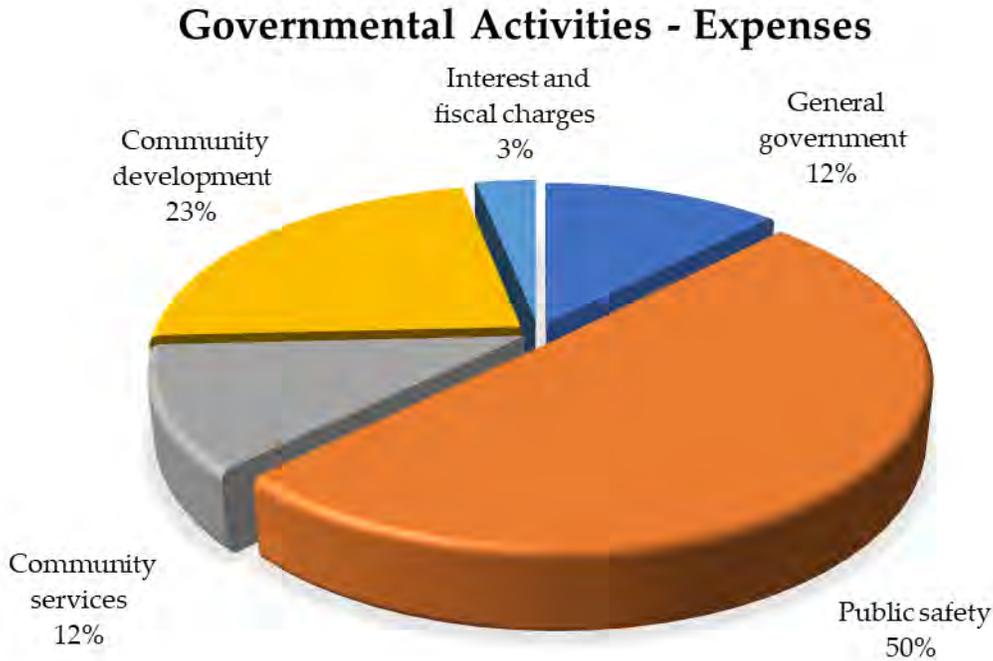
**Governmental Activities - Revenues**



For the year ended September 30, 2023, revenues from governmental activities totaled \$18,148,040. Property tax, charges for services, and sales tax are the City's largest general revenue sources. Overall revenue increased \$1,675,547 or 10% from the prior year. Sales taxes increased by \$144,368 or 4% and property tax increased by \$1,287,544 or 17%. Franchise and local taxes increased by \$60,104 or 8%. These increases are primarily due to growth within the City and greater appraised property tax values. Operating grants decreased by \$379,644 or 59% due to nonrecurring community development grants received in the prior year. Investment income increased by \$561,843 or over 100% due to the realization of higher interest rates and greater interest-bearing accounts. Other revenues increased \$78,643 or over 100% due to nonrecurring contributions received for the Laguna Azure and Greenwalt Farms projects in the current year. All other revenues remained relatively stable when compared to the previous year.

**City of Seagoville, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
September 30, 2023

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2023, expenses for governmental activities totaled \$15,701,128. This represents an increase of \$1,868,518 or 14% from the prior year. The City's largest functional expense is public safety totaling \$7,920,766, which increased by \$850,315 or 12%. This increase is primarily due to greater personnel costs, resulting from pay raises and the significant increase in the City's net pension liability over the course of the year. General government expenses increased by \$155,543 or 9% due to greater salaries/benefits and nonrecurring professional fees and network maintenance expenses in the current year. Community service expenses decreased by \$167,823 or 8% due to nonrecurring engineering fees and senior meal expenses in the prior year. Community development increased by \$943,028 or 36% primarily due to greater salaries/benefits, vehicle maintenance, and street repairs in the current year. Interest and fiscal charges increased by \$87,455 or 22% primarily due to nonrecurring bond issuance costs recognized in the current year. All other expenses remained relatively consistent with the prior year.

**City of Seagoville, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2023**

Business-type activities are shown comparing operating costs to revenues generated by related services.

**Business-Type Activities - Revenues and Expenses**



For the year ended September 30, 2023, charges for services by business-type activities totaled \$8,671,832. This represents an increase of \$712,157 or 9% from the previous year, which is primarily due to greater local utility consumption and increased water and sewer service rate during the year.

Total business-type activity expenses decreased \$223,085 or 3% a total of \$7,168,923. This variance is considered minimal.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

At September 30, 2023, the City's governmental funds reported combined fund balances of \$22,789,225, an increase of \$7,974,638 in comparison with the prior year. Approximately 47% of this amount, \$10,363,838, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable* or *restricted* to indicate that it is 1)

**City of Seagoville, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2023**

not in spendable form \$12,365 or 2) restricted for particular purposes \$9,360,434 or 3) assigned \$2,581,180 or 4) committed for special revenue \$471,408.

As of the end of the year the general fund reflected a total fund balance of \$10,999,248. Of this, \$12,365 is considered not in spendable form or restricted and \$10,363,838 is unassigned. General fund balance increased by \$2,505,507 during the current year, as compared to a final budgeted decrease of \$812,182. The increase was a direct result of greater than anticipated revenues and less than expected expenditures. Sales tax revenues and license and permits were the primary reason for the positive revenue budget variance. Actual public safety expenditures were less than budget appropriations by \$462,250.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$10,363,838 is 76% of total general fund expenditures. Overall revenue in the general fund increased by \$1,291,901 when compared to the prior year. Property tax showed the largest increase due to City growth and greater appraised values General fund expenditures increased \$506,277 when compared to the prior year. The largest increase was in the public safety department for \$412,233, which was primarily due to greater personnel costs in the current year.

The capital projects fund had an ending fund balance of \$5,542,714. There was a decrease of \$63,134 from the previous year. The decrease is due to capital outlay expenditures exceeding investment income and transfers in from other funds.

The COVID local recovery fund had an ending fund balance of \$203,705. There was an increase of \$186,005 from the previous year. The increase was a direct result of investment income earned during the year. The fund did not record expenses during the year.

The Simonds Road project fund had an ending fund balance of \$2,958,912. Fiscal year 2023 was the initial year for this fund. The change in fund balance was primarily a result of the current year debt issuance and bond premiums recorded in the current year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the close of the fiscal year for the proprietary fund amounted to \$8,157,215, an increase of \$561,822 from the previous year. Total investment in capital assets, net of related debt was \$13,007,183 and capital assets, net of depreciation totaled \$16,848,744.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Total budgeted revenues of \$13,262,674 were less than actual revenues of \$16,198,052, resulting in a total positive revenue variance of \$2,935,378. All actual revenues were greater than the budgeted amounts. Total budgeted expenditures of \$13,872,492 were more than actual expenditures of \$13,600,302, resulting in a total positive expenditure variance of \$272,190. Significant changes between

**City of Seagoville, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2023**

the original and final budget included an increase of \$466,459 for capital outlay expenditures. Expenditures did not exceed appropriations at the legal level of control.

**CAPITAL ASSETS**

As of the end of the year, the City's governmental activities funds had invested \$24,402,616 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$16,848,744 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

Major capital asset events during the current year include the following:

- Investments in CIP for city police department totaling \$379,516.
- Investments in CIP for city animal shelter totaling \$217,964.
- Simonds road project improvements totaling \$109,475.
- Governmental activities road improvements for \$432,823.
- Purchase two new public safety vehicles for \$271,998.
- Two right to use subscription assets amounting to \$179,842.
- Purchased new fence for baseball field for \$49,500.
- New water and sewer equipment for \$235,438.
- Ard Rd pump station upgrades of \$52,816.
- Investments for the Northern Basin interceptor for \$71,179.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

**LONG-TERM DEBT**

The City's outstanding bonds, notes payable, subscription liabilities, and certificates of obligation payable, net of all premiums/discounts, increased by \$3,609,318 from the prior year. The total bonds, notes, subscription liabilities, and certificates of obligation payable at the close of the fiscal year was \$21,285,160, net of all premiums and discounts.

More detailed information about the City's long-term liabilities is presented in note IV.E to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The City of Seagoville has seen a steady growth in tax revenue over the last several years. Sales tax revenue has increased by 60% since 2018 and property tax revenue has increased by 55%. The total sales tax payments received in 2023 fiscal year equaled \$4,194,963. The City anticipates continued increase for 2024.

**City of Seagoville, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
September 30, 2023

Property valuations have increased due to new additions and property on the tax roll, along with the appraisal district valuations in 2023. The City is planning on future growth and budgeting accordingly for City services.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Seagoville, Texas, Finance Department, 702 North Highway 175, Seagoville, Texas 75159. This information can also be accessed on the City's website at [www.cityofseagoville.org](http://www.cityofseagoville.org).

## ***BASIC FINANCIAL STATEMENTS***

**City of Seagoville, Texas**  
**STATEMENT OF NET POSITION (Page 1 of 2)**  
**September 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Current assets:			
Cash and cash equivalents	\$ 26,680,037	\$ 7,827,626	\$ 34,507,663
Receivables, net	1,443,752	1,472,118	2,915,870
Notes receivable, current	-	-	-
Lease receivables, current	-	-	-
Internal balances	22,218	(22,218)	-
Prepaid and other assets	12,365	69,921	82,286
Restricted assets - cash	124,081	-	124,081
<b>Total Current Assets</b>	<b>28,282,453</b>	<b>9,347,447</b>	<b>37,629,900</b>
Noncurrent assets:			
Notes receivable, noncurrent	-	-	-
Capital assets:			
Non-depreciable	3,375,677	925,405	4,301,082
Net depreciable capital assets	21,026,939	15,923,339	36,950,278
<b>Total Noncurrent Assets</b>	<b>24,402,616</b>	<b>16,848,744</b>	<b>41,251,360</b>
<b>Total Assets</b>	<b>52,685,069</b>	<b>26,196,191</b>	<b>78,881,260</b>
<b><u>Deferred Outflows of Resources</u></b>			
Pension outflows-TMRS	2,402,203	321,692	2,723,895
OPEB outflows-TMRS	6,482	868	7,350
<b>Total Deferred Outflows of Resources</b>	<b>2,408,685</b>	<b>322,560</b>	<b>2,731,245</b>

<b>Component</b>
<b>Unit</b>
<b>Seagoville EDC</b>

\$	3,215,293
	240,473
	40,000
	16,215
	-
	-
	-
	3,511,981

	460,000
	110,827
	526,712
	1,097,539
	4,609,520

	-
	-
	-
	-

**City of Seagoville, Texas**  
**STATEMENT OF NET POSITION (Page 2 of 2)**  
**September 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Liabilities</u></b>			
Accounts payable	\$ 957,535	\$ 266,563	\$ 1,224,098
Accrued liabilities	-	35,266	35,266
Deferred grant revenue	4,006,274	-	4,006,274
Customer deposits	-	418,481	418,481
Compensated absences, current	597,171	38,123	635,294
Accrued interest payable	138,903	8,238	147,141
Long-term debt due in one year	796,495	406,598	1,203,093
<b>Total Current Liabilities</b>	<b>6,496,378</b>	<b>1,173,269</b>	<b>7,669,647</b>
Noncurrent liabilities:			
Net pension liability	3,886,930	520,521	4,407,451
OPEB liability	218,233	29,216	247,449
Compensated absences	66,352	4,236	70,588
Long-term debt due in more than one year	16,669,293	3,412,774	20,082,067
<b>Total Noncurrent Liabilities</b>	<b>20,840,808</b>	<b>3,966,747</b>	<b>24,807,555</b>
<b>Total Liabilities</b>	<b>27,337,186</b>	<b>5,140,016</b>	<b>32,477,202</b>
<b><u>Deferred Inflows of Resources</u></b>			
OPEB inflows-TMRS	65,813	8,811	74,624
Lease related	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>65,813</b>	<b>8,811</b>	<b>74,624</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	16,892,551	13,007,183	29,899,734
Restricted for:			
Debt service	87,141	205,526	292,667
Court improvements	79,991	-	79,991
Public safety	518,461	-	518,461
Tourism	40,747	-	40,747
Animal shelter	8,387	-	8,387
Economic development	-	-	-
Unrestricted	10,063,477	8,157,215	18,220,692
<b>Total Net Position</b>	<b>\$ 27,690,755</b>	<b>\$ 21,369,924</b>	<b>\$ 49,060,679</b>

See Notes to Financial Statements.

Component
Unit
Seagoville EDC

\$	37,723
	700
	-
	-
	-
	-
	-
	-
	<u>38,423</u>

-
-
-
-
-
-
<u>38,423</u>

-
16,215
<u>16,215</u>

601,039
-
-
-
-
-
3,953,843
-
<u>\$ 4,554,882</u>

# City of Seagoville, Texas

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 1,920,906	\$ -	\$ 27,001	\$ -
Public safety	7,920,766	563,678	20,807	-
Community services	1,809,612	1,561,010	103,767	-
Community development	3,560,467	1,326,962	109,541	-
Interest and fiscal charges	489,377	-	-	-
<b>Total Governmental Activities</b>	<b>15,701,128</b>	<b>3,451,650</b>	<b>261,116</b>	<b>-</b>
<b>Business-Type Activities</b>				
Water and sewer	7,168,923	8,671,832	-	-
<b>Total Business-Type Activities</b>	<b>7,168,923</b>	<b>8,671,832</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 22,870,051</b>	<b>\$ 12,123,482</b>	<b>\$ 261,116</b>	<b>\$ -</b>
 <b>Component Units</b>				
Seagoville EDC	510,335	-	-	-
<b>Total Component Units</b>	<b>\$ 510,335</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**General Revenues:**

- Taxes
  - Property taxes
  - Sales taxes
  - Franchise and local taxes
  - Investment income
  - Other revenues
- Transfers

**Total General Revenues and Transfers**

**Change in Net Position**

Beginning Net Position

**Ending Net Position**

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Seagoville EDC</b>
\$ (1,893,905)	\$ -	\$ (1,893,905)	\$ -
(7,336,281)	-	(7,336,281)	-
(144,835)	-	(144,835)	-
(2,123,964)	-	(2,123,964)	-
(489,377)	-	(489,377)	-
<u>(11,988,362)</u>	<u>-</u>	<u>(11,988,362)</u>	<u>-</u>
-	1,502,909	1,502,909	-
-	1,502,909	1,502,909	-
<u>(11,988,362)</u>	<u>1,502,909</u>	<u>(10,485,453)</u>	<u>-</u>
			<u>(510,335)</u>
			<u>(510,335)</u>
8,696,375	-	8,696,375	-
4,194,963	-	4,194,963	1,397,791
788,842	-	788,842	-
624,893	116,712	741,605	401
130,201	89,470	219,671	28,200
365,536	(365,536)	-	-
<u>14,800,810</u>	<u>(159,354)</u>	<u>14,641,456</u>	<u>1,426,392</u>
2,812,448	1,343,555	4,156,003	916,057
24,878,307	20,026,369	44,904,676	3,638,825
<u>\$ 27,690,755</u>	<u>\$ 21,369,924</u>	<u>\$ 49,060,679</u>	<u>\$ 4,554,882</u>

# City of Seagoville, Texas

## BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>COVID Local Recovery</u>	<u>Simonds Road Project</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 10,772,074	\$ 5,647,088	\$ 4,209,979	\$ 2,998,082
Accounts receivable, net	1,343,981	-	-	-
Due from other funds	22,218	-	-	-
Prepays	12,365	-	-	-
Restricted assets - cash	124,081	-	-	-
<b>Total Assets</b>	<b>\$ 12,274,719</b>	<b>\$ 5,647,088</b>	<b>\$ 4,209,979</b>	<b>\$ 2,998,082</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued	\$ 793,226	\$ 104,374	\$ -	\$ 39,170
Deferred grant revenue	-	-	4,006,274	-
<b>Total Liabilities</b>	<b>793,226</b>	<b>104,374</b>	<b>4,006,274</b>	<b>39,170</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	482,245	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>482,245</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Prepaid items	12,365	-	-	-
Assigned for:				
Street initiatives	449,459	-	-	-
Vehicle/tech. replacement	49,505	-	-	-
Special revenue funds	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Court improvements	-	-	-	-
Public safety	-	-	203,705	-
Capital projects	124,081	5,542,714	-	2,958,912
Tourism	-	-	-	-
Animal shelter	-	-	-	-
Committed - special revenue	-	-	-	-
Unassigned	10,363,838	-	-	-
<b>Total Fund Balances</b>	<b>10,999,248</b>	<b>5,542,714</b>	<b>203,705</b>	<b>2,958,912</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 12,274,719</b>	<b>\$ 5,647,088</b>	<b>\$ 4,209,979</b>	<b>\$ 2,998,082</b>

See Notes to Financial Statements.

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,052,814	\$ 26,680,037
99,771	1,443,752
-	22,218
-	12,365
-	124,081
<u>\$ 3,152,585</u>	<u>\$ 28,282,453</u>
\$ 20,765	\$ 957,535
-	4,006,274
<u>20,765</u>	<u>4,963,809</u>
47,174	529,419
<u>47,174</u>	<u>529,419</u>
-	12,365
-	449,459
-	49,505
2,082,216	2,082,216
87,141	87,141
79,991	79,991
314,756	518,461
-	8,625,707
40,747	40,747
8,387	8,387
471,408	471,408
-	10,363,838
<u>3,084,646</u>	<u>22,789,225</u>
<u>\$ 3,152,585</u>	<u>\$ 28,282,453</u>

# City of Seagoville, Texas

## RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2023

### Fund Balances - Total Governmental Funds

#### Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

- Capital assets - non-depreciable

- Capital assets - net depreciable

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

- Property tax

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time

- OPEB inflows

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditures) until then

- Pension outflows

- OPEB outflows

- OPEB outflows-Retiree Healthcare

- Deferred charge on refunding

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

- Accrued interest

- Deferred charges:

  - Bond premium

  - Net pension liability

  - OPEB liability - TMRS

  - Compensated absences

  - Non-current liabilities due in one year

  - Non-current liabilities due in more than one year

**Net Position of Governmental Activities**

See Notes to Financial Statements.

\$ 22,789,225

3,375,677  
21,026,939

529,419

(65,813)

2,402,203  
6,482

(138,903)

(938,036)  
(3,886,930)  
(218,233)  
(663,523)  
(796,495)  
(15,731,257)

\$ 27,690,755

# City of Seagoville, Texas

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	General	Capital Projects	COVID Local Recovery	Simonds Road Project
<b>Revenues</b>				
Property tax	\$ 7,768,441	\$ -	\$ -	\$ -
Sales tax	4,194,963	-	-	-
Franchise and local taxes	749,934	-	-	-
Fines and forfeitures	526,326	-	-	-
License and permits	1,228,462	-	-	-
Charges for services	1,259,173	-	-	-
Intergovernmental	151,575	-	-	-
Investment income	109,471	221,478	186,005	64,434
Other revenue	209,707	-	-	-
<b>Total Revenues</b>	16,198,052	221,478	186,005	64,434
<b>Expenditures</b>				
Current:				
General government	1,685,828	-	-	-
Public safety	7,119,302	-	-	-
Community services	1,783,590	-	-	-
Community development	1,681,429	-	-	-
Nondepartmental	79,715	-	-	-
Debt Service:				
Principal	105,374	-	-	-
Interest and fiscal charges	26,988	-	-	-
Bond issuance costs	-	-	-	90,276
Capital outlay	1,118,076	612,612	-	109,475
<b>Total Expenditures</b>	13,600,302	612,612	-	199,751
<b>Revenues Over (Under) Expenditures</b>	2,597,750	(391,134)	186,005	(135,317)
<b>Other Financing Sources (Uses)</b>				
Subscription liability issuance	139,621	-	-	-
Bond issuances	-	-	-	2,817,000
Premium on bonds issued	-	-	-	277,229
Transfers in	393,136	328,000	-	-
Transfers (out)	(625,000)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	(92,243)	328,000	-	3,094,229
<b>Net Change in Fund Balances</b>	2,505,507	(63,134)	186,005	2,958,912
Beginning fund balances	8,493,741	5,605,848	17,700	-
<b>Ending Fund Balances</b>	\$ 10,999,248	\$ 5,542,714	\$ 203,705	\$ 2,958,912

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 851,500	\$ 8,619,941
-	4,194,963
38,908	788,842
37,352	563,678
95,840	1,324,302
304,497	1,563,670
-	151,575
43,505	624,893
30,035	239,742
<u>1,401,637</u>	<u>18,071,606</u>
31,425	1,717,253
20,939	7,140,241
627	1,784,217
357,422	2,038,851
-	79,715
571,000	676,374
304,911	331,899
-	90,276
60,184	1,900,347
<u>1,346,508</u>	<u>15,759,173</u>
55,129	2,312,433
-	139,621
1,878,000	4,695,000
184,819	462,048
297,000	1,018,136
(27,600)	(652,600)
<u>2,332,219</u>	<u>5,662,205</u>
2,387,348	7,974,638
697,298	14,814,587
<u>\$ 3,084,646</u>	<u>\$ 22,789,225</u>

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# City of Seagoville, Texas

## *RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES*

**For the Year Ended September 30, 2023**

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

Net changes in fund balances - total governmental funds	\$	7,974,638
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		1,714,777
Depreciation expense		(1,794,911)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property tax		76,434
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences		(30,650)
Accrued interest		(95,491)
Pension expense		(428,197)
OPEB expense-TMRS		(12,146)
<p>The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Subscription liability issuance		(139,621)
Debt issuances		(4,695,000)
Premium on current year bond premium		(462,048)
Amortization of premium		28,289
Principal payments		676,374
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>2,812,448</u></u></b>

See Notes to Financial Statements.

# City of Seagoville, Texas

## STATEMENT OF NET POSITION PROPRIETARY FUNDS (Page 1 of 2) September 30, 2023

	<b>Business-Type Activities</b>
	<b>Water &amp; Sewer</b>
<b><u>Assets</u></b>	
<b><u>Current Assets</u></b>	
Cash and cash equivalents	\$ 7,827,626
Accounts receivable, net	1,472,118
Prepaid items	69,921
<b>Total Current Assets</b>	<b>9,369,665</b>
<b><u>Noncurrent Assets</u></b>	
Capital assets:	
Non-depreciable	925,405
Net depreciable capital assets	15,923,339
<b>Total Noncurrent Assets</b>	<b>16,848,744</b>
<b>Total Assets</b>	<b>26,218,409</b>
<b><u>Deferred Outflows of Resources</u></b>	
Pension outflows - TMRS	321,692
OPEB outflows - TMRS	868
<b>Total Deferred Outflows of Resources</b>	<b>322,560</b>

See Notes to Financial Statements.

# City of Seagoville, Texas

## STATEMENT OF NET POSITION PROPRIETARY FUNDS (Page 2 of 2) September 30, 2023

	Water & Sewer
<b><u>Liabilities</u></b>	
<b><u>Current Liabilities</u></b>	
Accounts payable	\$ 266,563
Accrued liabilities	35,266
Customer deposits	418,481
Compensated absences, current	38,123
Long-term debt obligations, current	406,598
Due to other funds	22,218
Accrued interest	8,238
<b>Total Current Liabilities</b>	<b>1,195,487</b>
 <b><u>Noncurrent Liabilities</u></b>	
Compensated absences, noncurrent	4,236
Long-term debt obligations, noncurrent	3,412,774
Net pension liability	520,521
OPEB liability - TMRS	29,216
<b>Total Noncurrent Liabilities</b>	<b>3,966,747</b>
<b>Total Liabilities</b>	<b>5,162,234</b>
 <b><u>Deferred Inflows of Resources</u></b>	
OPEB inflows - TMRS	8,811
<b>Total Deferred Inflows of Resources</b>	<b>8,811</b>
 <b><u>Net Position</u></b>	
Net investment in capital assets	13,007,183
Restricted for:	
Debt service	205,526
Unrestricted	8,157,215
<b>Total Net Position</b>	<b>\$ 21,369,924</b>

See Notes to Financial Statements.

# City of Seagoville, Texas

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2023

	Business-Type Activities
	Water & Sewer
<b><u>Operating Revenues</u></b>	
Water services	\$ 4,181,779
Sewer services	4,096,229
Penalties and interest	299,299
Tap and reconnection fees	94,525
Other revenue	89,470
<b>Total Operating Revenues</b>	<b>8,761,302</b>
<b><u>Operating Expenses</u></b>	
Water operations	2,575,377
Sewer operations	2,815,559
Water and sewer administration	263,654
Customer service operations	322,353
Other expenses	124,358
Miscellaneous	106,508
Depreciation	848,981
Repairs and maintenance	11,036
<b>Total Operating Expenses</b>	<b>7,067,826</b>
	<b>Operating Income (Loss)</b> 1,693,476
<b><u>Nonoperating Revenues (Expenses)</u></b>	
Investment earnings	116,712
Interest expense	(101,097)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>15,615</b>
	<b>Income (Loss) Before Transfers</b> 1,709,091
<b><u>Transfers</u></b>	
Transfers (out)	(365,536)
	<b>Total Transfers</b> (365,536)
	<b>Change in Net Position</b> 1,343,555
Beginning net position	20,026,369
	<b>Ending Net Position</b> \$ 21,369,924

See Notes to Financial Statements.

# City of Seagoville, Texas

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2023

	<u>Water and Sewer</u>
<b><u>Cash Flows from Operating Activities</u></b>	
Payments to employees	\$ (850,792)
Payments to suppliers and contractors	(5,493,067)
Receipts from customers	8,605,800
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>2,261,941</u>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>	
Transfers (out)	(365,536)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(365,536)</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Acquisition and construction of capital assets	(359,434)
Principal paid on capital debt	(1,012,078)
Interest paid on capital debt	(124,947)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(1,496,459)</u>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest on investments	116,712
<b>Net Cash Provided by Investing Activities</b>	<u>116,712</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	516,658
Beginning cash and cash equivalents	<u>7,310,968</u>
<b>Ending Cash and Cash Equivalents</b>	<u><u>\$ 7,827,626</u></u>

See Notes to Financial Statements.

# City of Seagoville, Texas

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2023

	Water and Sewer
<b><u>Reconciliation of Operating Income (Loss)</u></b>	
<b><u>to Net Cash Provided (Used) by Operating Activities</u></b>	
Operating Income (Loss)	\$ 1,693,476
Adjustments to reconcile operating income (loss) to net cash provided (used):	
Depreciation	848,981
<b>Changes in Operating Assets and Liabilities:</b>	
<b>(Increase) Decrease in:</b>	
Accounts receivable	(177,474)
Deferred outflows:	
Pension	(206,815)
OPEB	7,229
<b>Increase (Decrease) in:</b>	
Accounts payable and accrued liabilities	(109,009)
Customer deposits	21,972
Compensated absences	4,716
Deferred inflows:	
Pension	(169,900)
OPEB	8,001
Net pension liability	426,266
OPEB Liability	(15,581)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,261,941</b>
 <b><u>Schedule of Non-Cash Capital and Related Financing Activities</u></b>	
Acquisition of right of use asset/subscription liability	\$ 40,221

See Notes to Financial Statements.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS

### September 30, 2023

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Seagoville, Texas (the “City”) is a municipal corporation operating under a home rule charter as authorized in Article XI, Section 5 of the Constitution of the State of Texas. The City operates under a Council-Manager form of government in which all powers of the City are vested in an elective council. The City Council consists of the mayor and five council members. The mayor and two council members are elected at large with the remaining council members elected by district. The City provides services related to the following: public safety, public works, sanitation, health and welfare, culture and recreation, community development, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to government units. The following is a summary of the more significant accounting policies.

##### A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

##### B. Reporting Entity

For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

### **Discretely Presented Component Unit**

#### Seagoville Economic Development Corporation ("EDC")

The EDC is a nonprofit corporation that was incorporated under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6 Section (a), to receive and account for the proceeds of a designated sales tax levied to benefit the economic development of Seagoville. The EDC is authorized to sell bonds or other forms of indebtedness for any purpose authorized by Section 4B of the Development Corporation Act of 1979. Under the Act, the Board of Directors consists of seven members appointed by and who serve at the pleasure of the City Council of the City for two-year terms. The EDC provides financial benefits to the City in the form of an annual cash payment.

EDC may enter into any project authorized by the Act including, but not limited to, such projects as promotion and development of new and expanded business enterprises, job training centers, infrastructure improvements, public safety, municipal buildings, civic centers, recreation facilities, and other related facilities.

The EDC meets the criteria of a discretely presented component unit. Complete financial statements for the Seagoville Economic Development Corporation may be obtained from the EDC's office at 702 N. Highway 175, Seagoville, Texas, 75159. No other organizations met the necessary criteria for inclusion as component units for the year ended September 30, 2022.

This component unit is discretely presented in the financial statements. Complete financial statements of the individual component unit can be obtained.

### **C. Basis of Presentation - Government-Wide and Fund Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

As discussed earlier, the government has one discretely presented component unit which is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

### **General Fund**

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, community services, and community development.

### **Capital Projects Fund**

The capital projects fund is used to account for resources obtained for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds.

### **COVID Local Recovery Fund**

The COVID recovery fund is used to account for resources acquired from other governments to mitigate the impact of the COVID 19 virus.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

### **Simonds Road Project Fund**

The Simonds Road Project fund is used to account for resources obtained for the design and construction of street and roadway improvements on Simonds Road, including the road, sidewalks, curb, drainage and related improvements and professional services.

The government reports the following major enterprise funds:

### **Water and Sewer Fund**

Water and Sewer Fund is used to account for the operation of the water distribution system, wastewater treatment plant, and wastewater pumping and collection systems which are supported primarily by user charges to the public.

Additionally, the government reports the following fund types:

### **Debt Service Funds**

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance is restricted exclusively for debt service expenditures.

### **Special Revenue Funds**

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. As of September 30, 2023, the City is maintaining thirteen special revenue funds.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**D. Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Fiduciary funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

### **E. Assets, Liabilities, Deferred Outflows/Inflows, and Fund Equity or Net Position**

#### **1. Deposits and Investments**

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. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code.

In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. Government  
Fully collateralized certificates of deposit and money market accounts  
Statewide investment pools

**City of Seagoville, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS, Continued*  
**September 30, 2023**

SEC registered, no load money market mutual funds

**2. Fair Value**

The City has applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

**3. Receivables and Interfund Transactions**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as “due to/from component unit/primary government.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

**4. Inventories and Prepaid Items**

Inventory of the general fund and the electric fund consists of supplies held for the City's use and are carried at cost. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

**5. Restricted Assets**

Certain proceeds of reclassified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or other restrictions.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

### 6. Capital Assets

Capital assets are tangible and intangible assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and rights to water access are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

<b>Asset Description</b>	<b>Estimated Useful Life</b>
Building and improvements	50 years
Improvements other than buildings	20 years
Infrastructure	75 years
Machinery and equipment	5 to 10 years

### 7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

### **8. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, pension and OPEB liabilities and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarial calculations for estimated future payments of benefits and refunds over the twelve months following yearend.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

### **9. 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.

### **10. Other Postemployment Benefits ("OPEB")**

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. 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 on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

**City of Seagoville, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS, Continued*  
September 30, 2023

**11. Leases**

Lessor: The EDC is a lessor for noncancellable leases for use of office space. The EDC recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the EDC initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the EDC determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The EDC uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The EDC monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**12. Subscription Based Information Technology Arrangements**

The City implemented the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled *Subscription-Based Information Technology Arrangements* ("SBITA"). Upon implementation, the City recorded right to use assets and subscription liabilities based on the present value of the payments for the related arrangements. The assets are included within capital assets, and amortized straight-line over the term of the arrangement. The liabilities accrue interest at the implied rate estimated by the City, and are relieved with payments over the term of the arrangements.

**13. Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

### **14. Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

### **15. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

committed. The governing body (Council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

### **16. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## **F. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### **2. Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

### **3. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for this amount is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

### **4. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

### **A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.**

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

### **B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, capital projects, and various special revenue funds. The City did not adopt a budget for the COVID local recovery, Seagoville toy drive donations, park development, or developer funds. Each year the City Manager is required to submit to the City Council, between sixty and ninety days prior to the beginning of the year, a proposed budget for each fund aforementioned. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year. Several supplemental budget amendments were made during the year. All governmental funds with a legally adopted budget have been presented. The following funds exceeded appropriations at the level of control as follows:

Debt Service Fund	\$ 999
Special Police Fund	1,179
Hotel/Motal Tax Fund	75
Court Technology Fund	7,763
Park Dedication Fund	49,500
Animal Shelter Fund	57,184
Storm Water Revenue Fund	192,396

#### **A. Restricted Net Position**

The City records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted fund balance for

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

governmental funds was \$9,360,434, of which, \$120,738 is restricted by enabling legislation.

**B. Public Funds Investment & Collateral Acts**

State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2023, the market values of pledged securities and FDIC exceeded bank balances. In addition, the City is required to adopt certain standards as it relates to the investment and maintenance of public funds. The City was in compliance with the requirement Public Funds Investment Act and the Public Funds Collateral Act.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Deposits - The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas Public Funds Investment Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the City's and the depository bank's agent bank. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. The City's deposits, as well as those of the City's component unit were fully insured or collateralized as required by the state statutes at September 30, 2023.

As of September 30, 2023, the primary government and component unit had the following investments:

<b>Investment Type</b>	<b>Value</b>	<b>Weighted Average Maturity (Years)</b>
External investment pools	\$ 14,920,000	0.08
Total value	\$ 14,920,000	
Portfolio weighted average maturity		0.08

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, TexPool and TexStar use amortized cost and Texas CLASS uses the fair value method to value portfolio assets. The pools operate in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

regulatory oversight for the pool is the State of Texas. Investments in the pools are classified as cash and cash equivalents for reporting purposes.

*Interest rate risk:* The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric. The weighted average maturities of the investment pools did not exceed 60 days. As of yearend, the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

*Credit risk:* The City's investment policy contains no limitation on the amount that can be invested in any one issuer. At year-end, the City was not exposed to concentration of credit risk. It is SEDC policy to limit its investment to those that are authorized under the Texas Public Funds Investment Act. As of September 30, 2023, the investment pools were rated AAAM by Standard and Poor's.

*Custodial credit risk – deposits:* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's and SEDC's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the stated requirements of the Public Funds Investment Act. During the fiscal year and at year-end, all deposits held in the depository bank were fully collateralized. The City's deposits are therefore not subject to custodial credit risk at September 30, 2023.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

### **TexPool**

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally,

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2023, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

### TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAM by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

## B. Receivables

- The following comprise receivable balances of the primary government at year end:

	Governmental Activities		Total
	General	Nonmajor Governmental	
Property taxes	\$ 484,123	\$ 48,101	\$ 532,224
Sales tax	721,419	-	721,419
Accounts	81,313	80,336	161,649
Other	57,126	-	57,126
Allowance	-	(28,666)	(28,666)
<b>Total</b>	\$ 1,343,981	\$ 99,771	\$ 1,443,752

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

	<b>Business- Type</b>		<b>Total</b>
	<b>Water &amp; Sewer</b>		<b>Total</b>
Accounts	\$ 1,692,072		\$ 1,692,072
Allowance	(219,954)		(219,954)
<b>Total</b>	<b>\$ 1,472,118</b>		<b>\$ 1,472,118</b>

2. The component unit receivable balances consisted of the following:

	<b>EDC</b>
Sales tax	\$ 240,473
Lease receivables	16,215
	<b>\$ 256,688</b>

3. Notes Receivable – EDC

On March 15, 2021, the EDC entered into a note receivable with Starwood Café, a local restaurant, for \$600,000. The stated interest rate is 0%. Principal payments are due monthly for \$3,333 through March 15, 2036.

The future payment amortization schedule is as follows:

Note Receivable

<b>Year ending September 30,</b>	<b>Component Unit Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 40,000	\$ -	\$ 40,000
2025	40,000	-	40,000
2026	40,000	-	40,000
2027	40,000	-	40,000
2028	40,000	-	40,000
2029-2033	200,000	-	200,000
2034-2036	100,000	-	100,000
<b>Total</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 500,000</b>

4. The EDC is the lessor of four contracts in which the EDC receives lease payments for the use of office space. The leases commenced between May 2018 and August 2021. Monthly lease payments range from \$1,200 to \$12,100 will be paid through June 4,

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

2025. As of September 30, 2023, the lease receivable and offsetting deferred inflows amounted to \$16,215 and \$16,215, respectively.

The annual principal and interest payments to be received are as follows:

<b>Year ending September 30,</b>	<b>Component Unit Activities</b>	
	<b>Principal</b>	<b>Interest (1.26%- 3.61%)</b>
2024	\$ 16,215	\$ 185
	\$ 16,215	\$ 185

**C. Capital Assets**

A summary of changes in governmental activities capital assets for the year end was as follows:

	<b>Beginning Balances</b>	<b>Additions</b>	<b>Retirements/ Reclassifications</b>	<b>Ending Balances</b>
Capital assets, not being depreciated:				
Land	\$ 2,617,405	\$ -	\$ -	\$ 2,617,405
Construction in progress	202,535	751,922	(196,185)	758,272
Total capital assets not being depreciated	2,819,940	751,922	(196,185)	3,375,677
Capital assets, being depreciated:				
Machinery and equipment	6,922,843	340,911	-	7,263,754
Buildings	4,078,405	-	-	4,078,405
Improvements other than buildings	1,934,830	49,500	196,185	2,180,515
Infrastructure	31,235,360	432,823	-	31,668,183
Right to use assets	-	139,621	-	139,621
Total capital assets being depreciated	44,171,438	962,855	196,185	45,330,478
Less accumulated depreciation/amortization				
Machinery and equipment	3,501,065	551,954	-	4,053,019
Buildings	1,619,861	101,650	-	1,721,511
Improvements other than buildings	1,053,833	93,738	-	1,147,571
Infrastructure	16,333,869	1,019,645	-	17,353,514
Right to use assets	-	27,924	-	27,924
Total accumulated depreciation/amortization	22,508,628	1,794,911	-	24,303,539
Net capital assets being depreciated	21,662,810	(832,056)	196,185	21,026,939
<b>Total Capital Assets</b>	<b>\$ 24,482,750</b>	<b>\$ (80,134)</b>	<b>\$ -</b>	<b>\$ 24,402,616</b>

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

Depreciation was charged to governmental functions as follows:

General government	\$	57,639
Public safety		451,429
Community development		1,257,919
Right to use amortization		27,924
<b>Total Governmental Activities Depreciation/Amortization Expense</b>	<b>\$</b>	<b><u>1,794,911</u></b>

A summary of changes in business-type activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 97,912	\$ -	\$ -	\$ 97,912
Construction in progress	703,497	123,996	-	827,493
Total capital assets not being depreciated	<u>801,409</u>	<u>123,996</u>	<u>-</u>	<u>925,405</u>
Capital assets, being depreciated:				
Furniture and equipment	3,493,298	235,438	-	3,728,736
Buildings	147,763	-	-	147,763
Improvements other than buildings	220,590	-	-	220,590
Infrastructure	27,826,300	-	-	27,826,300
Right to use assets	-	40,221	-	40,221
Total capital assets being depreciated	<u>31,687,951</u>	<u>275,659</u>	<u>-</u>	<u>31,963,610</u>
Less accumulated depreciation				
Furniture and equipment	1,158,846	302,690	-	1,461,536
Buildings	71,641	3,470	-	75,111
Improvements other than buildings	220,588	-	-	220,588
Infrastructure	13,740,215	534,778	-	14,274,993
Right to use assets	-	8,043	-	8,043
Total accumulated depreciation	<u>15,191,290</u>	<u>848,981</u>	<u>-</u>	<u>16,040,271</u>
Net capital assets being depreciated	<u>16,496,661</u>	<u>(573,322)</u>	<u>-</u>	<u>15,923,339</u>
<b>Total Capital Assets</b>	<b><u>\$ 17,298,070</u></b>	<b><u>\$ (449,326)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 16,848,744</u></b>

Depreciation was charged to business-type activities as follows:

Water and sewer	\$	848,981
<b>Total Business-type Activities Depreciation Expense</b>	<b>\$</b>	<b><u>848,981</u></b>

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

A summary of changes in component unit (SEDC) capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 89,627	\$ -	\$ -	\$ 89,627
Construction in progress	-	21,200	-	21,200
Total capital assets not being depreciated	<u>89,627</u>	<u>21,200</u>	<u>-</u>	<u>110,827</u>
Capital assets, being depreciated:				
Buildings	585,736	48,080	-	633,816
Total capital assets being depreciated	<u>585,736</u>	<u>48,080</u>	<u>-</u>	<u>633,816</u>
Less accumulated depreciation				
Buildings	93,978	13,126	-	107,104
Total accumulated depreciation	<u>93,978</u>	<u>13,126</u>	<u>-</u>	<u>107,104</u>
Net capital assets being depreciated	491,758	34,954	-	526,712
<b>Total Capital Assets</b>	<u><u>\$ 581,385</u></u>	<u><u>\$ 56,154</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 637,539</u></u>

Depreciation was charged to the following activities as follows:

Seagoville EDC	\$ 13,126
<b>Total Depreciation Expense</b>	<u><u>\$ 13,126</u></u>

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**D. Long-term Debt**

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2023. In general, the City uses the debt service fund and water and sewer to liquidate long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds, notes and other payables:					
Certificates of Obligation	\$ 11,363,500	\$ 4,695,000	\$ (571,000)	\$ 15,487,500	\$ 690,500
Less deferred amounts:					
For premiums	504,277	462,048	(28,289)	938,036	-
Total Bonds Payable	<u>11,867,777</u>	<u>5,157,048</u>	<u>(599,289)</u>	<u>16,425,536</u>	<u>690,500</u>
Notes payable	1,006,005	-	(78,880)	927,125	81,098
Subscription liabilities	-	139,621	(26,494)	113,127	24,897
<b>Total Governmental Activities</b>	<u>\$ 12,873,782</u>	<u>\$ 5,296,669</u>	<u>\$ (704,663)</u>	<u>\$ 17,465,788</u>	<u>\$ 796,495</u>
				<u>\$ 16,669,293</u>	
<b>Business-Type Activities:</b>					
Combination Tax & Revenue Bonds	\$ 4,051,500	\$ -	\$ (384,000)	\$ 3,667,500	\$ 399,500
Less deferred amounts:					
For premiums	129,977	-	(10,831)	119,146	-
Total Bonds Payable	<u>4,181,477</u>	<u>-</u>	<u>(394,831)</u>	<u>3,786,646</u>	<u>399,500</u>
Notes payable	620,583	-	(620,583)	-	-
Subscription liabilities	-	40,221	(7,495)	32,726	7,098
<b>Total Business-Type Activities</b>	<u>\$ 4,802,060</u>	<u>\$ 40,221</u>	<u>\$ (1,022,909)</u>	<u>\$ 3,819,372</u>	<u>\$ 406,598</u>
				<u>\$ 3,412,774</u>	

Long-term debt applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. Leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

Primary government long-term debt at year end was comprised of the following debt issues:

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>Combination Tax and Revenue Refunding Bonds:</b>			
\$3,915,000 Comb. Tax and Revenue Refunding Bonds, Series 2018, due in installments through 2028, interest at 1.93%	\$ -	\$ 2,650,000	\$ 2,650,000
\$2,128,500 Comb. Tax and Revenue Refunding Bonds, Series 2015, due in annual installments through 2035, interest at 2.0% to 4.0%	-	1,017,500	1,017,500
<b>Total Combination Tax &amp; Revenue Refunding Bonds</b>	<b>\$ -</b>	<b>\$ 3,667,500</b>	<b>\$ 3,667,500</b>
<b>Certificates of Obligation:</b>			
\$1,741,500 Certificates of Obligation, Series 2018, due in annual installments through 2028, interest at 1.93%	\$ 832,500	\$ -	\$ 832,500
\$5,885,000 Certificates of Obligation, Series 2019, due in annual installments through 2039, interest at 3.0% to 4.0%	5,300,000	-	5,300,000
\$5,1015,000 Certificates of Obligation, Series 2021, due in annual installments through 2041, interest at 1.50% to 4.0%	4,660,000	-	4,660,000
\$4,695,000 Certificates of Obligation, Series 2023, due in annual installments through 2043, interest at 4.00% to 5.00%	4,695,000	-	4,695,000
<b>Total Certificates of Obligation</b>	<b>\$ 15,487,500</b>	<b>\$ -</b>	<b>\$ 15,487,500</b>
<b>Notes Payable:</b>			
\$460,020 Note Payable for Quint Fire Engine in 2017, due in installments through 2031, interest at 2.67%	\$ 384,054	\$ -	\$ 384,054
\$891,933 Note Payable for 2020 Fire Engine, due in installments through 2035, interest at 3.10%	543,071	-	543,071
<b>Total Notes Payable</b>	<b>\$ 927,125</b>	<b>\$ -</b>	<b>\$ 927,125</b>
<b>Subscription Liabilities:</b>			
\$80,442 subscription liability to OpenGov, due in annual installments through 2026, interest at 2.68%	\$ 32,727	\$ 32,726	\$ 65,453
\$99,399 subscription liability to OpenGov, due in annual installments through 2026, interest at 2.68%	80,400	-	80,400
<b>Total Subscription Liabilities</b>	<b>\$ 113,127</b>	<b>\$ 32,726</b>	<b>\$ 145,853</b>
Premiums	938,036	119,146	1,057,182
<b>Total Debt</b>	<b>\$ 17,465,788</b>	<b>\$ 3,819,372</b>	<b>\$ 21,285,160</b>

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

The annual requirements to amortize the City's long-term activities debt issues outstanding at year end were as follows:

**Governmental Activities:**

<b>Year ending September 30,</b>	<b>Certificates of Obligation</b>		<b>Notes Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 690,500	\$ 557,572	\$ 81,098	\$ 24,769
2025	780,000	474,843	83,379	22,488
2026	805,000	453,056	85,725	20,143
2027	826,250	431,338	88,137	17,731
2028	855,750	404,978	479,318	50,020
2029 - 2033	3,935,000	1,592,866	109,468	6,863
2034 - 2038	4,635,000	899,994	-	-
2039 - 2043	2,960,000	192,550	-	-
	<u>\$ 15,487,500</u>	<u>\$ 5,007,197</u>	<u>\$ 927,125</u>	<u>\$ 142,014</u>

**Business-Type Activities:**

<b>Year ending September 30,</b>	<b>Comb. Tax &amp; Rev. Refunding Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 399,500	\$ 98,851
2025	410,000	87,310
2026	420,000	75,464
2027	383,750	66,218
2028	394,250	57,644
2029-2033	1,155,000	183,925
2034-2038	505,000	25,350
	<u>\$ 3,667,500</u>	<u>\$ 594,762</u>

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**Subscription Liabilities**

The annual requirements to amortize the primary government's subscription liabilities outstanding at year end were as follows:

<b>Year ending September 30,</b>	<b>Governmental Activities</b>	
	<b>Subscription Liabilities</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 24,897	\$ 3,026
2025	27,064	2,360
2026	29,363	1,636
2027	31,803	851
<b>Total</b>	<b>\$ 113,127</b>	<b>\$ 851</b>

<b>Year ending September 30,</b>	<b>Business-Type Activities</b>	
	<b>Subscription Liabilities</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 7,098	\$ 875
2025	7,790	685
2026	8,528	477
2027	9,310	249
<b>Total</b>	<b>\$ 32,726</b>	<b>\$ 249</b>

The carrying value of right to use asset for governmental activities and business-type activities was \$111,697 and \$32,178, respectively as of September 30, 2023.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

### E. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and water and sewer fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 632,873	\$ 663,516	\$ (632,866)	\$ 663,523	\$ 597,171
<b>Total Governmental Activities</b>	<b>\$ 632,873</b>	<b>\$ 663,516</b>	<b>\$ (632,866)</b>	<b>\$ 663,523</b>	<b>\$ 597,171</b>
<b>Other long-term liabilities due in more than one year</b>				<b>\$ 66,352</b>	
<b>Business-Type Activities:</b>					
Compensated absences	\$ 37,643	\$ 42,359	\$ (37,643)	\$ 42,359	\$ 38,123
<b>Total Business-Type Activities</b>	<b>\$ 37,643</b>	<b>\$ 42,359</b>	<b>\$ (37,643)</b>	<b>\$ 42,359</b>	<b>\$ 38,123</b>
<b>Other long-term liabilities due in more than one year</b>				<b>\$ 4,236</b>	

### F. Interfund Transactions

The compositions of interfund advances to/from balances as of the year ended September 30, 2023 were as follows:

	Due to: (payable fund)	Total
Due from: (receivable fund)	Water & Sewer	
General	\$ 22,218	\$ 22,218
<b>Total</b>	<b>\$ 22,218</b>	<b>\$ 22,218</b>

Interfund receivables and payables relate to various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

Transfers between the primary government during the 2023 year were as follows:

<b>Transfers In:</b>	<b>Transfers Out:</b>			<b>Total</b>
	<b>General</b>	<b>Water &amp; Sewer</b>	<b>Nonmajor Govt.</b>	
General	\$ -	\$ 365,536	\$ 27,600	\$ 393,136
Capital projects	328,000	-	-	328,000
Nonmajor govt.	297,000	-	-	297,000
<b>Total</b>	<b>\$ 625,000</b>	<b>\$ 365,536</b>	<b>\$ 27,600</b>	<b>\$ 1,018,136</b>

Transfers between funds were primarily to support debt service requirements and general operation of funds.

**V. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool that retains the risk of loss beyond the City's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

**B. Contingent Liabilities**

The City is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the City does not expect them to have a materially adverse effect on the basic financial statements.

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

### C. Commitments

#### North Texas Municipal Water District

In 2005, the City entered into a contract with the North Texas Municipal Water District (the "District") for the transportation, treatment and disposal of sanitary sewage and other waste. The contract will continue in force at least until all bonds issued by the District pursuant to the contract have been paid in full and will remain in force thereafter throughout the useful life of the District's sanitary sewer system. The contract requires the City to pay varying amounts based on the costs associated with sewage transported and/or treated and disposed of. The cost includes the City's proportionate share of the District's operating and maintenance expenses and related debt service costs. During 2023, the City's share of these costs was \$1,949,231.

### D. Pension Plans

#### Texas Municipal Retirement Systems

##### **Plan Description**

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

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

##### **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.

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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 statutes governing TMRS.

Plan provisions for the City were as follows:

	<u>Plan Year 2022</u>	<u>Plan Year 2021</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	0% of CPI repeating	0% of CPI repeating

### 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	72
Inactive employees entitled to but not yet receiving benefits	78
Active employees	111
<b>Total</b>	<b>261</b>

### Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, 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 actuarially determined rate is the

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Seagoville, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Seagoville, Texas were 11.23% and 11.01% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$818,480, and were equal to the required contributions.

### **Net Pension Liability**

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

### **Actuarial assumptions:**

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

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

Salary increases 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

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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 weighing 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 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public/Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

### **Discount Rate:**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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.

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**Changes in the Net Pension Liability:**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Total Net Pension Liability (Asset) (a) – (b)</b>
<b>Balance at 12/31/21</b>	\$ 24,324,382	\$ 23,563,026	\$ 761,356
Changes for the year:			
Service cost	1,050,960	-	1,050,960
Interest	1,648,224	-	1,648,224
Change in benefit terms	-	-	-
Difference between expected and actual experience	520,591	-	520,591
Changes of assumptions	-	-	-
Contributions – employer	-	796,373	(796,373)
Contributions – employee	-	496,405	(496,405)
Net investment income	-	(1,721,975)	1,721,975
Benefit payments, including refunds of emp. contributions	(863,471)	(863,471)	-
Administrative expense	-	(14,884)	14,884
Other changes	-	17,761	(17,761)
Net changes	2,356,304	(1,289,791)	3,646,095
<b>Balance at 12/31/22</b>	<b>\$ 26,680,686</b>	<b>\$ 22,273,235</b>	<b>\$ 4,407,451</b>

**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:

<b>1% Decrease 5.75%</b>	<b>Current Single Rate Assumption 6.75%</b>	<b>1% Increase 7.75%</b>
\$ 8,228,349	\$ 4,407,451	\$ 1,263,167

**Pension Plan Fiduciary Net Position:**

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

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**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 \$1,296,226.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
Difference between projected and actual investment earnings	\$ 1,530,046	\$ -
Change in assumptions	-	-
Differences between expected and actual economic experience	571,441	-
Contributions subsequent to the measurement date	622,408	-
<b>Total</b>	<b>\$ 2,723,895</b>	<b>\$ -</b>

The City reported \$622,408 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>Net Deferred Outflows/(Inflows)</b>
2023	\$ 348,338
2024	569,964
2025	520,691
2026	662,494
2027	-
Thereafter	-
	<b>\$ 2,101,487</b>

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**E. Other Postemployment Benefits**

**Supplemental Death Benefits Fund**

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) 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 City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn’t meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer’s yearly contributions for retirees.

The 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:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	10
Active employees	111
Total	162

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

The City's contributions to the TMRS SDBF for the years ended 2023 and 2022 were \$9,270 and \$7,742, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates  
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2021	0.04%	0.10%	100.0%
2022	0.10%	0.11%	100.0%
2023	0.11%	0.13%	100.0%

### Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2022, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

### Actuarial assumptions:

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

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%
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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109%

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

### Discount Rate:

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

### 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 4.05%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

1% Decrease (3.05%)	Current Single Rate Assumption 4.05%	1% Increase (5.05%)
\$ 296,087	\$ 247,449	\$ 209,290

### Changes in the Total OPEB Liability:

	Total OPEB Liability
<b>Balance at 12/31/21</b>	\$ 361,783
Changes for the year:	
Service Cost	24,111
Interest	6,807
Difference between expected and actual experience	(10,924)
Changes of assumptions	(126,527)
Benefit payments	(7,801)
Net changes	(114,334)
<b>Balance at 12/31/22</b>	<b>\$ 247,449</b>

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$21,068.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
Difference between expected and actual experience	\$ -	\$ (12,452)
Changes in assumptions and other inputs	-	(62,172)
Contributions subsequent to measurement date	7,350	-
<b>Total</b>	<b>\$ 7,350</b>	<b>\$ (74,624)</b>

The City reported \$7,350 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2024.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended December 31:</b>	
2023	\$ (11,168)
2024	(10,351)
2025	(11,103)
2026	(16,044)
2027	(20,683)
Thereafter	(5,275)
	<b>\$ (74,624)</b>

# City of Seagoville, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

### F. Tax Abatement Disclosures

The City of Seagoville enters into property tax abatement agreements with local businesses as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code and the Tax Abatement Guidelines of the City of Seagoville. Recipients may be eligible based on their impact to the City's economy. Agreements may also contain recapture or "clawback" provisions in the event of non-performance of the agreement standards. As of the 2020 certified roll (used for the 2021 fiscal year) the City's abatement agreements resulted in \$ - 0 - in appraised values, totaling \$ - 0 - in taxes abated on the 2020 certified tax roll (used for the 2021 fiscal year).

The City of Seagoville enters into tax abatement and rebate agreements with local businesses under the state local government code, title 12, subtitle A, chapter 380. Under the code, the governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans or grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality. The City has tax abatement/rebate agreements with one entity as of September 30, 2023:

\$134,687 of real property and personal property taxes was rebated to a food processing company to promote local economic development and stimulate business commercial activity in the City.

In regards to the aforementioned tax abatement agreement, the City has also committed to a fee grant in the amount of \$84,313 and a water/sewer utility service grant of \$31,000.

The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

**City of Seagoville, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**G. Restatement**

Due to accounting errors, the City restated beginning net position/fund balance of governmental activities, business-type activities, the capital projects fund, and the water and sewer fund.

The restatement of beginning net position/fund balance is as follows:

	<b>Capital Projects</b>	
Prior year ending fund balance, as reported	\$ 5,614,831	
Capital outlay additions	(8,983)	
Restated beginning fund balance	\$ 5,605,848	
	<b>Business-Type Activities</b>	<b>Water &amp; Sewer</b>
Prior year ending net position/fund balance, as reported	\$ 20,013,645	\$ 20,013,645
Correction to accrued interest	12,724	12,724
Restated beginning net position	\$ 20,026,369	\$ 20,026,369

**H. Subsequent Events**

There were no subsequent events through March 11, 2024 , the date the financial statements were issued.

***REQUIRED SUPPLEMENTARY INFORMATION***

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# City of Seagoville, Texas

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property tax	\$ 7,441,091	\$ 7,441,091	\$ 7,768,441	\$ 327,350
Sales tax	3,312,861	3,312,861	4,194,963	882,102
Franchise and local taxes	648,567	648,567	749,934	101,367
License and permits	405,155	405,155	1,228,462	823,307
Charges for services	1,104,000	1,104,000	1,259,173	155,173
Intergovernmental	46,000	46,000	151,575	105,575
Fines and forfeitures	285,000	285,000	526,326	241,326
Investment income	6,000	6,000	109,471	103,471
Other revenue	14,000	14,000	209,707	195,707
<b>Total Revenues</b>	13,262,674	13,262,674	16,198,052	2,935,378
<b>Expenditures</b>				
Current:				
General government	1,482,572	1,482,572	1,685,828	(203,256)
Public safety	7,581,552	7,581,552	7,119,302	462,250
Community services	1,712,761	1,712,761	1,783,590	(70,829)
Community development	1,723,783	1,723,783	1,681,429	42,354
Nondepartmental	101,810	101,810	79,715	22,095
Debt Service:				
Principal	93,599	93,599	105,374	(11,775)
Interest and fiscal charges	12,715	12,715	26,988	(14,273)
Capital outlay	697,241	1,163,700	1,118,076	45,624
<b>Total Expenditures</b>	13,406,033	13,872,492	13,600,302	272,190
<b>Revenues Over (Under) Expenditures</b>	(143,359)	(609,818)	2,597,750	3,207,568
<b>Other Financing Sources (Uses)</b>				
Lease issuances	-	-	139,621	139,621
Proceeds from sale of assets	2,500	2,500	-	(2,500)
Transfers in	420,136	420,136	393,136	(27,000)
Transfers (out)	(625,000)	(625,000)	(625,000)	-
<b>Total Other Financing Sources (Uses)</b>	(202,364)	(202,364)	(92,243)	110,121
<b>Net Change in Fund Balance</b>	\$ (345,723)	\$ (812,182)	2,505,507	\$ 3,317,689
Beginning fund balance			8,493,741	
<b>Ending Fund Balance</b>			\$ 10,999,248	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

# City of Seagoville, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2022	12/31/2021	12/31/2020
Total pension liability			
Service cost	\$ 1,050,960	\$ 947,052	\$ 910,252
Interest	1,648,224	1,514,304	1,389,855
Differences between expected and actual experience	520,591	241,115	255,107
Changes of assumptions	-	-	-
Benefit payments, including refunds of participant contributions	(863,471)	(677,404)	(782,436)
<b>Net change in total pension liability</b>	<b>2,356,304</b>	<b>2,025,067</b>	<b>1,772,778</b>
<b>Total pension liability - beginning</b>	<b>24,324,382</b>	<b>22,299,315</b>	<b>20,526,537</b>
<b>Total pension liability - ending (a)</b>	<b>26,680,686</b>	<b>24,324,382</b>	<b>22,299,315</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 796,373	\$ 693,422	\$ 662,747
Contributions - members	496,405	437,293	424,061
Net investment income	(1,721,975)	2,668,598	1,422,967
Benefit payments, including refunds of participant contributions	(863,471)	(677,404)	(782,436)
Administrative expenses	(14,884)	(12,337)	(9,202)
Other	17,761	85	(360)
<b>Net change in plan fiduciary net position</b>	<b>(1,289,791)</b>	<b>3,109,657</b>	<b>1,717,777</b>
<b>Plan fiduciary net position - beginning</b>	<b>23,563,026</b>	<b>20,453,369</b>	<b>18,735,592</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 22,273,235</b>	<b>\$ 23,563,026</b>	<b>\$ 20,453,369</b>
<b>Fund's net pension liability - ending (a) - (b)</b>	<b>\$ 4,407,451</b>	<b>\$ 761,356</b>	<b>\$ 1,845,946</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	83.48%	96.87%	91.72%
<b>Covered payroll</b>	\$ 7,091,501	\$ 6,247,045	\$ 6,044,170
<b>Fund's pension liability as a percentage of covered payroll</b>	62.15%	12.19%	30.54%

**Notes to schedule:**

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u> <sup>1</sup>
\$ 792,997	\$ 717,159	\$ 691,900
1,298,790	1,225,262	1,127,119
(18,720)	(121,194)	159,603
105,329	-	-
(993,391)	(546,303)	(528,256)
<u>1,185,005</u>	<u>1,274,924</u>	<u>1,450,366</u>
<u>19,341,532</u>	<u>18,066,608</u>	<u>16,616,242</u>
<u>20,526,537</u>	<u>19,341,532</u>	<u>18,066,608</u>
\$ 579,541	\$ 532,212	\$ 492,954
373,552	341,272	324,618
2,517,507	(492,910)	1,968,593
(993,391)	(546,303)	(528,256)
(14,215)	(9,523)	(10,201)
(426)	(498)	(516)
<u>2,462,568</u>	<u>(175,750)</u>	<u>2,247,192</u>
<u>16,273,024</u>	<u>16,448,774</u>	<u>14,201,582</u>
<u>\$ 18,735,592</u>	<u>\$ 16,273,024</u>	<u>\$ 16,448,774</u>
<u>\$ 1,790,945</u>	<u>\$ 3,068,508</u>	<u>\$ 1,617,834</u>

91.27%	84.14%	91.05%
\$ 5,336,455	\$ 4,875,313	\$ 4,637,399
33.56%	62.94%	34.89%

# City of Seagoville, Texas

## SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2023	9/30/2022	9/30/2021
Actuarially determined employer contributions	\$ 818,480	\$ 807,022	\$ 662,747
Contributions in relation to the actuarially determined contribution	\$ 818,480	\$ 807,022	\$ 662,747
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Annual covered payroll	\$ 7,399,083	\$ 7,207,868	\$ 5,986,388
Employer contributions as a percentage of covered payroll	11.06%	11.20%	11.07%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

### NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

**Valuation Date:**

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

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years
Asset Valuation Method	10 Year smoothed fair value; 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	<p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.</p> <p>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.</p>
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**Other Information:**

Notes There were no benefit changes during the year.

<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u> <sup>1</sup>
\$ 579,541	\$ 546,056	\$ 532,212	\$ 492,954	\$ 421,866	\$ 429,211
<u>\$ 579,541</u>	<u>\$ 546,056</u>	<u>\$ 532,212</u>	<u>\$ 492,954</u>	<u>\$ 421,866</u>	<u>\$ 429,211</u>
<u>\$ -</u>					
\$ 5,432,024	\$ 5,028,140	\$ 4,828,808	\$ 4,637,288	\$ 4,426,729	\$ 4,420,284
10.67%	10.86%	11.02%	10.63%	9.53%	9.71%

# City of Seagoville, Texas

## SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

**Years Ended:**

	<sup>1</sup>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Total OPEB liability				
Service cost	\$	24,111	\$ 23,739	\$ 21,759
Interest		6,807	6,543	7,118
Differences between expected and actual experience		(10,924)	8,440	990
Changes of assumptions		(126,527)	10,893	41,806
Benefit payments		(7,801)	(6,247)	(2,418)
<b>Net changes</b>		<u>(114,334)</u>	<u>43,368</u>	<u>69,255</u>
<b>Total OPEB liability - beginning</b>		<u>361,783</u>	<u>318,415</u>	<u>249,160</u>
<b>Total OPEB liability - ending</b>	<sup>2</sup> \$	<u><u>247,449</u></u>	<u><u>\$ 361,783</u></u>	<u><u>\$ 318,415</u></u>
 <b>Covered-employee payroll</b>	 \$	 7,091,501	 \$ 6,247,045	 \$ 6,044,170
<b>Fund's net position as a percentage of covered- employee payroll</b>		3.49%	5.79%	5.27%

**Notes to schedule:**

<sup>1</sup> This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
\$ 13,341	\$ 14,626	\$ 12,057
7,824	7,178	6,877
(19,687)	(10,448)	-
44,523	(14,880)	16,385
(2,139)	(1,463)	(1,855)
<u>43,862</u>	<u>(4,987)</u>	<u>33,464</u>
<u>205,298</u>	<u>210,285</u>	<u>176,821</u>
<u>\$ 249,160</u>	<u>\$ 205,298</u>	<u>\$ 210,285</u>
\$ 5,336,455	\$ 4,875,313	\$ 4,637,399
4.67%	4.21%	4.53%

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***COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES***

**City of Seagoville, Texas**  
**COMBINING BALANCE SHEET (Page 1 of 2)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Hotel/Motel Occupancy Tax</b>	<b>Special Police</b>	<b>Miscellaneous Grants</b>	<b>Court Technology</b>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 40,747	\$ 17,756	\$ 12,982	\$ 79,991
Accounts receivable, net	-	-	-	-
<b>Total Assets</b>	<b>\$ 40,747</b>	<b>\$ 17,756</b>	<b>\$ 12,982</b>	<b>\$ 79,991</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - prop. tax	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Restricted for:				
Debt service	-	-	-	-
Court improvements	-	-	-	79,991
Tourism	40,747	-	-	-
Public safety	-	17,756	-	-
Animal shelter	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	12,982	-
<b>Total Fund Balances</b>	<b>40,747</b>	<b>17,756</b>	<b>12,982</b>	<b>79,991</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 40,747</b>	<b>\$ 17,756</b>	<b>\$ 12,982</b>	<b>\$ 79,991</b>

**Special Revenue Funds**

<u>Park Development</u>	<u>Revenue Recycling</u>	<u>Animal Shelter</u>	<u>Storm Water Revenue</u>	<u>Seagoville Toy Drive Donations</u>
\$ 97,147	\$ 3,050	\$ 2,074,571	\$ 207,842	\$ 1,745
-	-	-	51,670	-
<u>\$ 97,147</u>	<u>\$ 3,050</u>	<u>\$ 2,074,571</u>	<u>\$ 259,512</u>	<u>\$ 1,745</u>
\$ -	\$ -	\$ -	\$ 20,245	\$ -
-	-	-	20,245	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	8,387	-	-
97,147	-	-	239,267	1,745
-	3,050	2,066,184	-	-
<u>97,147</u>	<u>3,050</u>	<u>2,074,571</u>	<u>239,267</u>	<u>1,745</u>
<u>\$ 97,147</u>	<u>\$ 3,050</u>	<u>\$ 2,074,571</u>	<u>\$ 259,512</u>	<u>\$ 1,745</u>

**City of Seagoville, Texas**  
**COMBINING BALANCE SHEET (Page 2 of 2)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2023**

	Special Revenue Funds			
	Park Development	Developer Funds	Central Fire Station	Greenwalt Farms
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 52,546	\$ 56,473	\$ 297,000	\$ 24,750
Accounts receivable, net	-	-	-	-
<b>Total Assets</b>	<b>\$ 52,546</b>	<b>\$ 56,473</b>	<b>\$ 297,000</b>	<b>\$ 24,750</b>
 <b><u>Liabilities</u></b>				
Accounts payable	\$ 520	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>520</b>	<b>-</b>	<b>-</b>	<b>-</b>
 <b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - prop. tax	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 <b><u>Fund Balances</u></b>				
Restricted for:				
Debt service	-	-	-	-
Court improvements	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	297,000	-
Animal shelter	-	-	-	-
Committed	52,026	56,473	-	24,750
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>52,026</b>	<b>56,473</b>	<b>297,000</b>	<b>24,750</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 52,546</b>	<b>\$ 56,473</b>	<b>\$ 297,000</b>	<b>\$ 24,750</b>

Special Revenue Funds	Debt Service	Total Nonmajor Govt Funds
\$ 2,966,600	\$ 86,214	\$ 3,052,814
51,670	48,101	99,771
<u>\$ 3,018,270</u>	<u>\$ 134,315</u>	<u>\$ 3,152,585</u>
\$ 20,765	\$ -	\$ 20,765
<u>20,765</u>	<u>-</u>	<u>20,765</u>
-	47,174	47,174
<u>-</u>	<u>47,174</u>	<u>47,174</u>
-	87,141	87,141
79,991	-	79,991
40,747	-	40,747
314,756	-	314,756
8,387	-	8,387
471,408	-	471,408
2,082,216	-	2,082,216
<u>2,997,505</u>	<u>87,141</u>	<u>3,084,646</u>
<u>\$ 3,018,270</u>	<u>\$ 87,141</u>	<u>\$ 3,152,585</u>

# City of Seagoville, Texas

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 1 of 2) NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	Special Revenue Funds			
	Hotel/Motel Occupancy Tax	Special Police	Miscellaneous Grants	Court Technology
<b>Revenues</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	38,908	-	-	-
Fines and forfeitures	-	9,019	-	28,333
License and permits	-	-	-	-
Charges for services	-	-	-	-
Contributions/donations	-	-	889	-
Investment income	-	-	-	-
<b>Total Revenues</b>	38,908	9,019	889	28,333
<b>Expenditures</b>				
General government	31,075	-	-	-
Public safety	-	2,179	-	18,760
Community development	-	-	-	-
Community services	-	-	627	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total Expenditures</b>	31,075	2,179	627	18,760
<b>Revenues Over (Under)</b>				
<b>Expenditures</b>	7,833	6,840	262	9,573
<b>Other Financing Sources (Uses)</b>				
Debt issuances	-	-	-	-
Premium on bond issued	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources</b>	-	-	-	-
<b>(Uses)</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	7,833	6,840	262	9,573
Beginning fund balances	32,914	10,916	12,720	70,418
<b>Ending Fund Balances</b>	\$ 40,747	\$ 17,756	\$ 12,982	\$ 79,991

**Special Revenue Funds**

<b>Park Development</b>	<b>Revenue Recycling</b>	<b>Animal Shelter</b>	<b>Storm Water Revenue</b>	<b>Seagoville Toy Drive Donations</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,660	-	-	301,837	-
-	-	3,591	-	555
-	-	42,957	-	-
<u>2,660</u>	<u>-</u>	<u>46,548</u>	<u>301,837</u>	<u>555</u>
-	-	-	100	-
-	-	-	-	-
49,500	211	-	229,956	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	60,184	-	-
<u>49,500</u>	<u>211</u>	<u>60,184</u>	<u>230,056</u>	<u>-</u>
<u>(46,840)</u>	<u>(211)</u>	<u>(13,636)</u>	<u>71,781</u>	<u>555</u>
-	-	1,878,000	-	-
-	-	184,819	-	-
-	-	-	-	-
-	-	-	(27,600)	-
-	-	2,062,819	(27,600)	-
<u>(46,840)</u>	<u>(211)</u>	<u>2,049,183</u>	<u>44,181</u>	<u>555</u>
<u>143,987</u>	<u>3,261</u>	<u>25,388</u>	<u>195,086</u>	<u>1,190</u>
<u>\$ 97,147</u>	<u>\$ 3,050</u>	<u>\$ 2,074,571</u>	<u>\$ 239,267</u>	<u>\$ 1,745</u>

# City of Seagoville, Texas

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 2 of 2)

### NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	Special Revenue Funds			
	Park Development	Developer Funds	Central Fire Station	Greenwalt Farms
<b>Revenues</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
License and permits	95,840	-	-	-
Charges for services	-	-	-	-
Contributions/donations	-	-	-	25,000
Investment income	-	-	-	-
<b>Total Revenues</b>	95,840	-	-	25,000
<b>Expenditures</b>				
General government	-	-	-	250
Public safety	-	-	-	-
Community development	77,476	279	-	-
Community services	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	77,476	279	-	250
<b>Revenues Over (Under)</b>				
<b>Expenditures</b>	18,364	(279)	-	24,750
<b>Other Financing Sources (Uses)</b>				
Debt issuances	-	-	-	-
Premium on bond issued	-	-	-	-
Transfers in	-	-	297,000	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources</b>	-	-	297,000	-
<b>(Uses)</b>	-	-	297,000	-
<b>Net Change in Fund Balances</b>	18,364	(279)	297,000	24,750
Beginning fund balances	33,662	56,752	-	-
<b>Ending Fund Balances</b>	\$ 52,026	\$ 56,473	\$ 297,000	\$ 24,750

Special Revenue Funds	Debt Service	Total Nonmajor Govt Funds
\$ -	\$ 851,500	\$ 851,500
38,908	-	38,908
37,352	-	37,352
95,840	-	95,840
304,497	-	304,497
30,035	-	30,035
42,957	548	43,505
<u>549,589</u>	<u>852,048</u>	<u>1,401,637</u>
31,425	-	31,425
20,939	-	20,939
357,422	-	357,422
627	-	627
-	571,000	571,000
-	304,911	304,911
60,184	-	60,184
<u>470,597</u>	<u>875,911</u>	<u>1,346,508</u>
<u>78,992</u>	<u>(23,863)</u>	<u>55,129</u>
1,878,000	-	1,878,000
184,819	-	184,819
297,000	-	297,000
(27,600)	-	(27,600)
<u>2,332,219</u>	<u>-</u>	<u>2,332,219</u>
2,411,211	(23,863)	2,387,348
586,294	111,004	697,298
<u>\$ 2,997,505</u>	<u>\$ 87,141</u>	<u>\$ 3,084,646</u>

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**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended September 30, 2023**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Property taxes	\$ 817,522	\$ 851,500	\$ 33,978
Investment income	10	548	538
<b>Total Revenues</b>	817,532	852,048	34,516
 <b><u>Expenditures</u></b>			
Debt service:			
Principal	571,000	571,000	-
Interest and fiscal charges	303,912	304,911	(999)
<b>Total Expenditures</b>	874,912	875,911	(999) *
<b>Revenues Over (Under) Expenditures</b>	(57,380)	(23,863)	33,517
<b>Net Change in Fund Balances</b>	\$ (57,380)	(23,863)	\$ 33,517
Beginning fund balances		111,004	
<b>Ending Fund Balances</b>		\$ 87,141	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
- \* Expenditures exceeded appropriations at the legal level of control.

**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL POLICE**  
**For the Year Ended September 30, 2023**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 2,000	\$ 9,019	\$ 7,019
<b>Total Revenues</b>	2,000	9,019	7,019
 <b><u>Expenditures</u></b>			
Public safety	1,000	2,179	(1,179)
<b>Total Expenditures</b>	1,000	2,179	(1,179) *
<b>Revenues Over (Under) Expenditures</b>	1,000	6,840	5,840
<b>Net Change in Fund Balances</b>	\$ 1,000	6,840	\$ 5,840
Beginning fund balances		10,916	
<b>Ending Fund Balances</b>		\$ 17,756	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
- \* Expenditures exceeded appropriations at the legal level of control.

**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**HOTEL/MOTEL TAX**  
**For the Year Ended September 30, 2023**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Hotel occupancy tax	\$ 40,000	\$ 38,908	\$ (1,092)
<b>Total Revenues</b>	40,000	38,908	(1,092)
 <b><u>Expenditures</u></b>			
General government	31,000	31,075	(75)
<b>Total Expenditures</b>	31,000	31,075	(75) *
<b>Revenues Over (Under) Expenditures</b>	9,000	7,833	(1,167)
<b>Net Change in Fund Balances</b>	\$ 9,000	7,833	\$ (1,167)
Beginning fund balances		32,914	
<b>Ending Fund Balances</b>		\$ 40,747	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
- \* Expenditures exceeded appropriations at the legal level of control.

**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS**  
**For the Year Ended September 30, 2023**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Investment income	\$ 350	\$ 221,478	\$ 221,128
<b>Total Revenues</b>	350	221,478	221,128
<b><u>Expenditures</u></b>			
Capital outlay	5,447,682	612,612	4,835,070
<b>Total Expenditures</b>	5,447,682	612,612	4,835,070
<b>Revenues Over (Under) Expenditures</b>	(5,447,332)	(391,134)	5,056,198
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers in	-	328,000	328,000
<b>Total Other Financing Sources (Uses)</b>	-	328,000	328,000
<b>Net Change in Fund Balances</b>	\$ (5,447,332)	(63,134)	\$ 5,384,198
Beginning fund balances		5,605,848	
<b>Ending Fund Balances</b>		\$ 5,542,714	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**MISCELLANEOUS GRANTS**  
**For the Year Ended September 30, 2023**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Donations	\$ 1,500	\$ 889	\$ (611)
<b>Total Revenues</b>	<u>1,500</u>	<u>889</u>	<u>(611)</u>
<b><u>Expenditures</u></b>			
Community services	1,500	627	873
<b>Total Expenditures</b>	<u>1,500</u>	<u>627</u>	<u>873</u>
<b>Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>262</u>	<u>262</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>262</u>	<u>\$ 262</u>
Beginning fund balances		12,720	
<b>Ending Fund Balances</b>		<u>\$ 12,982</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURT TECHNOLOGY**  
**For the Year Ended September 30, 2023**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 15,650	\$ 28,333	\$ 12,683
<b>Total Revenues</b>	<u>15,650</u>	<u>28,333</u>	<u>12,683</u>
<b><u>Expenditures</u></b>			
Public safety	10,997	18,760	(7,763)
<b>Total Expenditures</b>	<u>10,997</u>	<u>18,760</u>	<u>(7,763) *</u>
<b>Revenues Over (Under) Expenditures</b>	<u>4,653</u>	<u>9,573</u>	<u>4,920</u>
<b>Net Change in Fund Balances</b>	<u>\$ 4,653</u>	<u>9,573</u>	<u>\$ 4,920</u>
Beginning fund balances		<u>70,418</u>	
<b>Ending Fund Balances</b>		<u>\$ 79,991</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
- \* Expenditures exceeded appropriations at the legal level of control.

**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**PARK DEDICATION**  
**For the Year Ended September 30, 2023**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Charges for services	\$ 2,000	\$ 2,660	\$ 660
<b>Total Revenues</b>	2,000	2,660	660
<b><u>Expenditures</u></b>			
Community development	-	49,500	(49,500)
<b>Total Expenditures</b>	-	49,500	(49,500) *
<b>Revenues Over (Under) Expenditures</b>	2,000	(46,840)	(48,840)
<b>Net Change in Fund Balances</b>	\$ 2,000	(46,840)	\$ (48,840)
Beginning fund balances		143,987	
<b>Ending Fund Balances</b>		\$ 97,147	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

\* Expenditures exceeded appropriations at the legal level of control.

**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**REVENUE RECYCLING**  
**For the Year Ended September 30, 2023**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Charges for services	\$ 500	\$ -	\$ (500)
<b>Total Revenues</b>	500	-	(500)
 <b><u>Expenditures</u></b>			
Community development	500	211	289
<b>Total Expenditures</b>	500	211	289
<b>Revenues Over (Under) Expenditures</b>	-	(211)	(211)
<b>Net Change in Fund Balances</b>	\$ -	(211)	\$ (211)
Beginning fund balances		3,261	
<b>Ending Fund Balances</b>		\$ 3,050	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**ANIMAL SHELTER**  
**For the Year Ended September 30, 2023**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Donations	\$ 3,000	\$ 3,591	\$ 591
Investment income	-	42,957	42,957
<b>Total Revenues</b>	<u>3,000</u>	<u>46,548</u>	<u>43,548</u>
<b><u>Expenditures</u></b>			
General government	3,000	-	3,000
Debt service:			
Bond issuance costs	-	60,184	(60,184)
<b>Total Expenditures</b>	<u>3,000</u>	<u>60,184</u>	<u>(57,184) *</u>
<b>Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(13,636)</u>	<u>(13,636)</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Debt issuances	-	1,878,000	1,878,000
Premium on bond issued	-	184,819	184,819
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>2,062,819</u>	<u>2,062,819</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>2,049,183</u>	<u>\$ 2,049,183</u>
Beginning fund balances		25,388	
<b>Ending Fund Balances</b>		<u>\$ 2,074,571</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

\* Expenditures exceeded appropriations at the legal level of control.

**City of Seagoville, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**STORM WATER REVENUE**  
**For the Year Ended September 30, 2023**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Charges for services	\$ 238,665	\$ 301,837	\$ 63,172
<b>Total Revenues</b>	238,665	301,837	63,172
 <b><u>Expenditures</u></b>			
General government	1,200	100	1,100
Community development	36,460	229,956	(193,496)
<b>Total Expenditures</b>	37,660	230,056	(192,396) *
<b>Revenues Over (Under) Expenditures</b>	201,005	71,781	(129,224)
 <b><u>Other Financing Sources (Uses)</u></b>			
Transfers (out)	(27,600)	(27,600)	-
<b>Total Other Financing Sources (Uses)</b>	(27,600)	(27,600)	-
<b>Net Change in Fund Balances</b>	\$ 173,405	44,181	\$ (129,224)
Beginning fund balances		195,086	
<b>Ending Fund Balances</b>		\$ 239,267	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

\* Expenditures exceeded appropriations at the legal level of control.

## STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	108
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	119
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	124
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	129
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	132
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

# City of Seagoville, Texas

## NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2014	2015	2016	2017
<b>Governmental activities</b>				
Net investment in capital assets	\$ 12,952,871	\$ 14,812,747	\$ 15,422,815	\$ 15,662,438
Restricted for debt service	4,135	8,671	125,548	13,581
Unrestricted	2,793,280	2,496,008	2,932,761	3,156,302
Restricted for other	87,062	186,933	6,974	1,507,631
<b>Total governmental activities net position</b>	<b>\$ 15,837,348</b>	<b>\$ 17,504,359</b>	<b>\$ 18,488,098</b>	<b>\$ 20,339,952</b>
 <b>Business-type activities</b>				
Net investment in capital assets	\$ 11,066,442	\$ 10,929,761	\$ 9,840,057	\$ 9,991,422
Restricted for debt service	40,297	30,262	31,263	32,501
Unrestricted	3,271,565	755,535	2,301,078	3,925,047
Restricted for other	-	2,587,737	1,718,468	-
<b>Total business-type activities net position</b>	<b>\$ 14,378,304</b>	<b>\$ 14,303,295</b>	<b>\$ 13,890,866</b>	<b>\$ 13,948,970</b>
 <b>Primary government</b>				
Net investment in capital assets	\$ 24,019,313	\$ 25,742,508	\$ 25,262,872	\$ 25,653,860
Restricted for debt service	44,432	38,933	156,811	46,082
Unrestricted	6,064,845	3,251,543	5,233,839	7,081,349
Restricted for other	87,062	2,774,670	1,725,442	1,507,631
	<b>\$ 30,215,652</b>	<b>\$ 31,807,654</b>	<b>\$ 32,378,964</b>	<b>\$ 34,288,922</b>

(1) Accrual basis of accounting

**NOTES:**

The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 17,007,443	\$ 10,257,309	\$ 17,371,025	\$ 16,632,512	\$ 16,357,948	\$ 16,892,551
46,491	96,367	89,419	145,170	111,004	87,141
2,210,368	2,645,982	(317,583)	4,630,797	7,352,120	10,063,477
1,120,351	6,238,474	3,505,327	623,935	1,057,235	647,586
<u>\$ 20,384,653</u>	<u>\$ 19,238,132</u>	<u>\$ 20,648,188</u>	<u>\$ 22,032,414</u>	<u>\$ 24,878,307</u>	<u>\$ 27,690,755</u>
\$ 9,312,409	\$ 10,445,729	\$ 11,791,104	\$ 11,566,788	\$ 12,226,997	\$ 13,007,183
39,468	41,512	42,850	42,850	203,979	205,526
6,233,537	7,328,456	7,441,837	7,973,944	7,595,393	8,157,215
-	-	-	-	-	-
<u>\$ 15,585,414</u>	<u>\$ 17,815,697</u>	<u>\$ 19,275,791</u>	<u>\$ 19,583,582</u>	<u>\$ 20,026,369</u>	<u>\$ 21,369,924</u>
\$ 26,319,852	\$ 20,703,038	\$ 29,162,129	\$ 28,199,300	\$ 28,584,945	\$ 29,899,734
85,959	137,879	132,269	188,020	314,983	292,667
8,443,905	9,974,438	7,124,254	12,604,741	14,947,513	18,220,692
1,120,351	6,238,474	3,505,327	623,935	1,057,235	647,586
<u>\$ 35,970,067</u>	<u>\$ 37,053,829</u>	<u>\$ 39,923,979</u>	<u>\$ 41,615,996</u>	<u>\$ 44,904,676</u>	<u>\$ 49,060,679</u>

# City of Seagoville, Texas

## CHANGES IN NET POSITION

*Last Ten Fiscal Years*

(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,105,185	\$ 1,158,100	\$ 1,407,576	\$ 1,385,837
Public safety	4,082,494	4,246,256	4,448,824	4,678,197
Community services	1,212,182	1,235,828	1,256,382	1,299,031
Community development	1,287,368	1,375,088	1,449,306	1,712,626
Interest on long-term debt	154,957	90,101	88,089	101,608
<b>Total governmental activities expenses</b>	<u>7,842,186</u>	<u>8,105,373</u>	<u>8,650,177</u>	<u>9,177,299</u>
Business-type activities:				
Water and sewer	4,209,035	4,329,104	4,697,193	4,820,377
<b>Total business-type activities expenses</b>	<u>4,209,035</u>	<u>4,329,104</u>	<u>4,697,193</u>	<u>4,820,377</u>
<b>Total primary government expenses</b>	<u>\$ 12,051,221</u>	<u>\$ 12,434,477</u>	<u>\$ 13,347,370</u>	<u>\$ 13,997,676</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 44,723	\$ 19,199	\$ 62,795	\$ 5,331
Public safety	318,775	239,417	262,729	303,857
Community services	850,564	865,990	919,912	986,948
Community development	255,313	414,202	495,741	597,205
Operat. & capital grants & donations	371,264	686,441	75,127	56,383
<b>Total gov. activities program revenues</b>	<u>1,840,639</u>	<u>2,225,249</u>	<u>1,816,304</u>	<u>1,949,724</u>
Business-type activities:				
Charges for services:				
Water and sewer	4,829,101	5,385,478	5,546,058	6,971,145
<b>Total bus.-type activities program rev.</b>	<u>4,829,101</u>	<u>5,385,478</u>	<u>5,546,058</u>	<u>6,971,145</u>
<b>Total primary gov. program revenues</b>	<u>\$ 6,669,740</u>	<u>\$ 7,610,727</u>	<u>\$ 7,362,362</u>	<u>\$ 8,920,869</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (6,001,547)	\$ (5,880,124)	\$ (6,833,873)	\$ (7,227,575)
Business-type activities	620,066	1,056,374	848,865	2,150,768
<b>Total primary government net expense</b>	<u>\$ (5,381,481)</u>	<u>\$ (4,823,750)</u>	<u>\$ (5,985,008)</u>	<u>\$ (5,076,807)</u>

2018	2019	2020	2021	2022	2023
\$ 1,366,745	\$ 1,504,144	\$ 1,714,327	\$ 1,474,249	\$ 1,765,363	\$ 1,920,906
5,115,392	5,619,528	6,008,960	6,436,005	7,070,451	7,920,766
1,357,762	1,512,315	1,625,838	1,682,464	1,977,435	1,809,612
2,161,485	4,083,023	2,441,669	814,622	2,617,439	3,560,467
300,624	211,932	274,699	240,887	401,922	489,377
<u>10,302,008</u>	<u>12,930,942</u>	<u>12,065,493</u>	<u>10,648,227</u>	<u>13,832,610</u>	<u>15,701,128</u>
5,526,975	5,625,456	5,662,116	7,105,870	7,392,008	7,168,923
<u>5,526,975</u>	<u>5,625,456</u>	<u>5,662,116</u>	<u>7,105,870</u>	<u>7,392,008</u>	<u>7,168,923</u>
<u>\$ 15,828,983</u>	<u>\$ 18,556,398</u>	<u>\$ 17,727,609</u>	<u>\$ 17,754,097</u>	<u>\$ 21,224,618</u>	<u>\$ 22,870,051</u>
\$ 7,152	\$ 21,993	\$ 41,284	\$ -	\$ -	\$ -
320,195	358,185	343,947	419,319	429,774	563,678
1,054,863	1,088,370	1,134,966	1,169,039	1,485,450	1,561,010
618,052	1,276,570	1,223,846	1,160,604	1,613,737	1,326,962
128,605	290,536	623,031	255,662	640,760	261,116
<u>2,128,867</u>	<u>3,035,654</u>	<u>3,367,074</u>	<u>3,004,624</u>	<u>4,169,721</u>	<u>3,712,766</u>
7,511,258	7,435,465	7,442,498	7,759,609	7,959,675	8,671,832
<u>7,511,258</u>	<u>7,435,465</u>	<u>7,442,498</u>	<u>7,759,609</u>	<u>7,959,675</u>	<u>8,671,832</u>
<u>\$ 9,640,125</u>	<u>\$ 10,471,119</u>	<u>\$ 10,809,572</u>	<u>\$ 10,764,233</u>	<u>\$ 12,129,396</u>	<u>\$ 12,384,598</u>
\$ (8,173,141)	\$ (9,895,288)	\$ (8,698,419)	\$ (7,643,603)	\$ (9,662,889)	\$ (11,988,362)
1,984,283	1,810,009	1,780,382	653,739	567,667	1,502,909
<u>\$ (6,188,858)</u>	<u>\$ (8,085,279)</u>	<u>\$ (6,918,037)</u>	<u>\$ (6,989,864)</u>	<u>\$ (9,095,222)</u>	<u>\$ (10,485,453)</u>

**City of Seagoville, Texas**  
**CHANGES IN NET POSITION (Continued)**  
*Last Ten Fiscal Years*  
**(accrual basis of accounting)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 3,222,817	\$ 3,350,955	\$ 3,572,962	\$ 3,899,725
Sales taxes	2,093,769	2,098,855	2,222,971	2,385,475
Franchise and local taxes	660,718	711,433	736,978	665,720
Investment earnings	2,099	2,128	5,305	15,418
Miscellaneous	220,118	1,859,470	-	-
Transfers, net	-	-	1,272,701	2,113,094
Total governmental activities	<u>6,199,521</u>	<u>8,022,841</u>	<u>7,810,917</u>	<u>9,079,432</u>
Business-type activities:				
Investment earnings	-	-	-	-
Miscellaneous	609	2,372	11,407	20,430
Operating & capital grants & donations	41,200	809,663	-	-
Transfers, net	(220,118)	(1,857,098)	(1,272,701)	(2,113,094)
Total business-type activities	<u>(178,309)</u>	<u>(1,045,063)</u>	<u>(1,261,294)</u>	<u>(2,092,664)</u>
Total primary government	<u>\$ 6,021,212</u>	<u>\$ 6,977,778</u>	<u>\$ 6,549,623</u>	<u>\$ 6,986,768</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 197,974	\$ 2,142,717	\$ 977,044	\$ 1,851,857
Business-type activities	441,757	11,311	(412,429)	58,104
Total primary government	<u>\$ 639,731</u>	<u>\$ 2,154,028</u>	<u>\$ 564,615</u>	<u>\$ 1,909,961</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 4,742,501	\$ 4,660,501	\$ 6,043,377	\$ 6,547,068	\$ 7,408,831	\$ 8,696,375
2,544,156	2,909,241	2,960,190	3,388,394	4,050,595	4,194,963
684,983	709,834	685,034	641,184	728,738	788,842
48,329	116,887	67,570	8,686	63,050	624,893
-	-	-	85,283	51,558	130,201
352,304	352,304	352,304	357,214	206,010	365,536
<u>8,372,273</u>	<u>8,748,767</u>	<u>10,108,475</u>	<u>11,027,829</u>	<u>12,508,782</u>	<u>14,800,810</u>
-	-	-	11,266	16,604	116,712
25,523	39,196	32,016	-	64,526	89,470
-	733,382	-	-	-	-
(352,304)	(352,304)	(352,304)	(357,214)	(206,010)	(365,536)
<u>(326,781)</u>	<u>420,274</u>	<u>(320,288)</u>	<u>(345,948)</u>	<u>(124,880)</u>	<u>(159,354)</u>
<u>\$ 8,045,492</u>	<u>\$ 9,169,041</u>	<u>\$ 9,788,187</u>	<u>\$ 10,681,881</u>	<u>\$ 12,383,902</u>	<u>\$ 14,641,456</u>
\$ 199,132	\$ (1,146,521)	\$ 1,410,056	\$ 3,384,226	\$ 2,845,893	\$ 2,812,448
1,657,502	2,230,283	1,460,094	307,791	442,787	1,343,555
<u>\$ 1,856,634</u>	<u>\$ 1,083,762</u>	<u>\$ 2,870,150</u>	<u>\$ 3,692,017</u>	<u>\$ 3,288,680</u>	<u>\$ 4,156,003</u>

**City of Seagoville, Texas**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years (Unaudited)**  
**(modified accrual basis of accounting)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable				
Prepaid items	\$ 46,417	\$ 5,082	\$ -	\$ -
Restricted	46,850	63,204	80,341	1,455,465
Committed	-	2,312	-	-
Assigned	-	2,702,694	82,755	124,755
Unassigned	2,415,417	3,196,967	3,172,548	3,654,589
Total general fund	<u>\$ 2,508,684</u>	<u>\$ 5,970,259</u>	<u>\$ 3,335,644</u>	<u>\$ 5,234,809</u>
All Other Governmental Funds				
Restricted				
Debt service	\$ 11,760	\$ 15,518	\$ 18,775	\$ 19,376
Other	2,335	4,489	-	-
Court improvments	26,642	28,092	31,370	32,980
Public Safety	6,746	4,283	3,774	7,854
Animal Shelter	-	-	-	4,491
Capital projects	4,489	-	-	-
Tourism	-	-	-	-
Committed	129,052	133,764	165,386	207,395
Assigned				
Workforce development	1,436	971	2,231	1,716
Police operations	6,221	10,860	8,782	6,841
Community services	11,374	10,439	11,093	10,141
Special revenue funds	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 200,055</u>	<u>\$ 208,416</u>	<u>\$ 241,411</u>	<u>\$ 290,794</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 37,870	\$ 30,627	\$ 27,327	\$ 610,955	\$ 67,054	\$ 12,365
-	-	-	234,613	117,489	124,081
553,877	574,446	308,539	309,050	-	-
-	-	-	-	54,454	498,964
4,451,131	5,103,853	6,673,086	5,147,093	8,254,744	10,363,838
<u>\$ 5,042,878</u>	<u>\$ 5,708,926</u>	<u>\$ 7,008,952</u>	<u>\$ 6,301,711</u>	<u>\$ 8,493,741</u>	<u>\$ 10,999,248</u>
\$ 49,154	\$ 98,204	\$ 100,398	\$ 145,170	\$ 111,004	\$ 87,141
-	-	-	-	-	-
36,302	40,943	45,838	57,006	70,418	79,991
5,633	11,438	27,764	10,620	28,616	518,461
4,492	4,494	-	4,499	4,796	8,387
-	6,060,707	3,298,246	6,487,707	5,605,848	8,501,626
-	-	-	-	32,914	40,747
255,047	203,787	363,129	422,830	430,677	471,408
1,941	2,311	2,824	2,824	-	-
7,290	9,972	13,974	17,331	-	-
10,186	10,293	11,998	12,173	-	-
-	-	-	-	36,573	2,082,216
-	(5,006)	463	5,833	-	-
<u>\$ 370,045</u>	<u>\$ 6,437,143</u>	<u>\$ 3,864,634</u>	<u>\$ 7,165,993</u>	<u>\$ 6,320,846</u>	<u>\$ 11,789,977</u>

# City of Seagoville, Texas

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)  
(modified accrual basis of accounting)

	2014	2015	2016	2017
Revenues				
Property taxes	\$ 3,288,831	\$ 3,367,504	\$ 3,612,803	\$ 3,965,362
Sales and other taxes	2,073,358	2,073,505	2,189,064	2,344,995
Franchise and local taxes	660,718	711,433	736,978	665,720
Hotel/motel	20,411	25,350	33,907	40,480
Sanitation collection charges	841,261	857,513	912,035	975,394
Licnses, permits & fees	233,639	459,242	549,315	659,196
Fines and forfeitures	238,956	188,778	206,922	243,402
Intergovernmental	86,579	62,179	63,792	56,383
Investment income	2,099	2,128	5,305	15,418
Miscellaneous revenue	155,519	33,274	72,905	15,349
Total revenues	7,601,371	7,780,906	8,383,026	8,981,699
Expenditures				
Current				
General government	1,071,953	1,146,467	1,331,435	1,322,120
Public safety	3,838,787	4,034,038	4,090,511	4,236,031
Community services	1,210,435	1,237,813	1,239,476	1,276,136
Community development	983,620	1,016,667	1,009,669	1,175,822
Nondepartmental	-	-	-	-
Debt service				
Principal retirement	177,778	185,556	191,043	210,656
Interest and fiscal charges	102,323	93,214	91,044	104,376
Capital outlay	800,309	1,653,652	1,288,897	1,713,037
Total expenditures	8,185,205	9,367,407	9,242,075	10,038,178
Excess (deficiency) of revenues over expenditures	(583,834)	(1,586,501)	(859,049)	(1,056,479)
Other financing sources (uses)				
Lease issuances	-	-	-	-
Bond issuances	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to escrow agent	-	-	-	-
Premium on bonds issued	-	-	-	-
Other debt issuances	(175,000)	-	-	891,933
Transfer from component unit	-	-	-	-
Transfers in	220,118	1,929,014	1,345,301	2,142,035
Transfers (out)	-	(69,544)	(72,600)	(28,941)
Total other financing sources (uses)	45,118	1,859,470	1,272,701	3,005,027
Change in fund balances	\$ (538,716)	\$ 272,969	\$ 413,652	\$ 1,948,548
Debt service as a percentage of noncapital expenditures	3.79%	3.61%	3.55%	3.78%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 4,514,818	\$ 4,868,479	\$ 5,723,915	\$ 6,547,068	\$ 7,345,370	\$ 8,619,941
2,521,508	2,857,273	2,939,337	3,362,024	4,050,595	4,194,963
684,983	709,834	685,034	641,184	674,657	749,934
22,648	51,968	20,853	26,370	54,081	38,908
1,044,430	1,062,684	1,109,135	1,172,952	1,488,230	1,561,010
658,335	1,362,474	1,300,035	1,160,604	1,610,957	1,324,302
254,021	282,441	284,254	419,319	429,774	563,678
128,605	148,111	372,228	3,393,747	351,318	151,575
48,329	116,890	67,570	8,686	63,050	624,893
43,476	37,520	50,616	85,283	341,000	242,402
<u>9,921,153</u>	<u>11,497,674</u>	<u>12,552,977</u>	<u>16,817,237</u>	<u>16,409,032</u>	<u>18,071,606</u>
1,298,398	1,413,640	1,657,283	1,823,780	1,551,888	1,717,253
4,753,697	5,107,457	5,567,663	6,640,865	6,745,644	7,140,241
1,345,164	1,423,949	1,613,152	1,681,154	2,005,919	1,969,787
1,504,129	1,245,643	1,496,516	1,371,462	1,403,560	2,038,851
-	-	-	62,669	131,832	79,715
236,267	251,395	274,654	386,125	578,252	676,374
95,033	208,541	289,242	240,887	386,799	422,175
1,297,153	3,249,785	5,249,789	2,655,679	2,455,282	1,714,777
<u>10,529,841</u>	<u>12,900,410</u>	<u>16,148,299</u>	<u>14,862,621</u>	<u>15,259,176</u>	<u>15,759,173</u>
<u>(608,688)</u>	<u>(1,402,736)</u>	<u>(3,595,322)</u>	<u>1,954,616</u>	<u>1,149,856</u>	<u>2,312,433</u>
-	-	460,020	-	-	-
-	-	-	4,860,471	-	4,695,000
1,741,500	5,885,000	-	-	-	-
(1,718,303)	-	-	-	-	-
-	274,865	-	290,913	-	462,048
-	-	-	-	-	139,621
-	-	250,803	-	-	-
379,904	1,879,571	379,904	4,385,558	290,945	1,018,136
(27,600)	(1,384,842)	(27,600)	(4,028,344)	(84,935)	(652,600)
<u>375,501</u>	<u>6,654,594</u>	<u>1,063,127</u>	<u>5,508,598</u>	<u>206,010</u>	<u>5,662,205</u>
<u>\$ (233,187)</u>	<u>\$ 5,251,858</u>	<u>\$ (2,532,195)</u>	<u>\$ 7,463,214</u>	<u>\$ 1,355,866</u>	<u>\$ 7,974,638</u>
3.59%	4.77%	5.17%	5.14%	7.54%	7.82%

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**City of Seagoville, Texas**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal years**

<b>Fiscal Year</b>	<b>Estimated Market Value</b>		<b>Less: Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
	<b>Real Property</b>	<b>Personal Property</b>			
2014	\$ 470,430,770	\$ 90,998,950	\$ 101,703,420	\$ 459,726,300	0.71380
2015	492,104,240	88,189,240	111,974,100	\$ 468,319,380	0.71381
2016	516,995,730	96,780,990	119,154,800	\$ 494,621,920	0.71300
2017	566,207,930	93,112,010	130,470,292	\$ 528,849,648	0.74380
2018	604,146,080	129,726,330	129,123,650	\$ 604,748,760	0.74380
2019	804,383,720	111,267,290	201,806,263	\$ 713,844,747	0.78880
2020	884,254,428	116,407,530	217,721,191	\$ 782,940,767	0.78880
2021	891,047,380	116,775,690	223,925,895	\$ 783,897,175	0.78880
2022	1,026,733,283	126,596,072	232,545,727	\$ 920,783,628	0.78880
2023	1,316,110,944	123,186,443	319,638,804	\$ 1,119,658,583	0.75269

Source: City of Seagoville Budget Document  
Dallas County Central Appraisal District Certified Roll (excludes protested values)

**City of Seagoville, Texas**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**PER \$100 OF ASSESSED VALUE**  
**Last Ten Fiscal years**

Fiscal Year	City Direct Rates			Overlapping Rates			
	General Fund	Debt Service	Total	Dallas ISD	Dallas County School Equalization	Dallas County Community College	Dallas County
2014	0.692955	0.020839	0.7138	1.282085	0.010000	0.124700	0.243100
2015	0.693095	0.020705	0.7138	1.282085	0.010000	0.124775	0.243100
2016	0.675800	0.038000	0.7138	1.282085	0.010000	0.123650	0.243100
2017	0.707498	0.036302	0.7438	1.282085	0.010000	0.122933	0.243100
2018	0.707498	0.036302	0.7438	1.282085	0.010000	0.124238	0.243100
2019	0.707498	0.036302	0.7438	1.412035	0.010000	0.012400	0.243100
2020	0.720500	0.068300	0.7888	1.310385	0.010000	0.124000	0.243100
2021	0.720500	0.068300	0.7888	1.296735	0.010000	0.124000	0.239740
2022	0.700050	0.088750	0.7888	1.248235	0.010000	0.123510	0.227946
2023	0.678272	0.074415	0.7527	1.184935	0.010000	0.115899	0.217946

Source: Dallas County Appraisal District Ad Valorem Rates

**Overlapping Rates**

<b>Dallas County</b>	
<b>Hospital</b>	
<b>District</b>	<b>Total</b>
0.276000	1.9359
0.286000	1.9460
0.286000	1.9448
0.279400	1.9375
0.279400	1.9388
0.279400	1.9569
0.269500	1.9570
0.266100	1.9366
0.255000	1.8647
0.235800	1.7646

**City of Seagoville, Texas**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year and Ten Years Ago (Unaudited)**

**2023**

<b>Taxpayer</b>	<b>Taxable Assessed Valuation</b>	<b>Percentage of Total City Taxable Assessed Valuation</b>
OREILLY AUTO ENTERPRISES LLC	\$ 45,216,750	4.04%
YES COMMUNITIES	28,867,490	2.58%
ONCOR ELECTRIC DELIVERY CO	18,335,371	1.64%
WALMART STORES INC	17,889,660	1.60%
SEAGOVILLE CP LLC	9,744,000	0.87%
EQUITY DEVELOPMENT CORP	7,550,220	0.67%
VILLAS OF SEAGOVILLE LP	6,100,000	0.54%
SEAGOVILLE SELF STORAGE LP	5,244,430	0.47%
TSCA 202 LTD PARTNERSHIP	4,960,000	0.44%
QUALITY TRAILER PRODUCTS LLC	5,853,510	0.52%
	<b>\$ 149,761,431</b>	<b>13.38%</b>

**2014**

<b>Taxpayer</b>	<b>Taxable Assessed Valuation</b>	<b>Percentage of Total City Taxable Assessed Valuation</b>
OREILLY AUTOMOTIVE INC	\$ 41,560,170	9.04%
WALMART STORES INC	16,700,620	3.63%
ONCOR ELECTRIC DELIVERY CO	10,928,410	2.38%
YES COMPANIES EXP2 LLC	9,896,640	2.15%
TSCA 202 LTD PARTNERSHIP	4,700,000	1.02%
ROUND HILL LTDS PS	3,231,170	0.70%
VILLAS OF SEAGOVILLE LP	2,947,370	0.64%
FGG RETAIL PORTFOLIO II	2,650,000	0.58%
AT&T CORP	2,537,410	0.55%
EQUITY DEVELOPMENT CORP	2,516,600	0.55%
	<b>\$ 97,668,390</b>	<b>21.24%</b>

SOURCE: Tax Office

**City of Seagoville, Texas**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten fiscal years**

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy	Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 3,284,856		\$ 3,216,234	97.91%	\$ 57,684	\$ 3,273,918	99.67%
2015	3,346,296		3,265,886	97.60%	67,193	3,333,079	99.61%
2016	3,534,651		3,423,069	96.84%	109,609	3,532,678	99.94%
2017	3,938,165		3,845,764	97.65%	68,480	3,914,244	99.39%
2018	4,522,247		4,272,029	94.47%	225,583	4,497,612	99.46%
2019	5,093,161		5,035,626	98.87%	19,818	5,055,444	99.26%
2020	5,601,837		5,435,243	97.03%	106,135	5,541,378	98.92%
2021	6,183,092		6,076,610	98.28%	69,582	6,146,192	99.40%
2022	7,340,753		7,202,143	98.11%	75,938	7,278,081	99.15%
2023	8,666,169		8,471,195	97.75%	-	8,471,195	97.75%

Source: Tax Office

**City of Seagoville, Texas**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government
	Certificates of Obligation	Notes & Subscription Payables	Water and Sewer Tax and Revenue Bonds	Notes & Subscription Payables	
2014	\$ 2,031,587	\$ -	\$ 3,089,887	\$ -	\$ 5,121,474
2015	1,843,696	-	6,836,040	-	8,679,736
2016	1,825,319	-	6,519,807	-	8,345,126
2017	2,504,262	-	6,196,350	-	8,700,612
2018	1,656,000	843,913	5,672,302	-	8,172,215
2019	7,652,640	750,018	5,313,969	-	13,716,627
2020	7,416,896	1,157,382	4,945,138	1,822,500	15,341,916
2021	12,397,566	1,082,757	4,565,808	1,228,466	19,274,597
2022	11,867,777	1,006,005	4,181,477	620,583	17,675,842
2023	16,425,536	1,040,252	3,786,646	32,726	21,285,160

NOTE: Details regarding the City's outstanding debt can be found in the notes to financial statements.

<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2.0%	338
3.9%	564
3.4%	536
4.1%	547
3.5%	505
5.8%	807
6.2%	898
7.3%	1,119
5.9%	903
5.7%	1,065

**City of Seagoville, Texas**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

Fiscal Year	Certificates of Obligation	a Percentage of Actual Taxable Value of Property	b Per Capita
2014	\$ 2,031,587	0.44%	\$ 134
2015	1,843,696	0.39%	120
2016	1,825,319	0.37%	117
2017	2,504,262	0.47%	158
2018	1,656,000	0.27%	102
2019	7,652,640	1.07%	450
2020	7,416,896	0.95%	434
2021	12,397,566	1.58%	719
2022	11,867,777	1.29%	606
2023	16,425,536	1.47%	822

**Note:** <sup>a</sup> Property values are from table 5.

<sup>b</sup> Populations are from table 13.

# City of Seagoville, Texas

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2023 (Unaudited)

	Governmental Debt	Percentage Applicable to City	Amount Applicable to City
Direct Debt:			
City of Seagoville	\$ 17,465,788	100.00%	\$ 17,465,788
Overlapping Debt:			
Crandall ISD	\$ 240,550,000	0.37%	\$ 890,035
Dallas County	217,675,000	0.32%	696,560
Dallas County Community College Distric	543,495,000	0.32%	1,739,184
Dallas County Hospital District	375,515,000	0.32%	1,201,648
Dallas ISD	3,794,285,000	0.57%	21,627,425
Kaufman County	180,050,000	0.05%	90,025
Mesquite ISD	684,841,377	1.38%	9,450,811
Total Overlapping Debt	6,036,411,377		35,695,688
Total	\$ 6,053,877,165		\$ 53,161,476

NOTES: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Seagoville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying debt, of each overlapping government.

SOURCE: Municipal Advisory Council of Texas

# City of Seagoville, Texas

## *PLEDGED-REVENUE COVERAGE*

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Annual Debt Service Requirements</u>	<u>Times Debt Coverage</u>
2014	4,829,101	3,964,199	\$ 864,902	250,800	3.45
2015	5,385,478	3,972,890	\$ 1,412,588	451,667	3.13
2016	5,546,058	4,465,109	\$ 1,080,949	450,891	2.40
2017	6,971,145	4,628,369	\$ 2,342,776	450,269	5.20
2018	7,511,258	5,505,685	\$ 2,005,573	406,563	4.93
2019	7,435,465	5,487,978	\$ 1,947,487	387,402	5.03
2020	7,442,498	5,507,839	\$ 1,934,659	368,150	5.26
2021	7,740,442	6,919,404	\$ 821,038	368,500	2.23
2022	8,040,805	6,441,588	\$ 1,599,217	373,500	4.28
2023	8,878,014	6,218,845	\$ 2,659,169	384,000	6.92

NOTES: Details regarding the City's outstanding debt can be found in the notes to financial statements.

"Gross Revenue" as used herein refers to all operating revenues and all interest income of the Water and Wastewater Funds. "Direct Operating Expenses" is defined as all operating expenses of the Water and Wastewater Funds (which does not include capital outlay or interest expense) less depreciation.

**City of Seagoville, Texas**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years (Unaudited)**

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(1) Total Households</b>	<b>(2) Per Household Personal Income</b>	<b>Total Personal Income</b>
2014	15,130	5,612	46,049	258,426,988
2015	15,390	4,192	52,909	221,794,528
2016	15,580	4,445	55,751	247,813,195
2017	15,900	4,918	43,641	214,626,438
2018	16,180	5,020	46,064	231,241,280
2019	17,001	4,735	49,796	235,784,060
2020	17,084	4,770	52,266	249,308,820
2021	17,232	4,766	55,409	264,079,294
2022	19,580	4,967	59,950	297,771,650
2023	19,980	5,933	63,386	376,069,138

SOURCES: (1) Total Households provided by Census

(2) U.S. Per Household Income provided by Census

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# City of Seagoville, Texas

## PRINCIPAL EMPLOYERS

### Current Year and Ten Years Ago

2023

Employer	Employees	Percentage of Total City Employment
O'Reilly Auto Parts	603	7.81%
Walmart	440	5.70%
Federal Correctional Institute	293	3.80%
Heartland Express	101	1.31%
City Of Seagoville	120	1.56%
Precision Hayes International	110	1.43%
Beacon Industries	56	0.73%
Super One	61	0.79%
Seagoville North Elem.	75	0.97%
Seagoville Elem.	60	0.78%
	<u>1,919</u>	<u>24.88%</u>

2014

Employer	Employees	Percentage of Total City Employment
Hi Lo Auto. / O'Reilly	450	8.05%
Walmart	450	8.05%
Federal Correctional Institute	350	6.26%
Green Forest	80	1.43%
Brookshires Food Stores	75	1.34%
City of Seagoville	70	1.25%
Seago Manor Nursing Center	60	1.07%
Shar Trucking	60	1.07%
Rockwell American Mfg. Co.	55	0.98%
Beacon Industries	48	0.86%
	<u>1,698</u>	<u>30.36%</u>

SOURCE: Top ten employers and employee count provided by Seagoville Economic Development Corporation.

# City of Seagoville, Texas

## FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	6.00	6.00	6.00	6.00
Public safety	53.00	56.00	56.75	53.00
Community services	8.00	8.00	7.58	5.00
Community Development	4.00	5.00	9.00	11.00
Water and Sewer	16.00	16.00	14.00	14.00
Total	<u>87.00</u>	<u>91.00</u>	<u>93.33</u>	<u>89.00</u>

Source: City records.

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
6.00	6.00	6.00	6.00	7.00	7.00
59.55	66.25	66.65	71.65	75.90	76.65
7.58	7.58	7.89	7.89	7.39	7.89
12.00	14.00	14.00	16.00	16.50	16.50
14.00	14.00	14.00	14.00	17.50	17.50
<b>99.13</b>	<b>107.83</b>	<b>108.54</b>	<b>115.54</b>	<b>124.29</b>	<b>125.54</b>

**City of Seagoville, Texas**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Public safety				
Police				
Stations	1	1	1	1
Police personnel	24	24	24	23
Arrests	675	725	529	443
Traffice violations	1,900	1,700	1,536	2,047
Fire				
Stations	1	1	1	1
Fire personnel	20	20	20	19
Calls answered	2,600	2,600	2,698	1,356
Developmental				
Streets (miles)	NA	85	85	85
Culture and recreation				
Park acres maintained	NA	106	106	106
Sneior center meals served	NA	11,200	11,050	9,724
Water				
Water connections	3,982	3,998	4,620	4,223
Average daily consumption (gallons)	2,144,484	1,359,690	2,074,537	1,522,276
Sewer				
Sewer connections	3,689	3,707	4,299	4,033

Source: City records.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1	1	1	2	2	2
25	28	28	30	28	28
452	550	324	400	320	360
1,863	2,200	70	1,840	1,500	1,248
1	1	1	2	2	2
21	26	25	25	25	25
1,491	2,700	2,557	3,000	3,000	3,500
85	85	85	85	85	85
106	106	106	106	106	106
10,008	10,100	28,341	11,000	11,000	15,550
4371	4537	4,822	5,354	5,532	5,617
1,466,064	1,422,032	1,730,000	1,609,750	1,799,703	1,782,447
4,076	4237	4,509	4,996	5,165	5,244

**City of Seagoville, Texas**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Public safety				
Police				
Stations	1	1	1	1
Patrol units	11	11	11	11
Fire stations	1	1	1	1
Development services				
Streets (miles)	116	116	116	116
Culture and recreation				
Parks	7	7	7	7
Acreage	93	93	93	93
Baseball/softball diamonds	1	1	1	1
Tennis courts	2	2	2	2
Basketball courts	1	1	1	1
Senior center	1	1	1	1
Library	1	1	1	1
Items circulated	29,487	31,912	30,090	27,476

Source: City records.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1	1	1	2	2	2
10	10	11	14	12	5
1	1	1	2	2	2
116	116	116	116	116	116
7	7	7	8	8	8
106	106	106	106	106	106
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
32,595	33,365	22,589	14,018	13,752	15,550



TO: Mayor and City Council  
FROM: Sara Egan, City Secretary  
DATE: April 1, 2024  
ITEM: 10  
DESCRIPTION: Consider approving the City Council meeting minutes: March 18, 2024.

---

**RECOMMENDATION**

Recommend approval of the meeting minutes.

**ATTACHMENTS**

1. March 18, 2024 Minutes



# City of Seagoville

## Meeting Minutes

### City Council

City Hall  
702 N. Hwy 175  
Seagoville, Texas 75159

Monday, March 18, 2024

6:30 PM

Council Chambers

Present: Mayor Lackey Sebastian, Mayor Pro Tem Harold Magill, Councilmember Jose Hernandez, Councilmember Rick Howard, Councilmember Allen Grimes, and Councilmember Jon Epps

Also present were City Manager Patrick Stallings, City Attorney David Berman, and City Secretary Sara Egan.

The City Council of the City of Seagoville met in a Regular Called Meeting on Monday, March 18, 2024, at 6:30 p.m. in the City Council Chambers of City Hall, 702 N. Hwy 175, Seagoville, Texas.

#### **WORK SESSION – 6:30 PM**

##### **1. Call to Order**

Mayor Sebastian called the Work Session to order at 6:30 p.m. The order of items was re-arranged as follows.

##### **3. Discuss Regular Session agenda items.**

There were no questions on the consent agenda.

Bracewell Legal Counsel Julie Partain briefed City Council on the items 12-15.

Hilltop Securities Managing Director Jason Hughes reviewed the pricing summary for the Santorini PID for Improvement Area #1 and Major Improvement Area.

Assistant City Manager Cindy Brown briefed City Council on item 16.

##### **2. Receive a presentation regarding the Dallas County Inland Port Flood Planning Study.**

Dallas County Engineer and Floodplain Manager Lissa Shepard and APM Professional Engineer Ron O'Connell provided a presentation regarding the study. The purpose of the study is to minimize loss, determine an approach to flooding, and submit projects to the State for funding.

##### **4. Adjourn**

There being no further business before the City Council the Work Session was adjourned at 7:13 p.m. with a 10 minute break.

#### **REGULAR SESSION – 7:00 PM**

##### **5. Call to Order**

Mayor Sebastian called the Work Session to order at 7:23 p.m.

##### **6. Invocation**

Mayor Pro Tem Magill led the invocation.

##### **7. Pledge of Allegiance**

City Council led the pledge of allegiance.

##### **8. Mayor's Report**

- New shopping center is under construction behind American National Bank.
- Construction of walkways and pickleball courts at Central Park are moving along.
- Presented a Proclamation to Theo Hamilton for Surveyors Week.

**9. Present a Certificate of Recognition**

Mayor presented a Certificate of Recognition to the City Manager Patrick Stallings.

**10. Citizen's Comments**

There were no speakers.

**Consent Agenda**

Mayor Pro Tem Magill made a motion to approve Consent Agenda Item 11, seconded by Councilmember Grimes. The motion passed by a unanimous vote (5/0).

**11. Consider approving the City Council meeting minutes: March 4, 2024****Public Hearing****12. Conduct a public hearing on the levy of assessments within the Santorini Public Improvement District**

Mayor Sebastian opened the public hearing at 7:29 p.m.

Mayor Sebastian invited members of the public to speak. No one spoke in favor or against.

Mayor Sebastian closed the public hearing at 7:30 p.m.

**Regular Agenda****13. Discuss and consider an Ordinance approving a Service and Assessment Plan and Assessment Roll for authorized improvements for the Santorini Public Improvement District; making a finding of special benefit to certain property in the district; levying assessments against certain property within the district and establishing a lien on such property; providing for payment of the assessment in accordance with Chapter 372, Texas Local Government Code, as amended; providing for severability and providing an effective date.**

Councilmember Howard made a motion to approve item 13, seconded by Councilmember Grimes. The motion passed by a unanimous vote (5/0).

Ordinance No. 2024-05

**14. Discuss and consider an Ordinance approving and authorizing the issuance and sale of the City of Seagoville, Texas Special Assessment Revenue Bonds, Series 2024 (Santorini Public Improvement District Improvement Area #1 Project) in an approximate aggregate principal of \$17,999,000; approving and authorizing an Indenture of Trust, a Bond Purchase Agreement, a Limited Offering Memorandum, a Continuing Disclosure Agreement, a Bond Counsel Engagement Letter, and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date.**

Councilmember Epps made a motion to approve item 14, seconded by Mayor Pro Tem Magill. The motion passed by a unanimous vote (5/0).

Ordinance No. 2024-06

**15. Discuss and consider an Ordinance approving and authorizing the issuance and sale of the City of Seagoville, Texas Special Assessment Revenue Bonds, Series 2024 (Santorini Public Improvement District Major Improvement Area Project) in an approximate aggregate principal of \$15,873,000; approving and authorizing an Indenture of Trust, a Bond Purchase Agreement, a Limited Offering Memorandum, a Continuing Disclosure Agreement, and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date.**

Mayor Pro Tem made a motion to approve item 15, seconded by Councilmember Grimes. The motion passed by a unanimous vote (5/0).

Ordinance No. 2024-07

**16. Discuss and consider an Ordinance amending the Code of Ordinances, to Amend Division 2 (“Property Tax”) of Article 1.06 (“Taxation”) of Chapter 1 (“General Provisions”), to adopt Section 1.06.024, adopting an exemption from Ad Valorem Taxation Assessed by the City of a part of the Appraised Value of Real Property Used as Qualifying Child-Care Facilities.**

Councilmember Epps made a motion to approve item 16 at a 50% tax exemption rate, no one seconded. The motion failed due to lack of second.

**17. Items of community interest and councilmember reports.**

Councilmember Grimes commended the Police Department.

Councilmember Epps complimented staff for the efforts to promote economic growth.

**18. Discuss future agenda items.**

There were no future agenda items requested.

**19. Adjourn**

There being no further business before the City Council, the meeting was adjourned at 7:37 p.m.

APPROVED:

ATTEST:

\_\_\_\_\_  
Lackey Stepper Sebastian, Mayor

\_\_\_\_\_  
Sara Egan, City Secretary



TO: Mayor and City Council  
FROM: Chris Ryan, Director of Public Works  
DATE: April 1, 2024  
ITEM: 11  
DESCRIPTION: Consider a Resolution approving an agreement for consulting services on a water and wastewater cost of service and rate design study update with NewGen Strategies and Solutions, LLC.; in an amount not to exceed \$15,000.00; authorizing the City Manager to execute any and all necessary documents.

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### **INTRODUCTION**

The purpose of this item is to provide a water and wastewater cost of service and rate design study update.

### **BACKGROUND**

Staff obtained an agreement from NewGen Strategies and Solutions, LLC. for the purpose of providing a water and wastewater cost of service and rate design study update. The study will provide an update to year 2 of our five-year forecast of water and wastewater revenue requirements and accompanying rate scenarios which will meet the City's revenue recovery objectives. NewGen will examine the utility's capital requirements for both planned development and replacement needs in suggesting rates sufficient to provide continuous and adequate service to the City's utility customer.

### **FINANCIAL IMPACT**

FY2024 Water/ Sewer Budget.

### **RECOMMENDATION**

Staff recommends approval.

### **ATTACHMENTS**

1. Resolution
2. Exhibit A, Proposed Scope of Work and Fee

**THE CITY OF SEAGOVILLE, TEXAS**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS APPROVING AN AGREEMENT FOR CONSULTING SERVICES ON A WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY UPDATE WITH NEWGEN STRATEGIES AND SOLUTIONS, LLC.; IN AN AMOUNT NOT TO EXCEED FIFTEEN THOUSAND DOLLARS AND ZERO CENTS (\$15,000.00); AUTHORIZING THE CITY MANAGER EXECUTE ANY AND ALL NECESSARY DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council for the City of Seagoville, Texas desires to enter into an Agreement for the purpose of providing a water and wastewater cost of service and rate design study update; and,

**WHEREAS**, NewGen Strategies and Solutions, LLC. has provided a proposal for the purpose of providing a water and wastewater cost of service and rate design study update for compensation in the amount not to exceed \$15,000.00 and on the terms and conditions set forth in Exhibit “A” attached hereto (the “Agreement”); and,

**WHEREAS**, the City Council for the City of Seagoville, Texas has reviewed the Agreement and has determined it to be in the best interest of the City of Seagoville to enter into said agreement.

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

**SECTION 1.** The City Council hereby approves the agreement attached hereto as Exhibit A, with NewGen Strategies and Solutions, LLC. Under the terms and conditions of which NewGen Strategies and Solutions, LLC will provide a water and wastewater cost of service and rate design study update in the amount not to exceed \$15,000.00 is approved, and the City Manager is authorized to execute the same on behalf of the City.

**SECTION 2.** That any prior Resolutions of the City Council of the City of Seagoville, Texas, in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

**SECTION 3.** That if any article, paragraph, subdivision, clause or provision of this Resolution, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgement or holding shall not affect the validity of this Resolution as a whole or any part or provision thereof, as amended hereby, other than the part so declared to be invalid or unconstitutional.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Seagoville, Texas, and it is

accordingly resolved.

**DULY PASSED** by the City Council of the City of Seagoville, Texas, on the 1<sup>st</sup> day of April, 2024.

**APPROVED:**

\_\_\_\_\_  
Lackey Stepper Sebastian, Mayor

**ATTEST:**

\_\_\_\_\_  
Sara Egan, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David Berman, City Attorney



275 W. Campbell Rd.  
Suite 440  
Richardson, TX 75080  
Phone: (972) 680-2000

February 28, 2024

Mr. Chris Ryan  
Water Utilities Director  
City of Seagoville, TX  
702 North Highway 175  
Seagoville, TX 75159

Re: **Open Services Agreement – Water and Sewer Rate Projection for FY 2025**

Dear Mr. Ryan:

Based on our conversations, it is our understanding that the City of Seagoville, Texas (City) is interested in engaging NewGen Strategies and Solutions, LLC (NewGen) to assist the City with updating the Water and Sewer Rate Analysis Study (Study) previously conducted by our Project Team. As part of this engagement, NewGen will assist the City as requested and directed by the City Manager or other designated City staff.

This open services agreement is meant to simplify the administration of our consulting services and allow NewGen to work on an “on-call” basis with the City and provide services as may be requested.

This assistance may include, but is not limited to, the following:

- Updating the previously prepared water and sewer model reflective of budgeted expenses in Fiscal Year (FY) 2025;
- Prepare a projection of expenses for a five-year period inclusive of FY 2025 and beyond;
- Determine the adequacy of current water and sewer fees as compared to projected expenses and develop recommendations for fee adjustment;
- Preparing a regional comparison of water and sewer charges to determine the City’s overall competitive position;
- Prepare presentation materials for the City Council detailing the analysis conducted and results of the Project Team’s work;
- Participation and/or presentation in meetings with customers, decision-makers, and/or key stakeholders as may be requested; and
- Other services as may be requested.

As services are requested and performed, NewGen will invoice the City on a monthly basis for actual hours worked at our then applicable hourly billing rates, plus out of pocket expenses incurred at cost.

Costs incurred by NewGen under this agreement, inclusive of out-of-pocket expenses will not exceed \$15,000 without prior written authorization of the City. NewGen shall not be required to furnish services or incur expenses above \$15,000 without prior written authorization and additional funding committed by the City. This agreement is subject to cancellation by the City with thirty (30) days prior written notice provided to NewGen. In the event of cancellation, all labor and expense charges incurred by NewGen

Mr. Chris Ryan  
February 28, 2024  
Page 2

through the date of cancellation will be considered due at the time notice of cancellation is delivered, regardless of work product and/or engagement status.

NewGen’s hourly billing rates, effective through December 31, 2024, are as follows:

NewGen Strategies and Solutions 2024 Billing Rates	
Position	Hourly Billing Rate
Partner	\$265 – \$405
Principal	\$250 – \$405
Senior Manager	\$225 – \$280
Manager	\$195 – \$235
Senior Consultant	\$170 – \$195
Consultant	\$160 – \$170
Administrative Services	\$130

Note: Billing rates are subject to change based on annual reviews and salary increases.

All payments made under this engagement should be remitted to:

NewGen Strategies and Solutions, LLC  
275 W. Campbell Rd. Suite 440  
Richardson, Texas 75080

By executing this letter, you agree that the services rendered by NewGen will be performed in accordance with instructions or specifications received by the City and will be provided with the degree of skill and judgment exercised by recognized professionals performing services of similar nature and consistent with the applicable industry best practices.

If this letter and its terms and conditions are acceptable, please execute via DocuSign or physically and return via email or mail to our Richardson, Texas office. If you should have any questions regarding this letter and/or require additional information, please contact Chris Ekrut at (972) 232-2234.

Very truly yours,

DocuSigned by:  


FB62F346CFA8440...  
Chris D. Ekrut  
Chief Financial Officer  
NewGen Strategies and Solutions

Mr. Chris Ryan  
February 28, 2024  
Page 3

**City of Seagoville, Texas (\$15,000 Open Services)**

Accepted By: \_\_\_\_\_ Title: \_\_\_\_\_  
(Signature)

Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_



TO: Mayor and City Council  
FROM: Chris Ryan, Director of Public Works  
DATE: April 1, 2024  
ITEM: 12  
DESCRIPTION: Consider a Resolution approving a professional services contract with Pipeline Analysis, LLC, for the purpose of performing various field tests and inspections of the wastewater collection system within the Highway 175 Lift station service area, preparing final reports containing recommended system repairs and the estimated costs associated with reducing wet weather inflow and infiltration in an amount not to exceed ninety-nine thousand one hundred forty-five dollars and zero cents (\$99,145.00); authorizing the City Manager to execute any and all necessary documents.

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## **INTRODUCTION**

The purpose of this item is to provide staff with a plan to reduce I & I and SSO's.

## **BACKGROUND**

This proposed Professional Services Contract is intended to ensure the City's commitment and adherence to the EPA's Capacity Management and Overflow Maintenance (CMOM) guidelines which requires the inspection of ten percent (10%) of the City's sanitary sewer lines per year.

It will address an area of our sanitary sewer system that is served in the Bowers Road Lift Station Service Area and will assist in reducing inflow and infiltration (I & I) issues. If approved, the contractor will perform tasks that will assist the City in developing a long-term plan to reduce and hopefully eliminate sanitary sewer overflows (SSO's) in the area identified in this contract.

## **FINANCIAL IMPACT**

FY2024 Sewer Budget.

## **RECOMMENDATION**

Approval of this contract will assist Staff in mapping out a plan to address the aforementioned issues over the coming years, and it will help Staff in planning future budget requests directed at reducing I & I and SSO's in the identified area.

## **ATTACHMENTS**

1. Resolution
2. Exhibit A, Proposed Scope of Work and Fee

**THE CITY OF SEAGOVILLE, TEXAS**

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, APPROVING A PROFESSIONAL SERVICES CONTRACT WITH PIPELINE ANALYSIS, LLC, FOR THE PURPOSE OF PERFORMING VARIOUS FIELD TESTS AND INSPECTIONS OF THE WASTEWATER COLLECTION SYSTEM WITHIN THE HIGHWAY 175 LIFT STATION SERVICE AREA, PREPARING FINAL REPORTS CONTAINING RECOMMENDED SYSTEM REPAIRS AND THE ESTIMATED COSTS ASSOCIATED WITH REDUCING WET WEATHER INFLOW AND INFILTRATION IN AN AMOUNT NOT TO EXCEED NINETY NINE THOUSAND ONE HUNDRED FORTY FIVE DOLLARS AND ZERO CENTS (\$99,145.00), WHICH IS ATTACHED HERETO AND INCORPORATED HEREIN AS ATTACHMENT 1; AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AND ALL NECESSARY DOCUMENTS; PROVIDING FOR A REPEALING CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Pipeline Analysis, LLC (hereinafter “Company”) is an engineering firm performing specialized sewer collection system testing and analysis with 100% of their business being associated with wastewater collection system inspection, testing and analysis; and

**WHEREAS**, the City of Seagoville (“City”) desires to enter into a Professional Services Contract (“Contract”) with Company to perform the services as set forth in Attachment 1 hereto and the Exhibit(s) attached thereto; and

**WHEREAS**, the Contract is intended to ensure the City’s commitment and adherence to the EPA’s Capacity Management and Overflow Maintenance (CMOM) guidelines, which requires the inspection of ten percent (10%) of the City’s sanitary sewer lines per year; and

**WHEREAS**, the City Council hereby finds that it is in the best interest of the City to approve the Contract with the Company in an amount not to exceed Ninety Nine Thousand and One Hundred Forty Five Dollars and Zero cents (\$99,145.00), and authorizes the City Manager to execute the same;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, THAT:**

**SECTION 1.** The City Council approves the Contract, with the Exhibit(s) thereto, by and between the City and Company in an amount not to exceed Ninety-Nine Thousand One Hundred Forty Five Dollars and Zero Cents (\$99,145.00), which is attached hereto and incorporated herein as Attachment A, and hereby authorizes the City Manager to execute said Agreement.

**SECTION 2.** That any prior Resolutions of the City Council of the City of Seagoville, Texas, in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

**SECTION 3.** That if any article, paragraph, subdivision, clause or provision of this Resolution, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgement or holding shall not affect the validity of this Resolution as a whole or any part or provision thereof, as amended hereby, other than the part so declared to be invalid or unconstitutional.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Seagoville, Texas, and it is accordingly resolved.

**DULY PASSED** by the City Council of the City of Seagoville, Texas, on the 1<sup>ST</sup> day of April, 2024.

**APPROVED:**

---

Lackey Stepper Sebastian, Mayor

**ATTEST:**

---

Sara Egan, City Secretary

**APPROVED AS TO FORM:**

---

David Berman, City Attorney

**Professional Services Contract**  
**City of Seagoville, Texas**  
**Sanitary Sewer Evaluation Survey**  
**Highway 175 Service Area**



**March 11, 2024**



**1115 Main Street**  
**Garland, Texas 75040**  
**800-637-0164**  
**TBPE Firm F-6538**

## **CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES**

THIS CONTRACT made and entered into on the date last stated below between the City of Seagoville, hereinafter called "City", acting by and through Patrick Stallings duly authorized to act on behalf of CITY and Pipeline Analysis, LLC hereinafter called "ENGINEER", acting by and through Mattie Engels, P.E. (Project Manager) duly authorized to so act on behalf of the ENGINEER.

WHEREAS, the CITY desires professional engineering services in connection with the Sanitary Sewer Evaluation Survey of a portion of the City of Seagoville, Texas, wastewater system (Highway 175 Service Area) hereinafter called "the PROJECT"; and

WHEREAS, the CITY has determined that the ENGINEER has experience in the area involved in the Project and is qualified to perform the work, and the ENGINEER is willing to enter into a contract with CITY to perform the engineering services desired by CITY in connection with the PROJECT.

THE CITY AND ENGINEER AGREE AS FOLLOWS:

The CITY hereby retains the ENGINEER to perform engineering services in connection with the PROJECT described above.

### **1. SCOPE OF SERVICES**

The scope of Engineering services to be performed by the ENGINEER shall be as follows:

#### **1.1 Approach to Project**

This project will perform various field testing and inspection of the wastewater collection system within the designated study area and prepare a final report that recommend system repairs and estimated costs to reduce wet weather infiltration/inflow.

#### **1.2 Detailed Scope of Services**

See Exhibit B attached.

### **2. CITY'S RESPONSIBILITIES**

So as not to delay the services of ENGINEER, the CITY shall do the following in a timely manner:

**2.1 Provide Existing Data**

CITY will provide to ENGINEER at no cost those sewer maps and any applicable previous reports.

Existing data delivered to the ENGINEER by the CITY remains the property of the CITY and must be returned to the CITY after completion of the PROJECT.

**2.2 Provide Access**

Arrange for access to, and make all provisions for, ENGINEER to perform services under this AGREEMENT.

**2.3 CITY Representative**

CITY designates Chris Ryan as representative to act as the contact person on behalf of the CITY.

Chris Ryan  
 Public Works Director  
 101 N. Watson  
 Seagoville, TX 75159  
 972-287-6823  
[cryan@seagoville.us](mailto:cryan@seagoville.us)

**3. SCHEDULE**

**3.1 Schedule**

The ENGINEER’S services shall be performed in a timely manner consistent with sound professional practices. The ENGINEER will complete the work according to the following schedule, weather permitting:

Task	Description	Month 2024						
		1	2	3	4	5	6	7
100	Mobilization	■						
200	Manhole/Pipe Inspection -(100%)	■	■					
300	Smoke Testing, Public Awareness, Data Entry & Analysis (100%)		■	■				
400	Dye Flooding				■	■		
500	Preparatory Cleaning				■	■		
600	CCTV Inspection				■	■		
700	Admin.,Project Mgt.	■	■	■	■	■	■	■
800	Defect Analysis/Rehab.		■	■	■	■	■	■
900	Database, Cost Estimates, Mapping, Final Reports		■	■	■	■	■	■

The time limits set forth in the schedule shall include allowances for reasonable and expected review time by the CITY and approval by authorities having jurisdiction over the PROJECT and shall not be allowed as cause for delay or adjustments to the schedule. Delays in the project critical path caused by review times by the CITY or a permitting agency exceeding those anticipated by the ENGINEER'S schedule are cause for adjustments in the schedule. Any adjustments made to the agreed upon schedule shall be made in writing and acceptable to both parties.

The ENGINEER shall begin work immediately upon receipt of the executed CONTRACT and/or written Notice to Proceed, however, smoke testing is dependent on dry soil conditions to optimize results. For this reason, the smoke testing task is scheduled during dry months. Projects extensions may be necessary should extended wet weather prevent inspection and testing.

### ***3.2 Completion of Services***

ENGINEER'S services under each item of the finalized Scope of Work shall be considered complete on the date when the submissions for that item have been accepted by CITY.

### ***3.3 Changes***

If the CITY requests significant modifications or changes in the Scope of Services, general scope, extent or character of the PROJECT, the time of performance of ENGINEER'S services, the various rates of compensation and schedule shall be adjusted equitably.

### ***3.4 Written Authorization for Additional Work***

Any provision in this CONTRACT notwithstanding, it is specifically understood and agreed that the ENGINEER shall not authorize or undertake any work pursuant to this CONTRACT which would require the payment of any fee, expense or reimbursement in addition to the fees stipulated in Section 4 (Payment for Services) of this CONTRACT, without first having obtained the specific written authority to do so from CITY.

## **4. PAYMENT FOR SERVICES**

### **4.1 Terms**

Terms used in describing the applicable method of payment for services provided by the ENGINEER shall have the meaning indicated below:

#### ***Basic Engineering Fee:***

Basic Engineering Fee shall mean those expenses incurred by the ENGINEER in prosecuting the PROJECT Scope of Services.

#### ***Reimbursable Expenses***

Not applicable

#### ***Additional Services***

Additional services **not** covered under the Scope of Services, will be provided to the CITY on a unit price or lump sum basis. A revised written detailed scope of services for additional services will be provided with the pricing summary. Additional services must be approved by City along with a written notice to proceed.

### **4.2 Basis and Amount of Compensation for Basic Services**

Compensation for basic services will be as shown in Exhibit A. The total amount of compensation to be paid under this contract will not exceed \$99,145. These services will be billed monthly based on a percentage completed and will not exceed the total presented.

### **4.3 Basis and Amount of Compensation for Additional Services**

Not applicable. No additional services are anticipated.

### **4.4 Partial Payments for Services**

Partial fee payments may be applied for at monthly intervals, based upon statements which reflect the percentage of work completed for the various items listed under Scope of Services. These statements shall be prepared by the ENGINEER and must be verified and approved by CITY.

### **4.5 Delay**

If ENGINEER'S design services or service during construction of the PROJECT are delayed or suspended in whole or in part by the CITY for more than one year for reasons beyond ENGINEER'S control the various rates of compensation, including Additional

Services, provided for elsewhere in this CONTRACT shall be subject to equitable adjustment.

## **5. TERMINATION, SUSPENSIONS OR ABANDONMENT**

### ***5.1 Termination***

The CITY or the ENGINEER may terminate this CONTRACT for reasons identified elsewhere in this CONTRACT. In the event such termination becomes necessary, the party effecting termination shall so notify the other party, and termination will become effective thirty (30) calendar days after receipt of the termination notice. Irrespective of which party shall effect termination or the cause therefore, CITY shall within thirty (30) calendar days of termination remunerate ENGINEER for services rendered and costs incurred, in accordance with the ENGINEER'S prevailing fee schedule (Exhibit A). Services shall include those rendered up to the time of termination. All plans, field survey, and other data related to the PROJECT shall become the property of CITY upon termination of the CONTRACT and shall be promptly delivered to CITY in a reasonably organized form. Should CITY subsequently contract with a new Engineer for continuation of services on the PROJECT, ENGINEER shall cooperate in providing information. No amount shall be due for lost or anticipated profits.

### ***5.2 Suspension***

If the Project is suspended by CITY for more than 30 consecutive days, the ENGINEER shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the ENGINEER'S compensation shall be equitably adjusted to provide for expenses incurred in the interruption and resumption of the ENGINEER'S services.

### ***5.3 Abandonment***

Express abandonment may be by CITY upon seven (7) days written notice to the ENGINEER. If the Project is left idle by CITY or ENGINEER for more than ninety (90) consecutive days, then abandonment will be implied and the ENGINEER or CITY may terminate this CONTRACT by giving written notice.

### ***5.4 Failure to Pay***

Failure of CITY to make payments to the ENGINEER in accordance with this CONTRACT shall be considered substantial nonperformance and cause for termination.

If CITY fails to make payment to ENGINEER within thirty (30) days of a statement for services properly performed, the ENGINEER may, upon fourteen (14) days written notice to CITY, suspend performance of services under this CONTRACT. Unless ENGINEER receives payment in full within fourteen (14) days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services under this

section, the ENGINEER shall have no liability to CITY for delay or damage caused CITY because of such suspension of services.

## **6. GENERAL CONSIDERATIONS**

### ***6.1 Professional Standards***

Services performed by the ENGINEER under this CONTRACT will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. The ENGINEER shall comply with the applicable laws and rules of the current "Texas Engineering Practice Act". CITY's approval, acceptance, use of or payment for all or any part of the ENGINEER'S services herein under or of the project itself shall in no way alter the ENGINEER'S obligations or CITY'S rights thereunder.

### ***6.2 Progress and Performance***

The provisions of this CONTRACT and the compensation to ENGINEER have been agreed to in anticipation of continuous and orderly progress through the completion of the ENGINEER'S services. Time for performance shall be extended to the extent necessary for delays due to circumstances over which the ENGINEER has no control. If the ENGINEER'S services are suspended or delayed the times of performance shall be extended to the extent of such delay or suspension. A delay or suspension shall not terminate this CONTRACT unless ENGINEER elects to terminate in accordance with the provisions of Section 5 of this CONTRACT. If a delay or suspension extends for a period of greater than one year for reasons beyond the control of the ENGINEER, the fees and rates of compensation set forth in Section 4 shall be subject to re-negotiating.

### ***6.3 CITY Control***

It is understood and agreed that CITY shall have complete control of the scope of services to be rendered, and that no work shall be done under this CONTRACT until the ENGINEER is instructed to proceed with the work.

### ***6.4 Independent Agent***

ENGINEER and CITY agreed that ENGINEER and any officer, employee or agent of ENGINEER, in the performance of this CONTRACT shall act in an independent capacity and not as an officer, agent or employee of CITY.

### ***6.5 Compliance with Laws***

ENGINEER shall comply with all Federal, State, and local laws and ordinances in the execution of all work in connection with this PROJECT.

## **6.6 No Additional Work Without Authorization**

Any provision in the CONTRACT notwithstanding, it is specifically understood and agreed that the ENGINEER shall not authorize or undertake any work pursuant to this CONTRACT, which would require the payment of any fee, expense or reimbursement in addition to the fee stipulated in Article 4 of this CONTRACT, without having first obtained specific written authority therefore from CITY.

## **6.7 Indemnification**

ENGINEER, its officers, agents and employees agree to indemnify, hold harmless, and defend CITY, at ENGINEER'S cost, its officers, agents, and employees from and against any and all claims or suits for injuries, damages, loss, or liability of whatever kind of character, arising out of or in connection with the performance by the ENGINEER of those services contemplated by the CONTRACT, based upon negligent acts or omissions of ENGINEER, its officers, agents, employees, consultants and subcontractors, whether or not caused solely by the ENGINEER, its officers, agents, employees, consultants or subcontractors or jointly with any other party. CITY shall not be liable for any loss, damage or injury arising from the services of the ENGINEER pursuant to this agreement.

ENGINEER agrees that he is solely responsible for the safety of himself and his employees in the performance of this CONTRACT and agrees to indemnify and hold harmless CITY, its officers and agents from and against any liability arising from the personal injury or death of the ENGINEER or the employees of the ENGINEER arising out of or in connection with this CONTRACT.

## **6.8 Insurance**

ENGINEER shall secure and maintain insurance that will protect him from claims under the Worker's Compensation Act (statutory amounts).

ENGINEER shall secure and maintain Commercial General Liability Insurance that will protect him from claims for bodily injury, death or property damage which may arise from the performance of his services under this CONTRACT, written on an occurrence basis.

ENGINEER shall maintain Comprehensive Automobile Liability Insurance covering all owned, non-owned, and hired vehicles with combined single limit coverage of \$1,000,000 for bodily injury, death or property damage.

ENGINEER shall maintain, at no expense to CITY, a professional liability (errors and omissions) insurance policy placed with a company rated at least A-/VII by Best's Key Rating Guide, authorized to do business in Texas. This coverage must be maintained for at least two (2) years after the PROJECT is completed. Coverage must be written on an occurrence basis. However, at its sole discretion, the CITY may accept coverage written on a claims-made basis if the policy provides for a retroactive date equivalent to the

inception date of the CONTRACT or earlier, maintained during the full term of the CONTRACT.

All policies, except Worker's Compensation and Professional Liability, shall name the CITY as additional insured. All policies shall contain a waiver of subrogation in favor of the CITY and shall require the giving of written notice to CITY at least thirty (30) days prior to cancellation, non-renewal or material modification of any policies, evidenced by return receipt of United States Certified Mail. ENGINEER shall furnish CITY with copies of said policies or certificates evidencing such coverage.

### **6.9 Property**

All documents, including drawings, field notes, surveys, tracings, calculations, computer input and output, digital or computer files, etc., prepared by the ENGINEER pursuant to this contract shall become the property of CITY. The ENGINEER may retain copies of all documents. Any reuse of the documents shall conform to The Texas Engineering Practice Act.

### **6.10 Governing Law**

This CONTRACT has been made under and shall be governed by the laws of the State of Texas. The parties agree that the performance and all matters related thereto shall be in Seagoville, Texas.

### **6.11 Assignment**

ENGINEER may not assign this Agreement without the prior written consent of the CITY. In the event of an assignment by ENGINEER to which CITY has consented, the assignee shall agree in writing with CITY to assume, perform and be bound by all the covenants and obligations in this Agreement.

### **6.12 Business Prohibitions**

By executing this contract, the Engineer verifies that it does not Boycott Israel, and agrees that during the term of this Contract will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended. The Engineer further verifies that, pursuant to Texas Government Code, Chapter 2252, Section 2252.152 and Section 2252.153, it does not appear on the Comptroller of the State of Texas listing of companies which do business with Iran, Sudan or any Foreign Terrorist Organization, as identified under Section 806.051, Section 807.051 or Section 2253.253, listing of companies.

**7. DOCUMENT EXECUTION**

IN WITNESS WHEREOF, the parties have executed this CONTRACT the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**City of Seagoville  
702 N. Hwy 175  
Seagoville, TX 75159  
(972) 287-6819**

By: \_\_\_\_\_  
Patrick Stallings (City Manager)

Date: \_\_\_\_\_

**ENGINEER  
Pipeline Analysis, LLC  
1115 Main Street  
Garland, Texas 75040  
(800)637-0164**

By: Mattie A. Engels  
Mattie A. Engels P.E. (Vice President)

Proposal Date: March 11, 2024

# Exhibit A Compensation Sewer System Evaluation Survey

## Highway 175 Service Area

Task	Description	Estimated Quantity	Unit Price	Total
100	Mobilization	L.S.	L.S.	\$ 1,880.00
200	Manhole/Pipe Inspection -(100%)	90	\$ 155	\$ 13,950.00
300	Smoke Testing, Public Awareness, Data Entry & Analysis (100%)	45,000	\$ 0.68	\$ 30,600.00
400	Dye Flooding	5	\$ 600	\$ 3,000.00
500	Preparatory Cleaning	7000	\$ 2.75	\$ 19,250.00
600	CCTV Inspection	7000	\$ 1.60	\$ 11,200.00
700	Admin.,Project Mgt.	L.S.	L.S.	\$ 1,900.00
800	Defect Analysis/Rehab.	L.S.	L.S.	\$ 8,400.00
900	Database, Cost Estimates, Mapping, Final Reports	L.S.	L.S.	\$ 8,965.00
<b>Total Not To Exceed</b>				<b>\$ 99,145.00</b>

# Exhibit B

## Detailed Scope of Services

The following represents the project approach. Tasks include:

- Manhole Inspection
- Smoke Testing
- Dye Water Flooding
- Internal Cleaning and TV Inspection
- Map Update
- Final Report

### TASK 100 MOBILIZATION

Mobilize project team and coordinate startup. Establish personnel assignments and responsibilities. Inventory equipment needs and order expendable supplies. Review all relevant existing materials, previous reports, etc. developed for or by the City of Seagoville concerning this project, including, but not limited to, the following:

1. Previous studies for the service area to be investigated

*Deliverable:*

1. Delivery of equipment and personnel
2. Work maps of the designated project service area and delineated boundaries

*To Be Provided by City:*

- Access for placement of equipment and personnel
- Copies of all applicable reports, maps and historical data for the study area at no cost to ENGINEER
- As-built drawings, sewer key maps, street plans, electronic aerial photographs if available and if requested at no cost to ENGINEER

*Deliverables:*

1. Inclusion in final report of findings from this work task

### TASK 200 MANHOLE/PIPE INSPECTION

Manholes can be a significant source of extraneous infiltration/inflow and thereby reduce system wet weather capacity. For this reason, each manhole within the study area is inspected. For the study area designated, field inspection crews will perform an inspection of manholes. The data gathered during this phase of the project will be used to prioritize manholes for rehabilitation and establish the base data necessary to

accurately determine mainline sewer rehabilitation alternatives and costs. Other important deliverables resulting from this work task are the updating of the collection system map, determination of debris levels in pipes and verification of pipe sizes. This information is critical in preparing subsequent rehabilitation plans, cleaning requirements to restore capacity and updating of the system maps.

Inspection personnel will use digital cameras during the inspection of all manholes on this project. All photographs will be included in the field inspection computer database so that a permanent electronic record can be maintained. During inspection, each of the following types of information will be obtained to establish the condition and prioritize least cost repairs:

1. Basin and Sub-area Designation
2. Manhole/Cleanout ID
3. Inspection Status – buried, CNL, CNO
4. Address and GPS coordinate (x,y) of manhole
5. Surface cover, grade, type of cover (paved, yard, etc.)
6. Material of construction – brick, concrete, etc.
7. Area and Internal photo of manhole
8. All incoming and outgoing pipe depths from rim to invert
9. All incoming and outgoing pipe digital photographs
10. Defects – Active, Evidence or No Infiltration/Inflow with digital photographs
11. Field corrections to collection system map

Upon completion of the manhole inspection, a prioritized manhole rehabilitation summary will be prepared that will include:

- Documentation with summary of field observations
- List of manholes/lines requiring immediate attention
- Digital photos
- Documentation for preparing manhole rehabilitation quantities
- Field updated map(s)
- Prioritized Manhole Repair Recommendations and Cost Estimates

*To Be Provided by City:*

- Current collection system map
- Access (if requested) to manholes that are buried or could not be opened.
- Assistance in locating assets (if requested)

*Measurement of Payment:*

Payment for this work task shall be a unit price for each manhole documented. Those manholes that are located, but buried or could not be opened will be noted and a list provided to the City. Manholes that could not be located using metal detectors or probes will be listed as Could Not Located (CNL). CNL manholes will not be billed. Manholes located, but were buried or could not be opened will be billed. The City will provide replacement covers at no cost should a cover be broken while attempting opening.

## TASK 300 SMOKE TESTING OF STUDY AREA

Smoke testing will provide detailed information on wet weather inflow sources for the study area. In order to identify defects in the lines, a non-toxic smoke will be forced into the sewer by high-capacity blowers. Data documentation includes measurements from two permanent points and will be sufficient to establish the location of each defect and determine the best repair method and priority. Color digital photographs will be taken to document each defect during the smoke test.

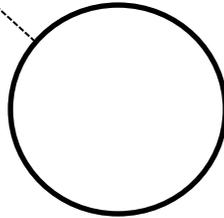
Forty-eight (48) hours prior to testing, door hangers will be used to notify residents. A local telephone number will be provided for those individuals with questions or for anyone requiring special assistance. Each day the fire department will be notified of the crew location since smoke may enter homes through defective plumbing.

### *To Be Provided by City:*

- Review and approval of Notice to Residents
- Letter of introduction to be carried by field crews
- Previous City smoke testing data, if any

### *Deliverables:*

- Defects listing and database
- Defect location sketch
- Digital photographs
- Smoke Notification Flyers and Notification of Residents
- Priority ranking of defects (both private and public sector)
- Repair methods and estimated costs



# SEAGOVILLETX

*- The City of Opportunity -*

## SMOKE TESTING NOTICE TO RESIDENT

For the next few days, inspection crews will conduct a physical survey of the wastewater collection system. Pipeline Analysis will perform this study, which involves opening manholes in the streets and backyard utility easements. Information gained from this study will be used to repair and improve the wastewater collection system.

One important task of the survey will be **smoke testing** of sewer lines to locate breaks and defects in the system. During this testing, white smoke will exit through vent pipes on the roofs of homes and through sewer line breaks. **The smoke is non-toxic, leaves no residue, and creates no fire hazard.** The smoke should not enter your home unless defective plumbing exists or drain traps are dry.

If you have seldom-used drains, please pour a gallon of water in the drain to fill the drain trap. This procedure will help prevent the possibility of smoke entering your living areas through those drains.

Field crews will perform testing of all sewers in the area. **At no time will field crews have to enter your business or residence.**

Your cooperation is appreciated. Should you have any additional questions concerning this study or if you desire special assistance, please phone:

**972-479-0655**



## Task 400 Dye Flooding (If required)

Dye water testing may be necessary to assist in the location of specific defects during the evaluation. Non-toxic dye will be introduced as a powder or liquid. Cross-connections, roof drains and area drains that are suspected of being connected to the sanitary sewer will be positively identified using the dye tracer procedure. Field documentation and photographs will be used to record all findings. Internal inspection will determine the exact source of the 'cross-connection' and establish the best repair option (i.e., point repair, direct connection, etc.).

*To Be Provided by City:*

- Water for dye flooding at no cost to Engineer

## TASK 500 & 600 CLEANING AND CCTV

Preparatory cleaning shall consist of hydraulic jet cleaning to facilitate the internal CCTV inspection. Preparatory cleaning will consist of not more than three passes of the jet hose (normal cleaning). Heavy cleaning to remove large deposits of debris is not included in this work task. CCTV investigation is found to be critical in establishing best practical repair methods. The following information will be gathered during CCTV Inspection:

1. Field forms, equipment, supplies and oversight QA/QC
2. Document findings. Data to include:
  - a. Date inspected
  - b. Line segment being inspected
  - c. Project name
  - d. Location (Address)
  - e. Footage location from manhole
  - f. Defect code and/or type and severity rating using the national Pipeline Assessment Certification Program (PACP) codes
  - g. Pipeline surface cover
3. Review video and logs
4. Provide reports on flash drive of segments televised
5. Summary of line segments cleaned and CCTV'd
6. Results of TV inspection provided on printed logs
7. Prepare prioritized mainline rehabilitation plan

*To Be Provided by City:*

- Access to site of work for placement of equipment and personnel
- Disposal site for any debris removed from the sewer system
- Water for cleaning and dye testing at no cost to engineer

*Measurement of Payment:*

Pipeline Analysis will invoice for the actual linear feet of sewer cleaned per the unit price specified in Exhibit A. In the case of CCTV, should the camera not be able to pass the entire length of the segment (due to

protruding taps, roots, dropped joints, etc.), then an attempt will be made from the opposite direction (if possible). Where a reverse setup was attempted, then the entire segment length will be billed at the unit price specified. If a reverse setup cannot be performed, then the actual segment footage CCTV'd will be billed. Summary listings of the database with field logs will serve as the basis for the periodic partial payment requests.

## **TASK 700      ADMINISTRATION AND PROJECT MANAGEMENT**

This task includes internal project administration and oversight including scheduling, budget, quality assurance and control meetings and reporting. The project schedule will be reviewed and milestones for the completion of each task will be assigned. The project schedule will be reviewed and updated monthly to ensure that all tasks are completed in a timely and organized fashion.

Management work items include:

1. Field crew supervision and project planning
2. Prepare monthly billings

Major system deficiencies that are identified during the field inspections that if corrected would result in significant reduction in I/I or is deemed to be of a safety concern will be recorded and forwarded as soon as possible to City's designated project manager. Likewise, should City undertake a major repair within the study area, they will immediately notify ENGINEER to determine the impact on data analysis.

*Deliverables:*

1. Monthly invoice
2. Status reports
3. Project schedule and updates

*To Be Provided by City:*

- All reports or materials deemed necessary by ENGINEER and identified during the course of the project that is not specifically stated above will be provided at no additional cost to the ENGINEER

## **TASK 800      DEFECT ANALYSIS AND HISTORICAL REHABILITATION ANALYSIS**

This project will generate a considerable amount of data that will require proper entry and quality control. Data collection will include the following:

1. All collected data will be compatible with the GIS system.
2. All collected defect data will be correlated between sources to address duplicate defects that were identified by different testing methods. Identify duplicate defects to ensure multiple rehabilitation methods are not recommended for the same defect.
3. Defect data will be presented graphically (data visualization).

4. Much of the baseline data required for rehabilitation decision is gathered during the normal course of field investigations. For example, "area photos" are taken of each manhole in the direction of the outgoing pipe. This photograph not only shows the location of the manhole but also provide data on the line cover and easement conditions.
5. Since private sector defects can contribute to excessive inflow, proper documentation for subsequent repair is important. Property owner address, photograph and sufficient information to document the defect will be recorded.
6. Rehabilitation recommendations will consider the best repair for the particular asset (manhole, pipeline, etc.) being rehabilitated. A long-term least-cost solution may have an initial higher cost, but provide a higher level of service and lower operating and maintenance cost.
7. Pipeline Analysis will analyze the effectiveness of repairs by comparing defects identified in previous sewer evaluations with current findings. A technical memorandum will be prepared that will present results from this analysis and recommendations to optimize repairs and minimize defect reoccurrence.

*To Be Provided by City:*

- None

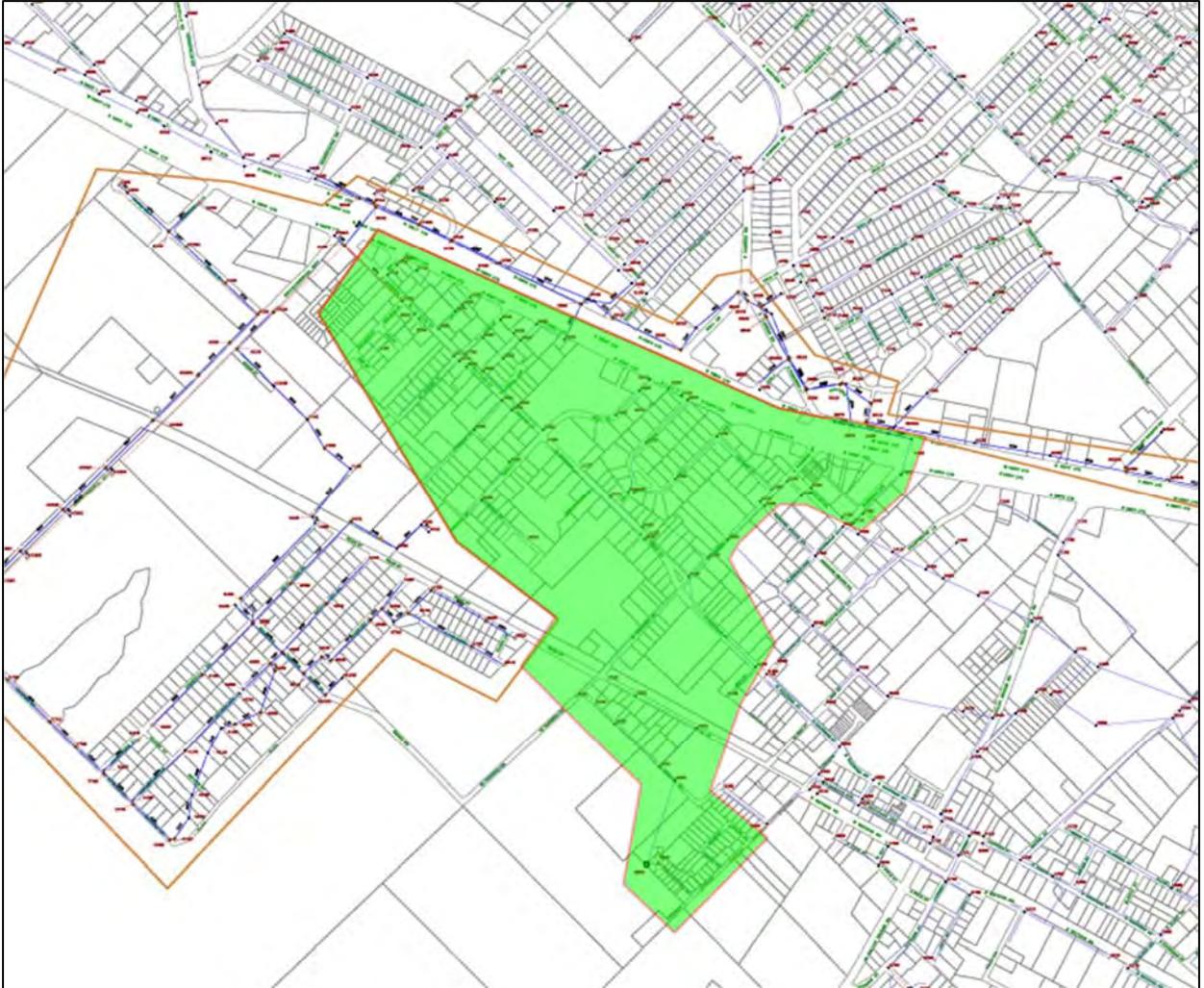
## **TASK 900      FINAL REPORT**

Prepare and submit a Final Report that includes the following:

- Executive Summary
- Description of all tasks
- Manhole and pipe inspection summary/inventory
- Manhole defect summary
- Pipeline defect summary
- Service lateral defect summary
- Smoke test data summary
- CCTV data summary
- Recommendations and Cost Estimates for Private and Public sector repairs

Prepare and submit three (3) Final Reports and electronic data.

# Study Area Map Highway 175 Service Area





TO: Mayor and City Council  
FROM: Pat Stallings, City Manager  
DATE: April 1, 2024  
ITEM: 13  
FIRST READING: Discuss and consider a Resolution approving the Economic Development project between the Seagoville Economic Development Corporation and Seagoville Venture No. Three-S-SI Rio Grande, LP, a Texas Limited Partnership, as reflected in the terms and conditions of an Economic Development Incentive Agreement between the parties.

---

#### **INTRODUCTION**

The purpose of this item is to approve an Economic Development Project.

#### **BACKGROUND**

The SEDC has negotiated and intends to undertake a project that will promote and retain new and expanded business enterprises within the City of Seagoville, regarding site work at property owned by Company as required by Chick-fil-A, Inc. for development of a Chick-fil-A restaurant on that property.

#### **FINANCIAL IMPACT**

\$105,000.00



TO: Mayor and City Council  
FROM: Pat Stallings, City Manager  
DATE: April 1, 2024  
ITEM: 14  
FIRST READING: Discuss and consider a Resolution approving the Economic Development project between the Seagoville Economic Development Corporation and Hallett No. 1 L.P., a Texas Limited Partnership, as reflected in the terms and conditions of an Economic Development Incentive Agreement between the parties.

---

#### **INTRODUCTION**

The purpose of this item is to approve an Economic Development Project.

#### **BACKGROUND**

The SEDC has negotiated and intends to undertake a project to provide funding which will promote and retain new and expanding business enterprises within the City.

The SEDC has conducted a public hearing to consider the Economic Development Incentive Agreement (the "Agreement") between SEDC and Hallett No. 1 L.P., a Texas limited partnership operating a chain of restaurants known as Soulman's Bar-B-Que that desires to develop a Soulman's Bar-B-Que restaurant on property located within the City of Seagoville.

#### **FINANCIAL IMPACT**

\$350,000.00



TO: Mayor and City Council  
FROM: Pat Stallings, City Manager  
DATE: April 1, 2024  
ITEM: 15  
FIRST READING: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Jeremiah Hatch and Ryan Hatch, also known as Ryan Macon, doing business as Closing the Gap Learning Center, as reflected in the terms and conditions of an economic development incentive agreement between the parties.

---

#### **INTRODUCTION**

The purpose of this item is to approve an Economic Development Project.

#### **BACKGROUND**

The SEDC has negotiated and intends to undertake a project which will promote and retain new and expanding business enterprises within the City.

The SEDC has conducted a public hearing to consider the Economic Development Incentive Agreement (the "Agreement") for a façade grant between SEDC and Jeremiah Hatch and Ryan Hatch, also known as Ryan Macon, doing business as Closing the Gap Learning Center.

#### **FINANCIAL IMPACT**

\$8,512.54



TO: Mayor and City Council  
FROM: Chris Ryan, Director of Public Works  
DATE: April 1, 2024  
ITEM: 16  
DESCRIPTION: Discuss and consider a Resolution authorizing Anderson Asphalt & Concrete Paving to provide asphalt road repair work on East Malloy Bridge Road for compensation in an amount not to exceed six hundred eight thousand thirty-five dollars and forty cents (\$608,035.40); authorizing the City Manager to execute any and all necessary documents.

---

### **INTRODUCTION**

The purpose of this item is to approve repairs to East Malloy Bridge Road.

### **BACKGROUND**

On or about May 15, 2023, the City of Seagoville and the City of Forney entered into a Master Interlocal Purchasing Agreement. The City of Forney, Texas and, Anderson Asphalt & Concrete Paving have previously entered into an agreement for, Anderson Asphalt & Concrete Paving, a copy of which is attached hereto and incorporated herein as Exhibit "B," to provide concrete repairs, which agreement provides that other government entities may participate in the agreement under all terms, conditions, specifications, and pricing as set forth in that agreement. Pursuant to said Contract, Anderson Asphalt & Concrete Paving submitted an estimate in the amount of \$608,035.40 for provision of asphalt road work on East Malloy Bridge Road, including the provision of all necessary labor, equipment, and materials, a copy of which is attached as Exhibit C.

### **FINANCIAL IMPACT**

FY2024 Street budget.

### **RECOMMENDATION**

Staff recommends approval.

### **ATTACHMENTS**

1. Resolution
2. Master Interlocal Purchasing Agreement (Exhibit A)
3. Anderson Asphalt & Concrete Paving (Exhibit B)
4. Estimate from Anderson Asphalt (Exhibit C)

**A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS  
RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS AUTHORIZING ANDERSON ASPHALT & CONCRETE PAVING TO PROVIDE ASPHALT ROAD REPAIR WORK ON EAST MALLOY BRIDGE ROAD FOR COMPENSATION IN AN AMOUNT NOT TO EXCEED SIX HUNDRED EIGHT THOUSAND THIRTY FIVE DOLLARS AND FORTY CENTS (\$608,035.40) AS SET FORTH IN EXHIBIT C, ATTACHED HERETO AND INCORPORATED HEREIN; AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AND ALL NECESSARY DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS** the City of Seagoville and the City of Forney entered into a Master Interlocal Purchasing Agreement approved by the City Council of the City of Seagoville on May 15, 2023, under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Subchapter F, Chapter 271, Texas Local Government Code, under which the City of Forney acted as purchasing agent for the purchase of various goods and services through the competitive bidding process, attached hereto and incorporated herein as Exhibit "A", and

**WHEREAS**, the City of Forney, Texas and , Anderson Asphalt & Concrete Paving have previously entered into an agreement for road repairs, a copy of which is attached hereto and incorporated herein as Exhibit "B," to provide concrete repairs, which agreement provides that other government entities may participate in the agreement under all terms, conditions, specifications, and pricing as set forth in that agreement; and

**WHEREAS**, pursuant to said Contract, Anderson Asphalt & Concrete Paving submitted an estimate in the amount of \$608,035.40 for provision of asphalt road repair work on East Malloy Bridge Road, including the provision of all necessary labor, equipment, and materials, a copy of which is attached as Exhibit C; and

**WHEREAS**, the City Council for the City of Seagoville, Texas has reviewed the estimate and has determined it to be in the best interest of the City to authorize the City Manager to execute any documents necessary to authorize Anderson Asphalt & Concrete Paving to provide asphalt road repair work on East Malloy Bridge Road as set forth in Exhibit C;

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

**SECTION 1.** The City Council hereby authorizes Anderson Asphalt & Concrete Paving to

provide asphalt road repair work on East Malloy Bridge Road, to include provision of all necessary labor, equipment, and materials, for compensation in an amount not to exceed Six Hundred Eight Thousand and Thirty Five Dollars and Forty cents (\$608,035.40), as set forth in Exhibit C, attached hereto and incorporated herein; and, the City Manager is authorized to execute any documents necessary for the work to be performed.

**SECTION 2.** This resolution shall take effect immediately from and after its passage and it is accordingly resolved.

**DULY ORDERED** by the City Council of the City of Seagoville, Texas, this the 1<sup>st</sup> day of April, 2024.

**APPROVED:**

\_\_\_\_\_  
Lackey Stepper Sebastian, Mayor

**ATTEST:**

\_\_\_\_\_  
Sara Egan, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_

**A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS**

**RESOLUTION NO. 38-R-2023**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF FORNEY AND CITY OF SEAGOVILLE; AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT; PROVIDING FOR THE REPEAL OF ANY AND ALL RESOLUTIONS IN CONFLICT; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Council for the City of Seagoville, Texas desires to enter into an Interlocal Agreement with the City of Forney ("Agreement"); and

**WHEREAS**, the City Council for the City of Seagoville, Texas has reviewed the Interlocal Agreement and has determined it to be in the best interest of the City of Seagoville to enter into said Agreement with the City of Forney.

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

**SECTION 1.** The City Council hereby approves the terms and conditions of the Interlocal Agreement, a copy of which is attached hereto and incorporated herein as Exhibit "A", with the City of Forney, Texas and the City of Seagoville, Texas and the City Manager is hereby authorized, on behalf of the City of Seagoville, Texas to sign said Agreement.

**SECTION 2.** All resolutions of the City of Seagoville heretofore adopted which are in conflict with the provisions of this resolution, and the same are hereby repealed, and all resolutions of the City of Seagoville not in conflict with the provisions hereof shall remain in full force and effect.

**SECTION 3.** If any article, paragraph, subdivision, clause or provision of this resolution, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgment or holding shall not affect the validity of this resolution as a whole or any part or provision thereof, as amended hereby, other than the part so declared to be invalid or unconstitutional.

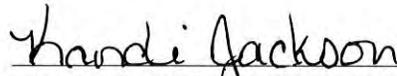
**SECTION 4.** This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

**DULY RESOLVED** by the City Council of the City of Seagoville, Texas, this the 15<sup>th</sup> day May, 2023.

APPROVED:

  
DENNIS K CHILDRESS, MAYOR  
Lackey Stepper Sebastian

ATTEST:

  
KANDI JACKSON, CITY SECRETARY

APPROVED AS TO FORM:

  
VICTORIA THOMAS, CITY ATTORNEY



CITY OF FORNEY, TEXAS  
RESOLUTION NO. 23-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORNEY, TEXAS APPROVING AN INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF FORNEY, TEXAS AND THE CITY OF SEAGOVILLE, TEXAS; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

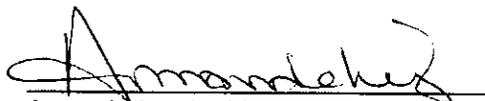
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORNEY, TEXAS:

**SECTION 1.** The proposed Interlocal Agreement by and between the City of Forney, Texas and the City of Seagoville, Texas is hereby approved and the City Manager is authorized to execute all necessary documents to comply with this Resolution.

**SECTION 2.** A substantial copy of the Agreement is attached hereto as Exhibit "A" and incorporated herein for reference.

**SECTION 3.** This Resolution shall take effect immediately from and after its passage.

PRESENTED AND PASSED by the City Council of the City of Forney, Texas, this the 2<sup>nd</sup> day of May, 2023.

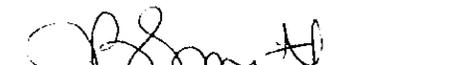
  
Amanda Lewis, Mayor

ATTEST:

  
Rosa Rios, Interim City Secretary



APPROVED AS TO FORM:

  
Jennifer Smith, City Attorney

**MASTER INTERLOCAL COOPERATIVE PURCHASING AGREEMENT  
BETWEEN THE CITY OF SEAGOVILLE  
AND CITY OF FORNEY**

**WHEREAS**, Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act, and Chapter 271.102 of the Texas Local Government Code authorize all local governments to contract with each other to perform governmental functions or services including administrative functions normally associated with the operation of government such as purchasing of necessary equipment, supplies and services;

**WHEREAS**, The City of Seagoville and City of Forney desire to enter into this Agreement for the purpose of fulfilling and implementing their respective public and governmental purposes, needs, objectives, programs, and services;

**WHEREAS**, The City of Seagoville and City of Forney represent that each are independently authorized to perform the functions or services contemplated by this Agreement;

**WHEREAS**, it is deemed in the best interest of all participating governments that said governments do enter into a mutually satisfactory agreement for the purchase of necessary equipment, supplies, and services;

**WHEREAS**, the participating governments are of the opinion that cooperation in the purchasing of equipment, supplies, services and auctions will be beneficial to the taxpayers of the governments through the efficiencies and potential savings to be realized; and

**WHEREAS**, each party has sufficient resources to perform the functions contemplated by this Agreement;

**NOW THEREFORE**, the parties hereto, in consideration of the mutual covenants and conditions contained herein, promise, and agree as to each of the other as follows:

1. The City of Seagoville and City of Forney are authorized to participate in each other's current and/or future contracts for goods and services. Said contracts shall have been established in accordance with all appropriate procedures governing competitive bids and competitive proposals, if required.
  
1. The City of Seagoville and City of Forney agree that the ordering of goods and services is the responsibility of the local government seeking to obtain such goods and services under the established contract, and that participating government shall deal directly with the vendor in obtaining the goods and services and payment therefore. The participating government shall be liable to the vendor only for goods and services ordered and received by it, and shall not, by the execution of this Agreement, assume any additional liability. Neither the City of Seagoville nor City of Forney warrant, or is responsible for, the quality or delivery of goods or services from the vendor under contract. Should

a dispute arises between a participating government and a vendor, the same shall be handled by and between that participating government and the vendor.

3. Each government shall pay invoices directly to the providers of goods and services that are invoiced and delivered directly to each respective government.
4. Participation of either government in any cooperative purchasing activity is strictly voluntary. Nothing in this Agreement shall prevent either governments from purchasing and/or accepting and awarding bids, proposals, and contracts subject to this Agreement on its own behalf.
5. Each government shall ensure that all applicable laws and ordinances have been satisfied.
6. **Effective Date and Term.** This Agreement shall be effective when signed by the last party who's signing makes the Agreement fully executed and will remain in full force and effect indefinitely. Any party may modify or terminate this Agreement as provided in Paragraph(s) 7 or 8.
7. **Modification.** The terms and conditions of this Agreement may be modified upon the mutual consent of all parties. Mutual consent will be demonstrated by approval of the governing body of each party hereto. No modification to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of all parties.
8. **Termination.** This Agreement may be terminated at any time by the City of Seagoville or City of Forney, with or without cause, upon thirty (30) days written notice to the other party in accordance with Paragraph 11 herein.
9. **Hold Harmless.** To the extent allowed by law, the City of Seagoville and City of Forney agree to hold each other harmless from and against any and all claims, losses, damages, causes of action, suits and liabilities of every kind, including all expenses of litigation, court costs and attorney's fees, for injury or death of any person, for damage to any property, or for any breach of contract, arising out of or in connection with the work done under this Agreement.
10. **Invalidity.** If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable by a court or other tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties shall use their best efforts to replace the respective provision or provisions of this Agreement with legal terms and conditions approximating the original intent of the parties.
11. **Written Notice.** Unless otherwise specified, written notice shall be deemed to have been duly served if delivered in person, sent by email, by fax with

successful send confirmation, or by certified mail to the last business address as listed herein.

City of Seagoville:                      City of Seagoville  
Attn: City Secretary  
702 N Highway 175  
Seagoville, Texas 75159  
Phone (972) 287-6819  
[kjackson@seagoville.us](mailto:kjackson@seagoville.us)

City of Forney:                              City of Forney  
101 E. Main Street  
Forney, TX 75126  
972-552-6620  
[jsmith@forneytx.gov](mailto:jsmith@forneytx.gov)

12. **Entire Agreement.** It is understood that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings between the parties relating to the subject matter. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally. No verbal agreement or conversation with any officer, agent, or employee of any party before or after the execution of this Agreement shall affect or modify any of the terms or obligations hereunder.
13. **Amendment.** No Amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of both parties.
14. **Texas Law.** This Agreement has been made under and shall be governed by the laws of the State of Texas.
15. **Place of Performance.** Performance and all matters related thereto shall be in the County of the government originating the bid. This shall be Kaufman County, Texas, United States of America for City of Forney and shall be Dallas County, Texas, United States of America for the City of Seagoville.
16. **Authority to Enter Contract.** Each party has the full power and authority to enter and perform this Agreement and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective Government.
17. **Waiver.** Failure of any party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in any way affect the validity of this Agreement, any part hereof, or the right of either party.

thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

- 18. **Agreement Read.** The parties acknowledge that they understand and intend to be bound by the terms and conditions of this Agreement.
- 19. **Multiple Originals.** It is understood and agreed that this Agreement may be executed in a number of identical copies, each of which shall be deemed an original for all purposes.

CITY OF SEAGOVILLE

CITY OF FORNEY

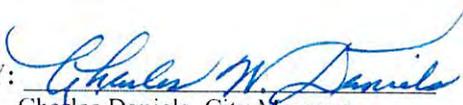
APPROVED:

APPROVED:

BY:

  
Patrick Stallings, City Manager

BY:

  
Charles Daniels, City Manager

DATE:

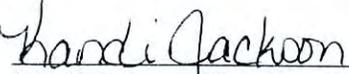
May 15, 2023

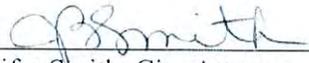
DATE:

May 8, 2023

ATTEST:

ATTEST:

  
Kandi Jackson, City Secretary

  
Jennifer Smith, City Attorney

APPROVED AS TO FORM:

  
Victoria Thomas, City Attorney



thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

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CITY OF SEAGOVILLE

CITY OF FORNEY

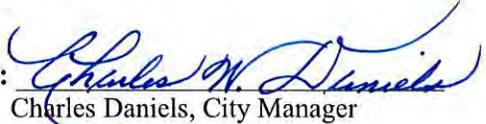
APPROVED:

BY:

  
Patrick Stallings, City Manager

APPROVED:

BY:

  
Charles Daniels, City Manager

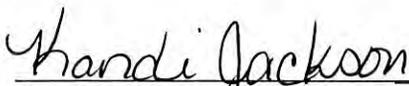
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May 16, 2023

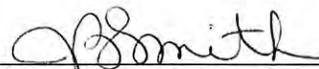
DATE:

May 8, 2023

ATTEST:

  
Kandi Jackson, City Secretary

ATTEST:

  
Jennifer Smith, City Attorney

APPROVED AS TO FORM:

  
Victoria Thomas, City Attorney





**CITY OF FORNEY, TX  
REQUEST FOR PROPOSALS**

**Proposal Reference Number: 2021-004**

**Bid Documents, Proposal, and Contract Documents for**

**ANNUAL PRICE AGREEMENT CONTRACT  
for ASPHALT MAINTENANCE and MATERIALS  
(VARIOUS LOCATIONS)**

**ENGINEERING DEPARTMENT**

**MARCH 2021**

Time Critical Competitive Sealed Bid Deliveries: The City of Forney, Texas cannot guarantee, due to internal procedures that any documents sent Priority Mail will be picked up and delivered by the closing date and time. Bidders are encouraged to choose the best delivery method for their situation.

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**SECTION I: SOLICITATION**



**CITY OF FORNEY  
REQUEST FOR PROPOSAL  
(RFP 2021-004)**

**The City of Forney is accepting Bids for an Annual Price Agreement Contract for Asphalt Street Maintenance & Materials**

Sealed proposals addressed to the City of Forney will be received by the Finance Department, located on the first floor of City Hall at 101 E. Main Street, Forney Texas 75126, until 2:00 p.m. April 12, 2021. Proposals may be mailed to the City of Forney, P.O. Box 826, Forney TX 75126 or hand-delivered to the first floor of City Hall at 101 E. Main, Forney, Texas 75126. Sealed Bids will be opened at 2:00 p.m. on April 12, 2021, however, there will be no public opening due to COVID 19.

Bidders must submit with their bids a Cashier's Check or a Certified Check in the amount of five (5%) percent of the maximum amount of the bid payable without recourse to the Owner or a proposal bond in the same amount. The contract award is contingent upon City Council approval at the May 04, 2021, City Council meeting.

**Proposal envelope must state: RFP 2021-004**

**ANNUAL PRICE AGREEMENT CONTRACT FOR ASPHALT STREET MAINTENANCE & MATERIALS**

**Scope of Work:**

The City of Forney is accepting sealed bids for a fixed price, Price Agreement to establish a qualified listing of contractors to furnish all necessary materials, machinery, equipment, fuel, superintendence, insurance, and bonds; and for performing all work required for the maintenance and repair of Asphalt streets, parking lots, driveways and aprons. Price agreements are used to establish a qualified contractor listing for items/services that are purchased repetitively over a period of time that cannot be quantified.

The Public Works/Engineering Department will contact contractors who have been awarded an agreement on an as-needed basis to perform general Asphalt maintenance and/or repair as described in the bid specification.

Bidders are required to provide all materials, equipment, and labor required for the construction of the project along with a two (2) year Performance and Maintenance Bond in the amount of Contract. The effective date of the maintenance period will commence upon the date of project acceptance by the City of Forney City Council. The successful Bidder will be required to furnish not only a performance bond in the amount of the contract but also a payment bond for the protection of all claimants supplying labor and materials.

The bid package is available on the City of Forney Website [www.forneytx.gov](http://www.forneytx.gov) or CivCast [www.civcast.com](http://www.civcast.com) Paper copies can be obtained by contacting Forney Engineering Department at 972-564-7375. All questions **are required** to be asked and answered from the CivCast website.

## SECTION II: NOTICE TO BIDDERS RFP 2021-004

### ANNUAL PRICE AGREEMENT CONTRACT FOR ASPHALT STREET MAINTENANCE & MATERIALS (VARIOUS LOCATIONS)

#### **DEFINITIONS:**

- The terms “City” or “Owner” as used throughout these documents will mean the City of Forney, Texas.
- The terms “Contractor” or “Bidder” is used throughout these documents will mean the Contractor submitting a bid.

#### **TERM:**

The City intends to award Price Agreements to qualified bidders, and establish an annual agreement with renewals. The agreement will contain a fixed pricing structure with an initial one (1) year term. The City retains the right and option to extend the term of the agreement for four (4) additional, one (1) year periods upon the same terms and conditions. The City also retains the right and option to terminate the agreement upon thirty (30) days written notice.

WORK ORDER TIME – Each section of work, as identified in the Work Order Form, will be substantially completed within the stated Calendar Days from the date when the Work Order Form commences to run as provided in paragraph 2.03 of the General Conditions, and completed and ready for final payment in accordance with paragraphs 14.07.B and 14.07.C of the General Conditions.

#### **INVITATION: - COMPETITIVE SEALED BIDS WILL BE ACCEPTED FOR THE FOLLOWING:**

Project Title: **RFP 2021-004 ANNUAL PRICE AGREEMENT CONTRACT for ASPHALT MAINTENANCE & MATERIALS**

Project Address: Various locations within the City of Forney, Texas

#### **DESCRIPTION:**

- The City of Forney is accepting sealed bids for a fixed price, Price Agreement to establish a qualified listing of contractors to furnish all necessary materials, machinery, equipment, fuel, superintendence, insurance, and bonds; and for performing all work required for the maintenance and repair of Asphalt streets, parking lots, driveways and aprons. Price agreements are used to establish a qualified contractor listing for items/services that are purchased repetitively over a period of time that cannot be quantified.

Annual Agreements - Issued by the City of Forney to create an annual agreement between the City and a vendor for specific items and/or services to be provided at a certain price, on an as-needed basis. Annual agreements do not encumber funds until a release against the blanket order is issued. Annual agreements are normally issued following a bid award by the City Council where the annual expenditure is expected to exceed \$50,000. Annual agreements may be for the exclusive use of an individual operating department or split between operating departments or may be established for citywide use.

The Public Works/Engineering Department will contact contractors who have been awarded an agreement on an as-needed basis to perform general Asphalt maintenance and/or repair as described in the bid specification. Note: This agreement does not cover “new” construction.

- City’s Estimated Annual Asphalt Budget: **\$500,000** (\*may vary from fiscal year to fiscal year and is subject to annual budgetary approval by Council)
- Consideration for Award: The City may consider the following minimum criteria, and may make such investigations as it deems necessary to determine the ability of the bidder to provide satisfactory performance in accordance with the bid specifications:

- Price
- Bidder’s experience and reputation
- Quality of the bidder’s goods and/or services
- Bidder’s safety record
- Bidder’s proposed personnel
- Bidder’s financial capabilities

**PROJECT COMPLETION SCHEDULES:**

The completion schedule for each project will be mutually agreed upon in writing by both parties per Sample Form 1 – Asphalt Repair Work Order Form.

**PRE-BID MEETING: No Meeting will be Held Unless Questions Warrant It**

**QUESTIONS DEADLINE: Wednesday, April 07, 2021, @ 12:00 CST**

**QUESTION WILL NOT BE ANSWERED VIA TELEPHONE OR FAX**

**All questions are required to be asked and answered from the CivCast Website**  
<https://www.civcastusa.com/>

Responses will be published in the form of an addendum and/or on CivCast Website. Verbal inquiries will not be accepted, and respondents should refrain from seeking additional information, clarification or other communications from any outside agency or City employee other than the City of Forney Engineering Department.

**ADDENDUMS:**

All interpretations, answers to questions, corrections and/or changes to a bid solicitation, or extensions to the opening date will be made by addendum. Addendums will be published in writing and will be made available via the City of Forney Engineering Department and on CivCast web site at <https://www.civcastusa.com/>

The bidder is required to acknowledge receipt of addendums on **Exhibit B**.

**It is the responsibility of all bidders to check the CivCast for all addendums.**

**BIDS DUE:** One (1) original sealed bid submitted **prior to Monday, April 12, 2021 @ 2:00 pm CT**

All costs associated with the preparation/delivery of the bid, and or any subsequent presentations or request for other documentation, are the sole responsibility of the bidder. Note: Bids will be registered by received stamp. The City of Forney Finance Department clock stamp is the official clock, and no other time sources will be accepted.

1. **Bid Receiving Location:**

<b>Via U.S. Mail:</b>	<b>Via Delivery Services / Personal Delivery:</b>
City of Forney Finance Department	City of Forney Finance Department
P.O. Box 826	101 E Main Street
Forney, TX 75126	Forney, TX 75126
	<b>Note: US Mail does not deliver to the street address</b>

2. **Sealed:** All bids must be sealed and the face of the envelope must contain the following information:

Bid No.: **RFP 2021-004**  
Name of Project: **ANNUAL PRICE AGREEMENT CONTRACT for ASPHALT MAINTENANCE & MATERIALS**  
Name of Bidder: Contractor's Name

3. Bids are valid only if deposited at a designated receiving location prior to receiving time.
4. Bids deposited after receiving time by the bidder, a delivery service, or any other delivery method will be returned unopened.

**TIME SCHEDULE:**

<b>City Council Approval:</b>	<b>January 19, 2021</b>
<b>Advertising (paper notice):</b>	<b>March 25, 2021, and April 01, 2021</b>
<b>Pre-Bid Meeting:</b>	<b>No Meeting will be Held Unless Questions Warrant It</b>
<b>Questions Deadline:</b>	<b>Wed, April 7, 2021, prior to 12:00 (noon) CT</b>
<b>Bids Due:</b>	<b>Mon, April 12, 2021, prior to 2:00 pm CT</b>
<b>Council Award:</b>	<b>Tentative: May 04, 2021, City Council Meeting</b>

Note: All times are subject to change at the City's discretion.

**BID FORM/PRICING:**

Bidders are requested to submit bids utilizing **Exhibit "B" Bid Form and Vendor Acknowledgment.**

**BONDS:**

- Bid Bond (5%)
- Performance and Payment Bonds (100%) - In accordance with Government Code 2253 and Local Government Code 252, successful bidder shall submit Owner's Performance bond in the amount of one hundred percent (100%) of each Asphalt Work Order of \$100,000.00 or greater and power of attorney; and a Material and Labor Payment Bond and power of attorney in the amount of one hundred percent (100%) of each Asphalt Work Order of \$50,000 or greater. Bonds must be from an

approved surety company holding a permit from the State of Texas to act as surety, or other sureties acceptable to the OWNER, on the forms provided in the specifications.

**CLIENT WORK HISTORY:**

Contractor to provide a five (5) year work history (**Client Work History Form - Exhibit D**), including client's names, addresses, telephone numbers, points of contact, and length of continuous service. The City reserves the right to request additional reasonable information from which the vendor's condition of responsibility can be determined as designated by State law. A Client Information Work History Worksheet is attached, and bids received without this worksheet may be deemed as non-responsive.

**INDEPENDENT CONTRACTOR:**

Contractor covenants and agrees that Contractor is an independent contractor and not an officer, agent, servant or employee of City; that Contractor shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors, and consultants; that the doctrine of respondent superior shall not apply as between City and Contractor, its officers, agents, employees, contractors, subcontractors, and consultants, and nothing herein shall be construed as creating a partnership or joint enterprise between City and Contractor.

**INSURANCE:**

Within ten (10) working days of being notified of potential award of this contract by the City of Forney, vendors will be required to furnish a valid insurance certificate to the City that meet all of the requirements as stated in the **City of Forney Insurance Requirements Exhibit "A"**. If this time requirement is not met, the City has the right to declare a vendor non-responsive.

**NOTE:** Vendor to provide services by company employees only; subcontractors are not acceptable.

**RESERVATION OF RIGHTS:**

The City of Forney reserves the right to reject any or all bids and to waive informalities. In case of ambiguity or lack of clearness in stating prices in the bids, the City of Forney reserves the right to request clarification thereof, to reject the bid, or allow the bidder to withdraw the bid when applicable. Unreasonable (or "unbalanced") unit prices may deem the bidder's offer as non-responsive and may authorize the City of Forney to reject any bid.

**INTENT TO AWARD**

The City shall give notice of intent to award within sixty (60) calendar days following the opening of bids. Contractors must qualify within ten (10) working days after receipt of written request, by submitting such additional evidence as may be required by the City including evidence of insurance that meets the City requirements as stated in the bid specifications.

Should the Contractor fail to produce evidence satisfactory to the City on any of the foregoing points, the bidder may be deemed non-responsive and the work awarded to the next responsible bidder so qualifying. The Contractor agrees to commence work within then (10) days after the date of written notice to do so.

The purpose of the Contract Documents is to provide the City of Forney with an "annual" contract that the City may utilize for the rehabilitation of existing city streets, and sidewalks. The rehabilitation will removal and installation of asphalt pavement, flexbase and crack sealing where

directed by the City. Upon written notification of award of the contract, the unit prices shall be valid through the period ending January \_\_\_\_, 2021. The contract will serve as an “annual” contract from which the City can have individual street and sidewalk rehabilitation projects performed throughout the period defined above. The City intends to release work incrementally through work orders.

#### **CHANGE ORDERS/CONTRACT MODIFICATIONS**

No oral statement of any person shall modify or otherwise change, or affect the term, conditions, or specifications stated in the resulting contract. All change orders and/or modifications to the contract will be made in writing by the Purchasing Agent.

#### **OTHER DEADLINES**

- **Corporate Resolution:** Upon request by the City, bidder shall submit, within seven (7) business days after notice of award of contract, a corporate resolution, certificate of partnership agreement or joint venture agreement which identifies the person(s) authorized to execute a contract on behalf of the corporation, partnership, or joint venture.
- **Insurance:** Upon request by the City, bidder shall furnish certificates of insurance and endorsement pages that meet the City requirements within ten (10) business days. Failure of the bidder to produce the required documents may deem the bidder as non-responsive.
- **Miscellaneous Documents:** Upon request by the OWNER, bidder must submit, within five (5) business days such documentation as the City requests to evaluate the qualifications of the bidder to perform the work. Failure of the bidder to produce documentation of qualifications in a timely manner may deem the bidder as non-responsive.

#### **DISCLOSURE OF CERTAIN RELATIONSHIPS**

**CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE REQUIRES THAT ANY VENDOR OR PERSON CONSIDERING DOING BUSINESS WITH A LOCAL GOVERNMENT ENTITY DISCLOSE IN THE QUESTIONNAIRE FORM CIQ, THE VENDOR OR PERSON'S AFFILIATION OR BUSINESS RELATIONSHIP THAT MIGHT CAUSE A CONFLICT OF INTEREST WITH A LOCAL GOVERNMENT ENTITY. BY LAW, THIS QUESTIONNAIRE MUST BE FILED WITH THE RECORDS ADMINISTRATOR OF THE CITY OF FORNEY NO LATER THAN THE 7TH BUSINESS DAY AFTER THE DATE THE PERSON BECOMES AWARE OF FACTS THAT REQUIRE THE STATEMENT TO BE FILED. SEE SECTION 176.006, LOCAL GOVERNMENT CODE. A PERSON COMMITS AN OFFENSE IF THE PERSON VIOLATES SECTION 176.006, LOCAL GOVERNMENT CODE. AN OFFENSE UNDER THIS SECTION IS A CLASS C MISDEMEANOR. BY SUBMITTING A RESPONSE TO THIS REQUEST, THE VENDOR REPRESENTS THAT IT IS IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE.**

FORM IS ATTACHED TO THE BID SPECIFICATIONS; **EXHIBIT “I”**

#### **PREVAILING WAGE RATES:**

The following information from Chapter 2258 Texas Government Code Title 10 requires state agencies, cities, counties, independent school districts, and all other political subdivisions that engage in construction projects (highways, road, excavation, repair work or other project development or improvement) using public funds to include prevailing wage rate in the project bid documents and the construction contract.

By submitting an offer, bidders certify that they are in compliance with all application federal, state, and local laws.

**2258.021. Duty of Governmental Entity to Pay Prevailing Wage Rates**

- (a) The state or any political subdivision of the state shall pay a worker employed by it or on behalf of it:
  - (1) not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed; and
  - (2) not less than the general prevailing rate of per diem wages for legal holiday and overtime work
- (b) Subsection (a) does not apply to maintenance work.
- (c) A worker is employed on a public work for the purposes of this section if the worker is employed by a contractor or subcontractor in the execution of a contract for the public work with the state, a political subdivision of the state, or any officer or public body of the state or a political subdivision of the state.

**DEBARMENT:**

Bidder certifies that at the time of submission of its bid, Bidder was not on the federal government's list of suspended, ineligible, or debarred contractors and that Bidder has not been placed on this list between the time of its bid submission and the time of execution of the Contract. If Bidder is placed on this list during the term of the Contract, Bidder shall notify the City of Forney Purchasing Agent. False certification or failure to notify may result in termination of the Contract for default.

**CONFIDENTIAL OR PROPRIETARY INFORMATION:**

If a bidder believes that parts of an offer are confidential, then the bidder must so specify. The bidder must stamp in bold letters the term CONFIDENTIAL on that part of the offer which the bidder believes to be confidential. The bidder must submit in writing specific detailed reasons, including any relevant legal authority, stating why the bidder believes the material to be confidential. Vague and general claims as to confidentiality will not be accepted. The City of Forney will be the sole judge as to whether a claim is general and/or vague in nature. All offers and parts of offers, which are not marked as confidential, will be automatically considered public information after the contract is awarded. The successful offer may be considered public information even though parts are marked confidential.

**CONTRACT ADMINISTRATION:**

The City of Forney Engineering and Public Works Department together with the Finance Department shall be responsible for administration of the contract for compliance with the interpretation of scope, schedule, billings, requirements, and budget.

**INSTRUCTIONS FOR BIDDING**

**CITY OF FORNEY GENERAL TERMS AND CONDITIONS APPLY TO ANY PROCUREMENT OF PRODUCTS OR SERVICES BY THE CITY.**

1. **BID NOTIFICATION:** City of Forney utilizes the following procedures for notification of bid opportunities: the Forney Messenger: [www.Forneymessengers.com](http://www.Forneymessengers.com). City of Forney shall not be responsible for receipt of notification and information from any source other than that listed. It shall

be the bidder's responsibility to verify the validity of all bid information received by sources other than those listed.

2. **REQUIRED INFORMATION:** City of Forney (City) bid/proposal packets contain various sections requiring completion. The bid form section of the bid packet must be completed prior to the date and time set for bid opening and included with the bid packet or the bidder may be found non-responsive. Vendors may be required to complete and supply all information contained in the "supplemental information" portion of the packet at a date after bid opening. Failure to complete "supplemental information" requirements in a timely manner, prior to council award, may be used by the City in determining a vendor's responsibility.
  
3. **MINIMUM STANDARDS FOR RESPONSIBLE PROSPECTIVE BIDDERS:** a prospective bidder must affirmatively demonstrate their responsibility. The City of Forney may request representation and other information sufficient to determine bidder's ability to meet these minimum standards including but not limited to:
  - A. Have adequate financial resources, or the ability to obtain such resources as required;
  - B. Be able to comply with the required or proposed delivery schedule;
  - C. Have satisfactory record of performance;
  - D. Have a satisfactory record of integrity and ethics;
  - E. Otherwise qualified and eligible to receive an award.
  
4. **CORRESPONDENCE:** the number of this bid packet must appear on all correspondence, or inquiries, pertaining to this quotation.
  
5. **PREPARATION COST:** The City will not be liable for any costs associated with the preparation, transmittal, or presentation of any bids or materials submitted in response to any bid, quotation, or proposal.
  
6. **NOTICE OF PUBLIC DOCUMENTS:** any and all materials initially or subsequently submitted as part of the bid process shall become the property of the City, and shall be treated as City documents subject to typical practice and applicable laws for public records.
  
7. **ADDENDA:** any interpretations, corrections, or changes to this bid packet will be made by addenda. Sole issuing authority shall be vested in the City of Forney purchasing division. Addenda will be made available to all who are known to have received a copy of this bid packet, if the addenda contain changes to the "specification" or "bid form", bidders shall acknowledge receipt of all addenda or they may be declared non-responsive.
  
8. **NON-RESIDENT BIDDERS:** Texas government code, chapter 2252: non-resident bidders. Texas law prohibits City and governmental units from awarding contracts to a non-resident unless the amount of such bid is lower than the lowest bid by a Texas resident by the amount a Texas resident would be required to underbid in the non-resident bidder's state.
  
9. **INSURANCE:** The City requires vendor(s) to carry the minimum insurance as required by state laws, and insurance requirements as outlined in the bid/proposal documents. Vendors must submit endorsement pages as well as insurance certificates.

10. **NO PROHIBITED INTEREST:** Bidder acknowledges and represents that they are aware of the laws, City Charter regarding conflicts of interest. The City Charter states that “no officer or employee of the City shall have a financial interest, direct or indirect, in any contract with the City, nor shall be financially interested, directly or indirectly, in the sale to the City of any land, or rights or interest in any land, materials, supplies or service....”.
11. **SILENCE OF SPECIFICATION:** the apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.
12. **SAMPLES:** any catalog, brand names, or manufacturer’s reference in this bid packet is descriptive and not restrictive, and is used to indicate type and quality level desired for comparison purposes unless specifically excluded. Please quote as listed or give equal. If item offered is other than as indicated, bidder must state make, model, and part number of product quoted. Equality will be determined by the City, per the specifications. Samples, if required, shall be furnished free of expense to the City. **Samples should not be enclosed with bid unless requested.**
13. **PRICING:** bid price(s) quoted, must be held firm for ninety (90) days to allow for evaluation unless otherwise stated in this document.
14. **ERROR-QUANTITY:** bid price must be submitted on units of quantity specified, extended, and total shown, in the event of discrepancies in extensions, the unit price shall govern.
15. **WARRANTY/GUARANTEE LAWS AND REGULATIONS:** By submittal of this bid, in addition to the guarantees and warranties provided by law, vendor expressly guarantees and warrants as follows:
  - A. That the articles to be delivered hereunder will be in full conformity with the specifications or with the approved sample submitted, and agreed that this warranty shall survive acceptance of delivery and payment for the articles and that the vendor will bear the cost of inspecting and/or testing articles rejected.
  - B. That the articles to be delivered hereunder will not infringe on any valid patent, trademark, trade name, or copyright, and that the vendor will, at vendor’s own expense, defend any and all actions or suits charging such infringement and will save and hold harmless the City, its officers, employees, agents, and representatives from any and all claims, losses, liabilities, and suits arising there from.
  - C. That the articles to be delivered hereunder will be manufactured, sold, and/or installed in compliance with the provisions of all applicable federal, state and local laws and regulations.
  - D. That nothing contained herein shall exclude or affect the operation of any implied warranties otherwise arising in favor of the City.
16. **PACKAGING:** unless otherwise indicated, items will be new, unused, and in first rate condition in containers suitable for damage-free shipment and storage.
17. **SHIPMENT/TITLE/RISK OF LOSS:** quotations shall be bid F.O.B. delivered, designated location, and shall include all delivery and packaging costs. The title and risk of loss of goods shall not pass to the City until the City actually receives and takes possession of the goods at the point(s) of delivery. The City of Forney assumes no liability for goods delivered in damaged or unacceptable condition. The

successful bidder shall handle all claims with carriers, and in case of damaged goods, shall ship replacement goods immediately upon notification by the City of damage.

18. **DELIVERY PROMISE – PENALTIES:** quotations must show the number of calendar days required to place the materials in the possession of the City (do not quote shipping dates) and deliveries will be acceptable only during normal working hours at the designated location. When delivery delay can be foreseen, the bidder shall give prior notice to the purchasing division, who shall have the right to extend the delivery date if reasons for delay appear acceptable. Default in promised delivery, without acceptable reasons, or failure to meet specifications, authorizes the purchasing division to purchase goods elsewhere, and charge any increase in cost and handling to the defaulting bidder.
19. **PRESENTATION OF BIDS:** complete bid packets must be presented to the Finance Department in a sealed envelope unless otherwise indicated.
20. **ALTERING BIDS:** bid prices cannot be altered or amended after submission deadline. Any inter-lineation alteration, or erasure made before opening time must be initialed by the signer of the bid, guaranteeing authenticity.
21. **LATE BIDS:** bid packets received in the purchasing department after submission deadline shall be returned unopened and will be considered void and unacceptable. The City of Forney is not responsible for the lateness of mail carrier, weather conditions, etc.
22. **WITHDRAWAL OF BIDS:** Bids filed with the City may be withdrawn, modified and/or resubmitted prior to the time set in the bid specifications. Bidder agrees that once opened, a bid price may not be withdrawn or canceled by the bidder for a period of ninety (90) days following the date designated for the receipt of bids without written approval of the City.
23. **BID OPENINGS:** all bids submitted will be read at the City’s regularly scheduled bid opening for the designated project. However, the reading of a bid at bid opening should not be construed as a comment on the responsiveness of such bid or as any indication that the City accepts such bid as responsive. The City will make a determination as to the responsiveness of bids submitted based upon compliance with all applicable laws, City of Forney purchasing guidelines, and project documents, including but not limited to the bid/proposal specifications and required submittal documents. The City will notify the successful bidder upon award of the contract and, according to state law all bids received will be available for inspection at that time.
24. **BID SUMMARY SHEET:** bid summary results will be made available forty-eight (48) hours after bid opening. Bidders desiring a copy of the bid summary sheet may request the results forty-eight hours (48) hours after the bid opening through the CivCast website or by emailing [kgroves@forneytx.gov](mailto:kgroves@forneytx.gov)
25. **MINOR DEFECT:** the City reserves the right to waive any minor defect, irregularity, or informality in any bid. The City may also reject any or all bids without cause prior to award.
26. **EVALUATION:** bids/proposals will be evaluated as outlined in the bid/proposal document. Owner reserves the right to reject any or all Bids, including without limitation, nonconforming, nonresponsive, unbalanced, or conditional Bids. Owner further reserves the right to reject the Bid of any Bidder whom it finds, after reasonable inquiry and evaluation, to not be responsible. Owner may also reject the Bid of any Bidder if Owner believes that it would not be in the best interest of the Project to make an award to that Bidder. Owner also reserves the right to waive all informalities

not involving price, time, or changes in the Work and to negotiate contract terms with the Successful Bidder.

27. **SPLIT AWARD:** the City reserves the right to award a separate contract to separate vendors for each item/group or to award one contract for the entire bid. The City reserves the right to take into consideration contract administration costs for multiple award contracts when determining low bid.
28. **PROTESTS:** all protests regarding the bid solicitation process must be submitted in writing to the Finance Department within five (5) working days following the opening of bids. This includes all protests relating to advertising of bid notices, deadlines, bid opening, and all other related procedures under the local government code, as well as any protests relating to alleged improprieties or ambiguities in the specifications. The limitation does not include protests relating to staff recommendations as to award of this bid. Protests relating to staff recommendations may be directed to the City Council by contacting the City Secretary prior to council award. All staff recommendations will be made available for public review ninety-six (96) hours prior to consideration by the City Council by emailing: [kgroves@forneytx.gov](mailto:kgroves@forneytx.gov).

### SECTION III: GENERAL TERMS AND CONDITIONS

#### **BONGING, PURCHASE ORDER AND PAYMENTS:**

1. **BID SECURITY/BOND REQUIREMENTS:** If required, bid security shall be submitted with bids. Any bid submitted without bid bond, or cashiers/certified check, shall be considered non-responsible and will not be considered for award. Performance and/or payments bonds, when required, shall be submitted (along with power of attorney), to the City prior to commencement of any work pursuant to the agreement provisions.

A BOND REQUIRED BY THIS SECTION MUST BE EXECUTED BY A CORPORATE SURETY IN ACCORDANCE WITH SECTION 1, CHAPTER 87, ACTS OF THE 56TH LEGISLATURE, REGULAR SESSION, 1959 (ARTICLE 7.19-1, VERNON'S TEXAS INSURANCE CODE).

A BOND REQUIRED UNDER THIS SECTION MUST CLEARLY AND PROMINENTLY DISPLAY ON THE BOND OR ON AN ATTACHMENT TO THE BOND:

THE NAME, MAILING ADDRESS, PHYSICAL ADDRESS, AND TELEPHONE NUMBER, INCLUDING THE AREA CODE, OF THE SURETY COMPANY TO WHICH ANY NOTICE OF CLAIM SHOULD BE SENT.

2. **FUNDING:** The Contractor recognizes that any contract shall commence upon the effective date and continue in full force and effect until termination in accordance with its provisions. Contractor and City herein recognize that the continuation of any contract after the close of any given fiscal year of the City of Forney, which fiscal year ends on September 30th of each year, shall be subject to Forney City Council approval. In the event that the Forney City Council does not approve the appropriation of funds for the contract, the contract shall terminate at the end of the fiscal year for which funds were appropriated and the parties shall have no further obligations hereunder.

3. **ADDITIONAL TERMS:** Notwithstanding acceptance by the City of the goods or services resulting from an award, no additional terms or conditions of vendor, whether contained within vendor's invoice or otherwise, shall be accepted by City.
4. **PURCHASE ORDERS:** a purchase order(s) shall be generated by the City to the successful vendor. The purchase order number must appear on all itemized invoices and packing slips. The City will not be held responsible for any work orders placed and/or performed without a valid current purchase order number.
5. **PAYMENT FOR LABOR AND MATERIALS; NO LIENS**

Progress Payments - At least 20 days before the date established in the Agreement for each progress payment (but not more often than once a month), Contractor shall submit to City of Forney Project Manager for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation (Approved Work Order) as is required by the Contract Documents. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice, or other documentation warranting that Owner has received the materials and equipment free and clear of all Liens and evidence that the materials and equipment are covered by appropriate property insurance or other arrangements to protect Owner's interest therein, all of which must be satisfactory to Owner.

Beginning with the second Application for Payment, each Application shall include an affidavit of Contractor stating that all previous progress payments received on account of the Work have been applied on account to discharge Contractor's legitimate obligations associated with prior Applications for Payment.

A five percent (5%) retainage with respect to progress payments will be withheld until final completion and the project has been accepted by City Council.

Work Order Time – Each section of work, as identified in the Work Order Form, will be substantially completed within the stated Calendar Days from the date when the Work Order Form commences to run as provided and approved in the executed Work Order Form.

Liquidated Damages: For each day Contractor fails to achieve Substantial Completion of the Project Work Order within the completion times approved by the City and Contractor (legal holidays excluded), Contractor shall pay the sum of Two Hundred Fifty Dollars (\$250.00) in Liquidated Damages for each and every calendar day that the City is unable to utilize the Project Work Order for its intended use. Any sums due and payable hereunder by Contractor shall be payable, not as a penalty, but as Liquidated Damages representing an estimate of delay damages likely to be sustained by the City, estimated at or before the time of executing this Agreement.

The Contractor for himself or any of his subcontractors shall pay all indebtedness that may become due to any person, firm, or corporation having furnished labor, material, or both in the performance of this contract. It shall be the responsibility of each person, firm, or corporation claiming to have furnished labor, materials or both, in connection with this contract, to protect his or its interest in the manner prescribed by applicable laws of the State of Texas; provided, however, that as this contract provides for a public works project, no lien of any kind shall ever exist or be placed against the work or any portion thereof, or any public funds or retainage held by the Owner; and any subcontractor shall look solely to the Contractor and the payment bond surety, and not the Owner, for payment of any outstanding amounts due for labor, materials or any other indebtedness in connection with the work.

Before final payment will be made, the Contractor shall furnish the Owner a consent of surety issued by the regional or national office of the surety (not the local agent) and an affidavit or other satisfactory evidence that all indebtedness connected with the work and all sums of money due for any labor, materials, apparatus, fixtures or machinery furnished for and used in the performance of the work have been paid or otherwise satisfied, or that the person or persons to whom the same may respectively be due have consented to such final payment. Forney City Council will need to accept project before final release of the 5% retainage that will be withheld.

Acceptance by the Contractor of the final payment shall be a release to the Owner, Engineer, and every officer and agent thereof, from all claims and liability hereunder for anything done or furnished for, relating to the work, or for any act or neglect of the Owner or of any person relating to or affecting the work.

**6. SCOPE AND PERIOD OF GUARANTEE**

The Contractor shall guarantee the materials and workmanship furnished under this Contract to be as specified and to be free from defects for a period of two years after the date of completion and acceptance of the improvements.

The guarantee shall cover all work, equipment, and materials that are a part of this project, whether or not a warranty is specified in the specification section describing that particular aspect of the work. Where a warranty of duration greater than the guarantee period is specified for a particular aspect of the work, that warranty shall govern.

The cost of all materials, parts, labor, transportation, supervision, tools, and supplies required for replacement of parts or correction of defects shall be paid by the Contractor or the Surety. The guarantee shall be extended to cover all replacements and corrections furnished under the guarantee. If the date of completion of a replacement or correction is less than one year from the end of the guarantee period, the guarantee for each such replacement or correction shall be one year after completion of the replacement or correction.

Upon notification, the Contractor shall promptly make all adjustments, repairs, or replacements which, in the opinion of the Consulting Engineer or Owner, arose out of defects and became necessary during the guarantee period.

If within (10) ten days after the Owner has notified the Contractor of the defect, failure, or abnormality in the work, the Contractor has not started to make the necessary repairs or adjustments, the Owner is hereby authorized to make the repairs or adjustments or to order the work done by a third party, and the cost of the work shall be paid by the Contractor or the Surety. In the event of an emergency where, in the judgment of the Owner, delay would cause serious loss or damage, repairs or adjustments may be made by the Owner, or a third party chosen by the Owner, without advance notice to the Contractor, and the cost of the work shall be paid by the Contractor or the Surety.

7. **PRICE ESCALATION:** price escalations may be permitted by the City of Forney during the term of the contract. All requests for price escalation shall be in written form and shall demonstrate industry-wide or regional increases in the Contractor's costs. Include documents supporting the price escalation, such as manufacturer's direct cost, postage rates, railroad commission rates, federal/state minimum wage laws, federal/state unemployment taxes, FICA, etc. Increases will apply

only to the products(s) and/or service(s) affected by an increase in raw material, labor, or another like cost factor. The City of Forney reserves the right to accept or reject any/all price escalations.

8. **PRICE REDUCTION:** if during the life of the contract, the Contractor's net prices to other customers for the same product(s) and/or service(s) are lower than the City of Forney's contracted prices, an equitable adjustment shall be made in the contract price.
9. **INVOICING:** Invoices shall be submitted to the City of Forney, Attention: Engineering Department, PO Box 826, Forney, TX 75126 or electronically to [kgoves@forneytx.gov](mailto:kgoves@forneytx.gov)
10. **PAYMENT TERMS:** Are net 30 in accordance with the Texas Prompt Payment Act (Texas Government Code, Chapter 2251), unless otherwise specified by the City in the bid/proposal packet.
11. **TAXES:** The City of Forney is exempt from federal manufacturer's excise and state sales and use tax under Section 151 of the Texas Tax Code. Tax must not be included in bid. Tax exemption certificates will be executed by the City and furnished upon request, and the Contractor shall comply with all provisions of Section 151.309.
12. **DELINQUENT TAXES:** section 2-2 of the City Code of Ordinances prohibits the payment of public funds to persons that owe delinquent taxes to the City of Forney. Therefore, payment to a Contractor for goods or services provided to the City under contract or Purchase Order may be withheld in the event the Contractor owes delinquent taxes to the City.

**CONTRACT:**

13. **INTERLOCAL AGREEMENT:** successful bidder agrees to extend prices and terms to all entities who have entered into or will enter into joint purchasing interlocal cooperation agreements with the City of Forney.
14. **PATENT RIGHTS:** The Contractor agrees to indemnify and hold the City harmless from any claim involving patent right infringement or copyrights on goods supplied.
15. **ASSIGNMENT:** The Contractor shall not sell, assign, transfer or convey this contract in whole, or part, without the prior written consent of the purchasing division.
16. **AUDIT:** The City of Forney reserves the right to audit the records and performance of Contractor during the contract and for three years thereafter or as specified.
17. **CHANGE ORDERS:** no oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in this contract. All change orders to the contract will be made in writing by the City of Forney.
18. **INDEMNIFICATION:** Vendor/Contractor agrees to defend, indemnify and hold the City and its respective officers, agents and employees, harmless against any and all claims, lawsuits, judgments, fines, penalties, costs and expenses for personal injury (including death), property damage, intellectual property infringement claims (including patent, copyright and trademark infringement) or other harm or violations for which recovery of damages, fines, or penalties is sought, suffered by any person or persons that may arise out of or be occasioned by Contractor's breach of any of the terms or provisions of the contract, violations of law, or by any negligent, grossly negligent, intentional, or strictly liable act or omission of the Contractor, its officers,

agents, employees, invitees, subcontractors, or sub-subcontractors and their respective officers, agents, or representatives, or any other persons or entities for which the Contractor is legally responsible in the performance of the contract. The indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence of City, and its officers, agents, employees or separate contractors. City does not waive any governmental immunity or other defenses available to it under Texas or federal law. The provisions of this paragraph are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

Vendor/Contractor, at its own expense, is expressly required to defend City against all such claims. City reserves the right to provide a portion or its own entire defense; however, City is under no obligation to do so. Any such action by City is not to be construed as a waiver of Contractor's obligation to defend City or as a waiver of Contractor's obligation to indemnify City pursuant to this agreement. Contractor shall retain defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this agreement. If Contractor fails to retain counsel within the required time period, City shall have the right to retain defense counsel on its own behalf and Contractor shall be liable for all costs incurred by City.

In addition to Contractor's intellectual property infringement indemnification and defense requirements herein, if an infringement claim occurs, or in Contractor's opinion is likely to occur, Contractor shall, at its expense: (a) procure for city the right to continue using the product; (b) replace or modify the product so that it becomes non-infringing while providing functionally equivalent performance; or (c) accept the return of the product and grant city a reimbursement for the product. Contractor will proceed under subsection (c) above only if subsections (a) and (b) prove to be commercially unreasonable.

The intellectual property infringement indemnification herein applies to all products provided, supplied or sold under this agreement by Contractor to City whether manufactured by Contractor or a third party. Contractor represents that, to the best of its knowledge, City's use of products that are provided supplied, or sold by Contractor to City as part of this agreement does not constitute an infringement of any intellectual property rights and City has the legal right to use said products. City enters into this agreement relying on this representation.

The indemnification herein survives the termination of the contract and/or dissolution of this agreement including any infringement cure provided by the Contractor.

19. **TERMINATION FOR DEFAULT:** the City of Forney reserves the right to enforce the performance of the contract in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of the contract. The City reserves the right to terminate the contract immediately in the event the Contractor fails to 1) meet delivery schedules or, 2) otherwise perform in accordance with these specifications. Breach of contract or default authorizes the City to award contract to another contractor, purchase elsewhere and charge the full increase in cost and handling to the defaulting contractor.
20. **REMEDIES:** The Contractor and the City of Forney agree that each party has rights, duties, and remedies available as stated in the uniform commercial code and any other available remedy, whether in law or equity.
21. **VENUE:** this agreement will be governed and constructed according to the laws of the state of Texas. This agreement is performable in Kaufman County, Texas. Exclusive venue shall be in Kaufman County, Texas.

22. **EMPLOYMENT ELIGIBILITY VERIFICATION:** the immigration reform and control act of 1986 (IRCA) makes it illegal for employers to knowingly hire or recruit immigrants who do not possess lawful work authorization and requires employers to verify their employees' work eligibility on a U.S. department of justice form I-9.

The Contractor warrants that Contractor is in compliance with IRCA and will maintain compliance with IRCA during the term of the contract with the City. Contractor warrants that Contractor has included or will include a similar provision in all written agreements with any subcontractors engaged to perform services under this contract.

23. **DISCLOSURE OF CERTAIN RELATIONSHIPS:** Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Forney not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. By submitting a response to this request, Contractor represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code

#### **SECTION IV: SCOPE OF WORK/SPECIFICATIONS**

##### **1. PROJECT**

The following specifications are intended to describe the minimum requirements for Asphalt repair. The bid shall be based on a fixed price per the specification as required, and shall also be provided for the removal of existing Asphalt.

The City estimates the average annual expenditures for Asphalt Rehabilitation Work to be approximately **\$500,000**. This estimate does not constitute an order, but only implies the City's probable expenditures for the contract period. Work performed under the contract will be ordered and scheduled on an as needed basis through the use of "Asphalt Work Orders" (**Sample Form "1"**), and is subject to annual budgetary appropriations.

The Contractor shall furnish all labor, materials and equipment necessary to complete Asphalt projects in accordance with the City's specifications and scheduling for each project.

**The rates quoted on the Bid Form (bid pricing sheets) within CivCast must be all-inclusive.** "All-inclusive" shall be construed as costs incorporating all charges for labor, material, equipment and any other cost incurred. No separate line item rates or charges will be accepted.

Unless otherwise stated herein, all materials, equipment, and construction methods covered under this contract shall conform to the Standard Specifications for Public Works Construction as published by the North Central Texas Council of Governments, Texas Department of Transportation (TXDOT, as applies) and the City of Forney Design Standards.

COMPLIANCE WITH LAWS The contractor shall fully comply with all local, State and Federal laws, including all codes, ordinance and regulations applicable to this contract and the work to be done thereunder, which exist or which may be enacted later by governmental bodies having jurisdiction or authority for such enactment.

**CONTRACTOR MUST OBTAIN COPIES OF THE LATEST CITY OF FORNEY STANDARD DETAILS [www.forneytx.gov](http://www.forneytx.gov) AND NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENT STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION WITH FORNEY AMENDMENTS. CONTRACTOR SHALL HAVE ONE COPY ON THE PROJECT AT ALL TIMES.**

Bid prices shall remain firm for a period of one year. Contractor shall provide written notification to the City of any proposed price increase. Contract renewals are not dependent upon approval of price increases.

Unit prices as stated on the "Bid Form" (Exhibit "B") will be the basis for the payment to the Contractor for completion of work.

## **2. GENERAL INFORMATION**

For this contract, the basis for determining quantities and project schedule will be for the entire work directed by the City for an individual project in a specific geographic area. The work for each individual project may include one or more intermittent repair areas throughout the project length.

The Contractor will be responsible for all signing and barricading and will comply with those portions of the "Texas Manual on Uniform Traffic Control Devices for Streets and Highways" which pertain to construction.

The Contractor shall provide means for adequately controlling and avoiding soil erosion during construction (no separate pay item).

The Contractor shall coordinate with the property owners to determine the existence and extent of any existing sprinkler systems. If the Contractor encounters any sprinkler systems during construction, he shall repair and/or replace it in as good or better condition than before (no separate pay item).

Contractor shall provide door hangers to all affected property owners two (2) days prior to construction as directed by the City. Additional door hangers could be requested by City (no separate pay item). The door hangers as a minimum shall have the following information:

- Contractor's name and phone number
- Construction start date and estimated completion date
- Notify the residents not to park in the construction area

The Contractor is responsible for notifying and working with all utility companies as needed.

The Contractor shall take precautions and use care to avoid damaging, disturbing or disrupting existing private facilities on private or public property, i.e. fences, sprinkler facilities, shrubs, landscaping, etc. The Contractor shall restore, to the City's satisfaction, any damaged property at the Contractor's expense.

LABOR AND MATERIALS - Unless otherwise provided, the contractor shall provide and pay for all labor, equipment, tools, construction equipment and machinery, traffic control devices, tack, water, utilities, transportation, portland cement and other facilities and services, necessary for the proper execution and completion of the work.

Completion of a particular project is defined to include the satisfactory performance of all minor and non-pay work items such as form removal, backfill, final grading, clean-up, restoration/replacement of all damaged private and public property, etc.

### **3. WORK ORDER BOND REQUIREMENTS**

For the duration of this contract Payment Bonds and Performance Bonds may be required (**Bond Exhibits F - I**), to be determined by the dollar value of each Asphalt Work Order (**Sample Form "1"**). Lien releases will be required and given to the City at the end of each work order. No payment by the City will be made to the Contractor for completed work until the Contractor delivers a lien release for any costs, actual or incidental, incurred during the completion of each work order.

### **4. MINIMUM STANDARDS FOR RESPONSIBLE PROSPECTIVE BIDDERS**

All bidders must affirmatively demonstrate responsibility, and must meet the following requirements:

- have adequate financial resources, or the ability to obtain such resources as required;
- be able to comply with the required or proposed delivery schedule;
- have a satisfactory record of performance and safety;
- have a satisfactory record of integrity and ethics;
- be otherwise qualified and eligible to receive an award.

The City may request representation and other information sufficient to determine bidder's ability to meet these minimum standards listed above.

### **5. OFFERS**

Bidders shall fill out the bid form completely, stating all prices in figures. The prices in the offer shall be full compensation. The costs of all material, labor, equipment, and incidental work required to complete the project ready for use must be included in the unit prices for the bid items provided on **Sample Form "1"**, and no direct compensation will be made for any other work. Material on hand will not be paid until all work is completed.

### **6. TESTING**

All tests required will be paid for by the City. All re-testing will be paid for by the Contractor. The Contractor shall use care in removing existing pavement so as not to damage the subgrade. If the City indicates that additional compaction tests or methods are required for specific areas, costs associated with such will be paid for by the City, provided the tests are not required due to Contractor negligence. Generally, no heavy-duty trucks or construction machinery will be allowed on a recently poured sections until cured to the required strength per City standards.

### **7. GRADES**

Contractor is responsible for all surveying and staking for projects covered by this agreement as needed. Contractor is responsible for insuring that gutter grades allow for proper drainage.

### **11. EXCAVATION AND BORROW**

There will be no extra pay item for typical grading operations required to reconstruct or match existing pavement grades, profiles, or cross-sections. There will be no extra pay item for typical backfilling procedures.

### **12. WORK ORDERS**

City shall issue Asphalt Work Orders for each project (Sample Form 1). Each work order shall be uniquely numbered, and shall contain a description of the location and required work. Contractors awarded an agreement shall review the work order, complete the project cost (based on the contracted pricing) and provide an estimated start and completion date. The City **must review and approve in writing** each work order before work is to commence. Note: That Performance and Payment Bonds will be required as stipulated in Section I/Paragraph "Bonds".

### **13. CONSTRUCTION SCHEDULE**

Contractor must give notice of any water service interruptions to residents at least **48** hours in advance.

### **14. PROTECTION OF PUBLIC AND PRIVATE PROPERTY**

The Contractor shall exercise reasonable care to protect all existing features and utilities in the public right-of-way (ROW). This includes but not limited to landscaping, fencing, sprinkler systems, drain lines, and invisible dog fences. Any item damaged due to negligence shall be repaired or replaced in kind by the Contractor as directed by the Engineer no additional compensation will be allowed.

During performance and up until the date of final acceptance, the contractor shall be under the absolute obligation to protect the finished work against any damage. In the event such damage, the contractor shall promptly replace or repair such work, whichever the City shall determine to be preferable. All risk of loss or damage to the work shall be borne solely by the contractor until final completion and acceptance of all work by the City of Forney.

### **15. EASEMENTS**

- a) Contractor must conduct all work within the street right-of-way, within designated areas on City-owned property, or within easements obtained for this project. All disturbed areas shall be reshaped, smoothed, top soiled, seeded, and/or sodded. All removal items shall be completely removed and disposed of. All remaining items shall be saved from damage.
- b) Any damage that occurs to private property will be the responsibility of the Contractor. In the event the Contractor gets off the permanent or temporary easements, then all costs to restore the property shall be at the Contractor's expense and final acceptance of the project may be withheld unless the claim is being addressed.
- c) All areas of new sidewalk construction will be subject to the availability of right-of-way in that given area.
- d) Any obstructions or structures in place in City right-of-way that are in conflict with the placement of the sidewalks are to be removed as carefully and prudently as possible and placed within the private property line. All costs of removal are incidental to the project.
- e) In the event that a citizen makes a claim against the Contractor or subcontractor, the Contractor shall do the following:
  - i. Investigate the claim within a reasonable period of time when notified by a citizen or the City of Forney.
  - ii. Within 5 days after completing the investigation, the Contractor shall notify in writing the person making the claim that the Contractor is approving or denying the claim or a part thereof. The City shall receive a copy of the written notification.
  - iii. Assure that claims shall not be denied for frivolous reasons.
  - iv. In the event, the City of Forney determines after notification by a citizen that the Contractor has failed to comply with the above provisions and after notifying the Contractor and determining that the Contractor has failed to comply with the above provisions, the City of Forney may, in its direction, withhold payment to the Contractor until the provisions set forth above are complied with.

### **16. CONTROL OF CONTRACTOR**

- a) The Contractor shall be fully responsible for maintaining alignment and grade.
- b) The Contractor shall set and maintain all intermediate points, offset points, lines, grades, elevations, and offset elevations not set by the Engineer. The accuracy of the Contractor's surveys and staking shall be his responsibility.

- c) A reasonable amount of time shall be allowed by the Contractor after he calls for inspections of the form boards by the City prior to placement of the Asphalt. The Contractor shall not claim additional compensation for any delay due to the City exercising this right, for any corrective work which may be required as the result of the Contractor's errors or any removal and replacement of items not inspected or approved.
- d) Removal of existing sidewalks, curbs, 4" stone base beneath Asphalt, all finishing, backfill, and seeding, forming of ramped areas, and other related activities shall be incidental to the cost of the contract.
- e) No imperfections in the completed sidewalk will be accepted. It will be the Contractor's responsibility to prevent vandalism or destruction on the surface of wet Asphalt.
- f) Before work is to commence, the Contractor is to video all existing conditions with the date and timestamp and provide a copy to the City.

### **17. INSPECTION**

The Contractor shall conduct his work in full cooperation with the City. The City must be notified for inspection prior to the placement of any materials; patch, curb, panel replacement, street work, sidewalk or restoration. Any materials placed before an inspection by the City shall be deemed unacceptable and no compensation will be allowed.

### **18. INCIDENTAL ITEMS**

Unless otherwise indicated, there will be no separate pay items for the following miscellaneous construction items. Costs for these items shall be considered incidental to other contract bid items.

- Removing asphalt patches, or capping
- Adjusting water valve stacks in the paving and parkway area (Asphalt pad is paid under sidewalk)
- Adjusting Manholes and Cleanouts in the paving area
- Final cleanup
- Erosion control
- Irrigation damage or irrigation adjustments

### **20. DELIVERY CHARGES**

All delivery charges (FOB work sites) shall be included in the bid price.

### **21. BARRICADING AND TRAFFIC CONTROL**

Streets will remain open to thru traffic and emergency vehicles during the duration of each project (**They can be closed to thru traffic in certain situations with pre-approval**). Barricading and construction signage shall be in accordance with the Texas Manual on Uniform Traffic Control Devices (MUTCD) requirements and shall be considered incidental in cost.

### **22. SAW-CUTTING**

All existing Asphalt shall be sawed to limits of removal to insure uniformity. Any waste or slurry created from cutting the Asphalt shall be vacuumed and properly disposed of. Costs for saw cutting shall be addressed on the Bid Form (**Exhibit "B"**).

### **23. LOCATING UTILITIES**

Contractor shall be required to locate and protect all utilities, including sprinkler systems and other private underground installations. The Contractor shall protect all utilities during construction. Sprinkler system and other private underground installation relocation and repair shall be done at Contractor's expense if damaged.

### **24. FINAL CLEAN UP**

Contractor will be responsible for the removal and proper disposal of waste created during the project duration, and will restore all disturbed areas to original condition or better. Areas disturbed by construction are to be sodded with the same type of grass that existed before construction began. The Contractor is encouraged to minimize the grassed area that is disturbed because all grass restoration shall be included. All damage to grassed areas shall be held to a minimum that only the edges need restoration. All disturbed areas caused by work will need to be reestablished back to existing conditions prior to construction. Cleanup shall follow immediately after and at the same rate as construction. Cleanup shall not be delayed until the entire project is finished. All work shall be limited to one side of a street at a time. All work, including cleanup and backfilling, shall be completed before moving to another area, with the exceptions of seeding and mulching and any asphalt repairs. The Contractor will have dry black dirt available at all times for backfill. No delays in backfilling will be allowed due to weather. Final clean up shall be complete prior to payment from the City for each work order.

**25. WARRANTY**

Successful bidder shall warrant that all work shall conform to the proposed specifications and/or all warranties as stated in the Uniform Commercial Code and be free from all defects in material, workmanship and title, for a minimum of 2 years.

SECTION V: EXHIBITS

**EXAMPLE** FORM "1": ASPHALT WORK ORDER



**ASPHALT WORK ORDER -*Example***  
**Forney Agreement RFP 2021-004**

Asphalt Work Order # \_\_\_\_\_ Date: \_\_\_\_\_

Contractor: \_\_\_\_\_ Phone: \_\_\_\_\_

Forney Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

Location of Work: \_\_\_\_\_

Description of Work:  
 \_\_\_\_\_  
 \_\_\_\_\_

**Contractor's Response:**  
 \_\_\_\_\_  
 \_\_\_\_\_

Item	Description	Unit	Quantity	Unit Price	Total Price
1	Saw-Cut and Remove Existing Asphalt	SY			
2	6" HMAC (2" Type D on 4" Type B) (48 Ton Minimum)	SY			
3	4" Type D HMAC (48 Ton Minimum)	SY			
4	2" Type D HMAC (48 Ton Minimum)	SY			
5	6" Flexbase	SY			
6	Crack Sealing	LF			
7	Pulverize, Cement Treat/Stabilize (6", 22 lb/SY)	SY			
8	Milling Work (2")	SY			

9	Wedge Mill (1-2")	SY			
10	Wedge Mill (2-4")	SY			
11	Wedge Mill (4-6")	SY			
12	Petromat 4598 Paving Fabric	SY			
13	Striping (Traffic Paint) 4" White Lines on Edges of Road	LF			
14	Striping (Traffic Paint) 4" Yellow Dashed Center Line	LF			
15	Striping (Traffic Paint) 4" Yellow Solid Center Line	LF			
16	12" White Crosswalk Lines (Traffic Paint)	LF			
17	Install 24" Stop Bar (Traffic Paint)	LF			
18	Removal of Existing Markings	LF			
19	Type B Material Delivered (6 Ton Minimum)	PER TON			
20	Type D Material Delivered (6 Ton Minimum)	PER TON			
21	Asphalt Rejuvenation	SY			

\*All items include traffic control, testing, and mobilization.

Total Price: \_\_\_\_\_

Start Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

Special Requirements: \_\_\_\_\_

Performance Bond No.: \_\_\_\_\_ Payment Bond No.: \_\_\_\_\_

Before Photos Taken: \_\_\_\_\_ Yes \_\_\_\_\_ No

After Photos Taken: \_\_\_\_\_ Yes \_\_\_\_\_ No

Approved by City of Forney

Approved by Contractor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**\*By accepting this work order the contractor acknowledges that it has examined and carefully studied the specifications and details and clearly understands the work to be performed as identified above.**

**EXHIBIT "A":**

**MINIMUM INSURANCE & BONDING REQUIREMENTS**

By submitting a quote or bid the Contractor is acknowledging the insurance requirements, and is asserting that if awarded a written contract or purchase order, the vendor will comply with all insurance requirements as specified herein within 10 days of request by the City. Should the Contractor fail to submit the required insurance certificate within 10 days of request, vendor understands that they shall be deemed non-responsive and forfeit any applicable bid bond. Contractor also acknowledges that in award of a contract, the bid specification and subsequent purchase order constitutes a written contract and all insurance requirements are in effect.

Services for construction projects, including but not limited to: General Contractors, Demolition Contractors, Utility Contractors, Building Contractors, Street and Road Contractors, etc.

Contractor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the vendor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Contractor's bid. A certificate of insurance and endorsement pages meeting all requirements and provisions outlined herein shall be provided to the City prior to any services being performed or rendered. Renewal certificates shall also be supplied upon expiration. The City, at its own discretion, may require a certified copy of the policy.

The Contractor shall obtain and maintain the minimum insurance coverage set forth in this section. By requiring such minimum insurance, Owner shall not be deemed or construed to have assessed the risk that may or may not be applicable to the Contractor. The Contractor shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. The Contractor is not relieved of any liability or other obligation assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, durations, or types. The insurance requirements listed below do not replace any warranty or surety (performance, payment, or maintenance) bonds if required by preceding or subsequent sections of this contract

**All insurance companies and coverage must be authorized by the Texas Department of Insurance to transact business in the State of Texas and must be acceptable to the City of Forney.**

**MINIMUM INSURANCE AND BONDING REQUIREMENTS**

A. Purpose

The Owner seeks comprehensive insurance and bonding protection with limits adequate to respond to exposure confronting the Owner, the Engineer, and any other public entity (herein "Public Entity") in which the work is undertaken.

B. Conditions Applicable to All Policies:

1. Qualifications of Insurers: Insurers shall be duly licensed or approved non-admitted carriers and comply with all applicable state insurance laws and requirements of duly constituted insurance regulatory authorities.
2. Insurance Company Rating: Insurers shall maintain an A.M. Best Insurance Guide rating of at least B+VI, or better. Surplus lines carriers shall maintain an A.M. Best Insurance Guide rating of at least A+VI.

3. Signatories on Certificates of Insurance and Bond Power of Attorney or Attorney-In-Fact: Only agents licensed by the Texas Department of Insurance (TDI) to conduct business in the State of Texas, and appointed by the TDI to the company affording coverage may be a signatory on the Certificate of Insurance and Bond Power of Attorney or Attorney-In-Fact (verification with TDI will be required). In the case of surplus lines carriers or non-admitted carriers only agents licensed as surplus lines agents may sign a Certificate of Insurance on behalf of the surplus lines carrier or non-admitted carrier affording coverage (verification with TDI will be required).
  4. Cancellation Notice: The Owner shall be given at least 30 days' notice by certified mail before the cancellation, or any material change in coverage.
  5. Additional Insured: With the exception of Workers' Compensation policies, the Owner, or Public Entity, and Engineer shall be named as additional insureds.
  6. Waiver of Subrogation: All policies must include a Waiver of Subrogation in favor of the Owner.
  7. Certificate Holder: The Owner shall be listed as a certificate holder.
  8. Deductibles: Deductibles may not exceed \$1,000, unless approved by the Owner.
  9. Occurrence Policy: Insurers must furnish "occurrence" policies.
  10. These requirements are in addition to the requirements adopted by the Texas section of the American Society of Civil Engineers.
  11. The Owner reserves the right to modify these requirements in the event it deems said modifications(s) to be appropriate.
- C. Comprehensive General Liability (CGL) (including independent contractor's liability, completed operations and contract liability)
1. Minimum Policy Limits (minimum combined single limits (CSL) for bodily injury and property damage)
    - a. \$1,000,000 per occurrence
    - b. \$2,000,000 general aggregate
    - c. \$2,000,000 aggregate for products and completed operations coverage
  2. Owner's and Contractor's Protective Liability Coverage (OC&P): Minimum policy limits of \$1,000,000
  3. XCU: XCU exclusions must be removed from the policy.
  4. Contractual Liability Insurance: If surplus lines policy, any non-standard exclusions must be attached to Certificate of Insurance.
  5. Policy Exclusions: Certificate of Insurance must identify all policy exclusions (*i.e.*, pollution, punitive damages, subcontractors).
- D. Comprehensive Auto and Truck Liability Insurance - Minimum CLS policy limits for bodily injury and property damage
1. \$500,000 per occurrence

2. \$1,000,000 aggregate for vehicles with gross weight of 26,000 lbs. or more.
3. Coverage shall be afforded for hired and non-owned autos.

E. Workers' Compensation

1. Authority to do Business in Texas: Insurance carrier must be authorized to conduct business in the State of Texas or must obtain a Texas endorsement.
2. Policy Limits: Maintain minimum statutory policy limits \$100,000/\$100,000/ \$500,000
3. Waiver of Subrogation: Policy must include a waiver of subrogation in favor of the Owner.
4. Certificate Holder: The Owner must be listed as a certificate holder.
5. Staff Leasing Agreement:  
In the event of a staff leasing agreement:
  - a. Staff leasing company must furnish a Certificate of Insurance.
  - b. Staff leasing company must be licensed.
  - c. Staff services agreement must meet the requirements of Section 91.032 of the Texas Labor Code.
  - d. The Contractor must represent in writing that only employees covered under the staff services agreement will work on the project.
  - e. Contractor and staff leasing company must furnish the Owner with 30 days advance written notice of either parties' intent to terminate the staff services agreement.

F. Performance, Payment and Maintenance Bonds:

1. A surety company shall be listed on Treasury Circular 570. In determining whether the surety on the bond holds a certificate of authority from the United States Secretary of the Treasury, a party may conclusively rely on the list of companies holding certificates of authority as acceptable sureties on federal bonds published in the Federal Register by the United States Department of the Treasury covering the date on which the bond was executed.
2. A bond that is made, given, tendered, or filed may be executed only by a surety company that is authorized and admitted to write surety bonds in the State of Texas.
3. The bonds shall be effective for at least two years from the date final payment is made.
4. Signatories on Certificates of Insurance and Bond Power of Attorney or Attorney-In-Fact – Only agents licensed by the Texas Department of Insurance (TDI) to conduct business in the State of Texas, and appointed by TDI to the company affording coverage may be a signatory on the Bond (verification with TDI will be required).
5. Bonding company shall maintain an A.M. Best rating of A+V or better.

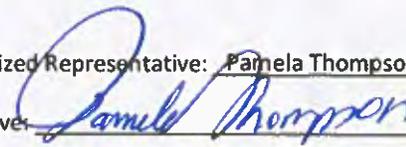
**VERIFICATION OF COVERAGE**

Contractor shall provide the City with certificates of insurance indication coverages required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance must be approved by the Texas Department of Insurance. City will not accept Memorandums of Insurance or Binders as proof of insurance. The City of Forney reserves the right to require complete, certified copies of all required insurance policies at any time.

## 1. Exhibit B – Proposal Document Check List

**Submittal Checklist: (To determine validity of proposal each of the following must be included in the proposal submittal.)**

- Exhibit B – Checklist / Bid Form / Vendor Acknowledgement
- Acknowledge Addenda (If applicable)
- Exhibit C - Bidders Qualification Statement
- Exhibit D - Client Work/Reference History
- Exhibit E - Contractor's Safety Record
- Exhibit G - Bid Bond or Cashier's Check (If submitting bid and are electing to provide a cashier's check in lieu of a bid bond, the cashier's check must be physically dropped off in a sealed envelope referencing the RFP No. before the due date of this bid at the address provided on the City of Forney Bid Cover Sheet.)
- Exhibit J - Conflict of Interest (CIQ) Form
- Exhibit K - Suspension of Debarment Certificate
- Exhibit L - Minority and /or Woman Owned Business
- Form 1295 Certificate of Interested Party must be submitted with the Texas Ethics Commission
- Confidentiality/Non-Disclosure Agreement
- Cooperative Governmental Purchasing Notice

All proposals submitted to the City of Forney shall include this page with the submitted Proposal.			
RFQ Number:	2021-004		
Project Title:	Annual Price Agreement Asphalt Maintenance and Repair		
Submittal Deadline:	April 12, 2021, 2:00 p.m. CST		
Proposer(s)'s Legal Name:	Anderson Asphalt & Concrete Paving, LLC		
Address:	11343 Mathis Avenue		
City, State & Zip	Dallas, Texas 75229		
Federal Employers Identification Number #	26-3494724		
Phone Number:	(214) 352-3400	Fax Number:	(214) 352-3402
E-Mail Address:	coryh@aacpaving.com		
<b>Proposer(s) Authorization</b>			
I, the undersigned, have the authority to execute this Proposal in its entirety as submitted and enter into a contract on behalf of the Proposer(s).			
Printed Name and Position of Authorized Representative: Pamela Thompson			
Signature of Authorized Representative: 			
Signed this 08 (day) of April (month), 2021 (year)			

**EXHIBIT "B":**

**BID FORM AND VENDOR ACKNOWLEDGEMENT**

**CITY OF FORNEY ANNUAL PRICE AGREEMENT CONTRACT for  
ASPHALT MAINTENANCE & MATERIALS**

**PAY ITEMS**

Any and all work specifically called for in the Contract Documents or which is required for the proper construction of items called for in the Contract Documents is to be performed by the Contractor unless specifically indicated otherwise. The cost of all work for which there is no separate pay item in the proposal shall be included in the price for a related pay item such that work called for or required by the Contract Documents will be constructed for the Contract Price.

The following descriptions are intended to clarify the nature of the work required for this project. The provisions of the standard technical specifications shall apply, except as otherwise specified herein: Each pay item includes all labor, materials, equipment and incidentals necessary to construct that item. The contract shall be awarded based on the "TOTAL BASE BID FOR ALL ITEMS".

**Pay Item 1: Saw-Cut and Remove Existing Asphalt**

This item shall consist of the work, labor and materials necessary to saw cut and remove existing pavement of various thickness and for all types of pavement under the visible pavement. This pay item includes the proper disposal and haul off of the material. Measurement for payment shall be on a square yard basis.

**Pay Item 2: 6" HMAC (2" Type D on 4" Type B)**

This item shall consist of the work, labor and materials necessary to install (2" Type D HMAC on 4" Type B HMAC. Construction methods shall be in accordance with NCTCOG Item 302.9. The contract price per square yard shall include both the 2" Type D and 4" Type B. Measurement for payment shall be on a per square yard basis.

**Pay Item 3 and 4: 4" and 2" Type D HMAC**

This item shall consist of the work, labor and materials necessary to install 4" Type D HMAC or 2" Type D HMAC. Construction methods shall be in accordance with NCTCOG Item 302.9. The contract price per square yard shall include both the 4" Type D and 2" Type D. Measurement for payment shall be on a per square yard basis. This work includes all testing, surface prep, seal coats, and tack coats.

**Pay Item 5: 6" Flexbase**

This item shall consist of all the work, labor, materials and equipment associated with providing and installing flexbase at the discretion of the Owner. Construction methods and materials shall be per NCTCOG Item 301.5. Dust control is part of this item. Measurement shall be on a square yard basis.

**Pay Item 6: Crack Sealing**

This item shall consist of all the work, labor, materials and equipment associated with providing and installing crack sealing at the discretion of the Owner. Construction methods and materials shall be per NCTCOG Item 302. Material specifications shall be provided at the request of the City prior to installing the crack sealing. Measurement shall be on a linear foot basis.

**Pay Item 7: Pulverize, Cement Treat/Stabilize**

Pulverize, Cement Treat/Stabilize: This item shall consist of all the work, labor and materials associated with pulverizing existing asphalt into the existing base (6") and treat with 22lb/SY of cement. All materials and construction methods shall follow NCTCOG requirements. Measurement for payment shall be on a square yard basis.

**Pay Item 8: Milling Work**

This item shall consist of all the work, labor and materials necessary to mill the existing asphalt pavement (2") at the locations directed by the City. All materials and construction methods shall follow NCTCOG requirements. Measurement for payment shall be on a square yard basis.

**Pay Item 9 - 11: Wedge Mill**

This item shall consist of all the work, labor and materials necessary to mill the existing asphalt pavement at the locations directed by the City. All materials and construction methods shall follow NCTCOG requirements. Measurement for payment shall be on a square yard basis.

**Pay Item 19 & 20: Material to be Delivered**

This item shall consist of all the labor, hauling of the materials per bid item to location directed by the City (location site is Public Works at 2011 E Buffalo Street, Forney, TX 75126). All materials and construction methods shall follow NCTCOG requirements. Measurement for payment shall be on a tonnage basis.

\*All pay items not listed is describe in description in bid form.

**RAP is not allowed in the HMA** – Material specs must meet North Central Texas COG Public Works Construction Standards.

*Clarification accepted*

**City of Forney Bid Form RFP 2021-004**

Item	Description	Unit	Bid Price
1	Saw-Cut and Remove Existing Asphalt	SY	\$ <b>67.75</b>
2	6" HMAC (2" Type D on 4" Type B) (48 Ton Minimum)	SY	\$ <b>282.00</b>
3	4" Type D HMAC (48 Ton Minimum)	SY	\$ <b>45.00</b>
4	2" Type D HMAC (48 Ton Minimum)	SY	\$ <b>31.50</b>
5	6" Flexbase	SY	\$ <b>40.00</b>
6	Crack Sealing	LF	\$ <b>3.50</b>
7	Pulverize, Cement Treat/Stabilize (6", 22 lb/SY)	SY	\$ <b>51.55</b>
8	Milling Work (2")	SY	\$ <b>3.75</b>
9	Wedge Mill (1-2")	SY	\$ <b>3.75</b>
10	Wedge Mill (2-4")	SY	\$ <b>4.00</b>
11	Wedge Mill (4-6")	SY	\$ <b>4.60</b>
12	Petromat 4598 Paving Fabric	SY	\$ <b>35.60</b>
13	Striping (Traffic Paint) 4" White Lines on Edges of Road	LF	\$ <b>6.00</b>
14	Striping (Traffic Paint) 4" Yellow Dashed Center Line	LF	\$ <b>7.00</b>
15	Striping (Traffic Paint) 4" Yellow Solid Center Line	LF	\$ <b>7.00</b>
16	12" White Crosswalk Lines (Traffic Paint)	LF	\$ <b>25.00</b>
17	Install 24" Stop Bar (Traffic Paint)	LF	\$ <b>25.00</b>
18	Removal of Existing Markings	LF	\$ <b>25.00</b>
19	Type B Material Delivered (6 Ton Minimum)	TON	\$ <b>190.00</b>
20	Type D Material Delivered (6 Ton Minimum)	TON	\$ <b>230.00</b>
21	Asphalt Rejuvenation	SY	\$ <b>13.00</b>

\*Note: All items include traffic control and mobilization costs.

ACCEPTANCE: "Subcontractor's bid and its agreement to perform the work set forth herein are explicitly contingent upon Subcontractor and Owner negotiating mutually-acceptable contract terms.

## **City of Forney Bid Form RFP 2021-004**

Item	Description	Unit	Bid Price
1	Saw-Cut and Remove Existing Asphalt	SY	\$ <b>67.75</b>
2	6" HMAC (2" Type D on 4" Type B) (48 Ton Minimum)	SY	\$ <b>282.00</b>
3	4" Type D HMAC (48 Ton Minimum)	SY	\$ <b>5.00</b>
4	2" Type D HMAC (48 Ton Minimum)	SY	\$ <b>3.50</b>
5	6" Flexbase	SY	\$ <b>40.00</b>
6	Crack Sealing	LF	\$ <b>3.50</b>
7	Pulverize, Cement Treat/Stabilize (6", 22 lb/SY)	SY	\$ <b>51.55</b>
8	Milling Work (2")	SY	\$ <b>3.75</b>
9	Wedge Mill (1-2")	SY	\$ <b>3.75</b>
10	Wedge Mill (2-4")	SY	\$ <b>4.00</b>
11	Wedge Mill (4-6")	SY	\$ <b>4.60</b>
12	Petromat 4598 Paving Fabric	SY	\$ <b>35.60</b>
13	Striping (Traffic Paint) 4" White Lines on Edges of Road	LF	\$ <b>6.00</b>
14	Striping (Traffic Paint) 4" Yellow Dashed Center Line	LF	\$ <b>7.00</b>
15	Striping (Traffic Paint) 4" Yellow Solid Center Line	LF	\$ <b>7.00</b>
16	12" White Crosswalk Lines (Traffic Paint)	LF	\$ <b>25.00</b>
17	Install 24" Stop Bar (Traffic Paint)	LF	\$ <b>25.00</b>
18	Removal of Existing Markings	LF	\$ <b>25.00</b>
19	Type B Material Delivered (6 Ton Minimum)	TON	\$ <b>190.00</b>
20	Type D Material Delivered (6 Ton Minimum)	TON	\$ <b>230.00</b>
21	Asphalt Rejuvenation	SY	\$ <b>13.00</b>

\*Note: All items include traffic control and mobilization costs.

ACCEPTANCE: "Subcontractor's bid and its agreement to perform the work set forth herein are explicitly contingent upon Subcontractor and Owner negotiating mutually-acceptable contract terms.

This budget may vary from fiscal year to fiscal year and is subject to annual budgetary approval by City Council. The City will also have the option to decrease or increase the amount of work during the contract period, as needed, based on funding. Some of the pay items may not be used.

The purpose of the Contract Documents is to provide the City of Forney with an "annual" contract that the City may utilize for the rehabilitation of existing city streets, and sidewalks. The rehabilitation will removal and installation of asphalt pavement, flexbase and crack sealing where directed by the City. Upon written notification of award of the contract, the unit prices shall be valid for a period of one year. The contract will serve as an "annual" contract from which the City can have individual street and sidewalk rehabilitation projects performed throughout the period defined above. The City intends to release work incrementally through work orders.

Refer to the specific terms outlined for an "Automatic Option to Extend" in the Standard Form of Agreement.

**The undersigned, in submitting this bid proposal and their endorsement of same, represents that they are authorized to obligate their firm, that they have read this entire bid proposal package, is aware of the covenants contained herein and will abide by and adhere to the expressed requirements.**

Company Name: Anderson Asphalt & Concrete Paving, LLC

Principal Place of Business Address: 11343 Mathis Street, Dallas Texas 75229

Principal Place of Business Phone: (214) 352-3400

Authorized Representative Signature: 

Printed Name: Pamela Thompson

E-mail Address of Representative: coryh@aacpaving.com

Title: President

Date: 04/09/2021

Acknowledgement of Addenda: #1  #2  #3  #4  #5

**EXHIBIT "C":**

**BIDDERS QUALIFICATION STATEMENT**

Project: Bid No. **RFP 2021-004 Annual Price Agreement Contract - Asphalt**

Contractor: Anderson Asphalt & Concrete Paving, LLC

Indicate One: Sole Proprietor \_\_\_\_\_ Partnership X \_\_\_\_\_  
Corporation \_\_\_\_\_ Joint Venture \_\_\_\_\_ Other \_\_\_\_\_

Name: Pamela Thompson Partner: Ronald Adnerson

Title: President Title: Vice President

Address: 11343 Mathis Street Address: 11343 Mathis Street

City: Dallas City: Dallas

State & Zip: Texas, 75229 State & Zip: Texas, 75229

Phone: (214) 352-3400 Phone: (214) 352-3400

Email: coryh@aacpaving.com Email: coryh@aacpaving.com

State and Date of Incorporation, Partnership, Ownership, Etc. Texas

Location of Principal Office: 11343 Mathis, Dallas, Texas 75229

Contact and Phone at Principal Office: Cory Henneberg (972) 310-2259

Number of Years in Business as a Contractor on Above Types of Work: 12

Liability Insurance Provider and Limits of Coverage: USI Southwest Dallas /CL 1,000,000.00

Workers Compensation Insurance Provider: USI Southwest Dallas /CL

Address: 2711 N Haskell Ave Suite 2000, Dallas, TX 75204

Contact and Phone: \_\_\_\_\_

Contact's Email Address: \_\_\_\_\_

**EXHIBIT "D":**

**CLIENT WORK HISTORY/REFERENCES**

Bidder: See Attached

List all experience/awarded contracts of similar size and the scope of work during the past (5) years.

1. Project: \_\_\_\_\_  
Owner/Agency: \_\_\_\_\_  
Contract Price: \$ \_\_\_\_\_ Dates of Service: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Project Description: \_\_\_\_\_  
\_\_\_\_\_

2. Project: \_\_\_\_\_  
Owner/Agency: \_\_\_\_\_  
Contract Price: \$ \_\_\_\_\_ Dates of Service: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Project Description: \_\_\_\_\_  
\_\_\_\_\_

3. Project: \_\_\_\_\_  
Owner/Agency: \_\_\_\_\_  
Contract Price: \$ \_\_\_\_\_ Dates of Service: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Project Description: \_\_\_\_\_  
\_\_\_\_\_

4. Project: \_\_\_\_\_  
Owner/Agency: \_\_\_\_\_  
Contract Price: \$ \_\_\_\_\_ Dates of Service: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Project Description: \_\_\_\_\_  
\_\_\_\_\_

**PROJECT 1** MISCELLANEOUS ASPHALT PATCHING BID NO. 2019-55-B

Project Name: Town of Prosper

Project Location: Asphalt Patching

Project Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Project Start Date: 07/01/2019 Original Completion Date: \_\_\_\_\_ Actual Completion Date: \_\_\_\_\_

Reason for Final Completion Date Adjustment (if applicable): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Original Project Award Amount: 119,530.00 Change Order(s) Amount: NONE

Reason for Change Order(s): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Owner Name: TOWN OF PROSPER

Owner Address: 601 W. FIFTH ST.

PROSPER, TX 75078

Owner Contact Name: Frank Owner Contact Phone: \_\_\_\_\_

Owner Contact Email Address: \_\_\_\_\_

**PROJECT 2**

Project Name: Mill & Overlay Pavement Resurfacing Project – Bid # RFP 2019-007

Project Location: City of Forney

Project Description: Mill & Overlay existing streets

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Project Start Date: 07/22/2019 Original Completion Date: \_\_\_\_\_ Actual Completion Date: \_\_\_\_\_

Reason for Final Completion Date Adjustment (if applicable): \_\_\_\_\_

**REFERENCE 1** City of Grandview

Company Name: 304 E. Criner  
Address: Grandview, Texas 76050  
Contact Name: David Henley Phone: (817)866-3399 ext 228

Contact Email Address: \_\_\_\_\_

Project Name/Description: Main Street - From FM 4 to 32' from Railroad Tracks

Project Completion Date: \_\_\_\_\_ Final Project Amount: \_\_\_\_\_

**REFERENCE 2**

Company Name: IRON MIKE CONSTRUCTION  
Address: 6950 S. Tucson Way, Suite L  
Centennial, CO 80112

Contact Name: Michael Yaggi Phone: (720) 474-4653

Contact Email Address: myaggi@ironmikeconstruction.com

Project Name/Description: Cowboy Club Entrance and Dam Repair

Project Completion Date: 09/19 Final Project Amount: 125,000.00

**REFERENCE 3**

Company Name: Town of Shady Shores  
Address: 101 S. Shady Shores Road  
Shady Shores, TX 76208

Contact Name: Richard A. Arvizu, PE Phone: 972.644.2800

Contact Email Address: RAA@binkleybarfield.com

Project Name/Description: "Pothole" Repairs - W Shady and S Shady

Project Completion Date: \_\_\_\_\_ Final Project Amount: 35,000.00

**EXHIBIT "E":**

**CONTRACTOR'S SAFETY RECORD**

I. Complete the matrix below for the last five years, as obtained from OSHA required logs:

OSHA Log # \_\_\_\_\_ (contractor to indicate the OSHA reporting form used to report the numbers below)

Description	2016	2017	2018	2019	2020
Number of injuries & illnesses					
Number of lost time accidents					
Number of recordable cases					
Number of fatalities					

II. Please answer the following questions regarding your safety program

a. Are regular project safety meetings held for Field Supervisor(s)?

- yes
- no

If yes, frequency:

- weekly
- bi-monthly
- monthly
- as needed

b. Are project safety inspections conducted?

- yes
- no

If yes, who performs inspections? safety officer  
How often? weekly  
Who is required to attend? all field employees

c. Does your organization have a written safety program?

- yes
- no

If yes, provide a copy. It will become a compliance document upon contract award.

d. Does your organization have a safety orientation program for new employees?

yes  
 no

For employees promoted to Field Supervisor?

yes  
 no

If yes, does your Supervisor Safety Program include instructions on the following:

Safety work practices	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Tool box safety meetings	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
First aid procedures	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Accident investigation	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Fire protection	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
New worker's orientation	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

CITY OF FORNEY, TEXAS

RESOLUTION NO. 21-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORNEY, TEXAS AWARDING A CONTRACT FOR SERVICES TO ANDERSON ASPHALT & CONCRETE PAVING, LLC FOR ASPHALT MAINTENANCE SERVICES AND MATERIALS SERVICES WITHIN THE CITY OF FORNEY; AUTHORIZING THE CITY MANAGER TO TAKE ALL ACTION NECESSARY TO COMPLY WITH THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the City of Forney, Texas (the "City") desires to award a contract for services and execute an agreement between the City of Forney and Anderson Asphalt & Concrete Paving, LLC for asphalt maintenance services and materials within the City of Forney.

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

**Section 1.** The above and foregoing premises are true and correct and are incorporated herein and made part hereof for all purposes.

**Section 2.** The bid for asphalt maintenance services and materials within the City of Forney is hereby awarded to Anderson Asphalt & Concrete Paving, LLC and the City Manager is authorized to enter into an Agreement for the services.

**Section 3.** This Resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FORNEY, TEXAS, this 4 day of May, 2021.

ATTEST:

Dorothy Brooks  
Dorothy Brooks, City Secretary

Mary Penn  
Mary Penn, Mayor



CITY OF FORNEY  
ENGINEERING DEPARTMENT



May 6, 2021

Cory Henneberg  
Anderson Asphalt & Concrete Paving, LLC  
11343 Mathis Street  
Dallas, TX 75229

Capital Improvement Program

P.O. Box 826  
402 N. Bois d'Arc St.  
Forney, TX 75126

972.552.6561 P  
469.689.0719 F

[cmcquiston@forneytx.gov](mailto:cmcquiston@forneytx.gov)  
[cityofforney.org](http://cityofforney.org)

Reference: 2021 Annual Price Agreement Contract - Asphalt  
Bid # RFP 2021-004 - Notice to Award Contract

Dear Mr. Henneberg:

On May 4, 2021, the City Council awarded the contract to Anderson Asphalt & Concrete Paving, LLC for the above-referenced project.

Please execute the following enclosed documents and return them to our office:

1. Standard Form of Agreement
2. Performance Bond (as needed with each approved Work Order)
3. Payment Bond (as needed with each approved Work Order)
4. Insurance Information
5. Vendor Information Sheet
6. W-9 Form
7. Complete Form 1295

Please print two sets of the contract documents and return two executed original sets to our office. The City also requires documentation for the proof of the insurance coverage, a copy of the minimum insurance and bonding requirements is attached for your convenience. Please make sure to include two (2) copies of the Certificates of Insurance.

Upon receiving the contract documents from you, we will obtain the City Manager's signature and return two executed copies to you.

Should you have any questions, please contact my office at 972-552-6561.

Sincerely,

Candy McQuiston,  
Manager of Capital Improvement Program

**EXHIBIT "F":**

**STANDARD FORM OF AGREEMENT**

STATE OF TEXAS            }  
COUNTY OF KAUFMAN    }

THIS AGREEMENT, made and entered into this the 4th day of May, A.D. 2021, by and between the City of Forney, of the County of Kaufman and State of Texas acting through its Mayor, thereunto duly authorized so to do, Party of the First Part, hereinafter termed OWNER, and Anderson Asphalt & Concrete Paving, LLC of the City of Dallas, County of Dallas and State of Texas, Party of the Second Part, hereinafter termed CONTRACTOR.

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Party of the First Part (OWNER), and under the conditions expressed in the bond bearing even date herewith, the said Party of the Second Part (CONTRACTOR), hereby agrees with the said Party of the First Part (OWNER) to commence and complete the construction of certain improvements described as follows:

**ANNUAL PRICE AGREEMENT CONTRACT for ASPHALT MAINTENANCE and MATERIALS**

CITY OF FORNEY, TX (Various Locations)

AGREEMENT# RFP 2021-004

and all extra work in connection therewith, under the terms as stated in the General Conditions of the Agreement and at his (or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Proposal attached hereto, and in accordance with the Request for Proposals, General and Special Conditions of Agreement, Plans and other drawings and printed or written explanatory matter thereof, and the Specifications and addenda therefor, as prepared by City of Forney, herein entitled the ENGINEER, each of which has been identified by the CONTRACTOR and the ENGINEER, together with the CONTRACTOR'S written Proposal, the General Conditions of the Agreement, and the Performance and Payment Bonds hereto attached; all of which are made a part hereof and collectively evidence and constitute the entire contract.

The CONTRACTOR hereby agrees to commence work within ten (10) days after the date written notice to do so shall have been given to him, and to substantially complete the same in accordance with the terms of the individual work orders, subject to such extensions of time as are provided by the General and Special Conditions.

THE OWNER agrees to pay the CONTRACTOR in current funds the price or prices shown in the proposal, which forms a part of this contract, such payments to be subject to the General and Special Conditions of the contract.

IN WITNESS WHEREOF, the parties to these presents have executed this Agreement in the year

and day first above written.

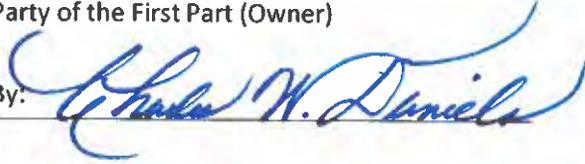
City of Forney

Anderson Asphalt & Concrete Paving, LLC

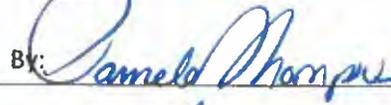
Party of the First Part (Owner)

Party of the Second Part (Contractor)

By:



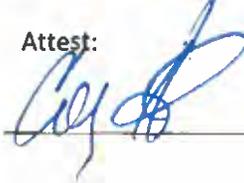
By:



Attest:



Attest:



END OF STANDARD FORM OF AGREEMENT

**EXHIBIT "G":**

**BID BOND**

KNOW ALL MEN BY THESE PRESENTS, that we the undersigned, Anderson Asphalt & Concrete Paving, LLC as PRINCIPAL, and SureTec Insurance Company, as SURETY are held and firmly bound unto the City of Forney hereinafter called the "Local Public Agency", in the penal sum of five percent of the Gross Amount of Bid, lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has submitted the Accompanying Bid, dated April 12th, 2021, for RFP 2021-004 - Annual Price Agreement Contract for Asphalt Street Maintenance & Materials (Project Description)

NOW, THEREFOR, if the Principal shall not withdraw said Bid within the period specified therein after the opening of the same, or, if no period be specified, within thirty (30) days after the said opening, and shall within the period specified therefor, or if no period be specified, within ten (10) days after the prescribed forms are presented to him for signature, enter into a written contract with the Local Public Agency in accordance with the Bid as accepted, and give bond with good and sufficient surety or sureties, as may be required, for the faithful performance and proper fulfillment of such contract; or in the event of the withdrawal of said Bid within the period specified, or the failure to enter into such Contract and give such bond within the time specified, if the Principal shall pay the Local Public Agency the difference between the amount specified in said Bid and the amount for which the local Public Agency may procure the required work or supplies or both, if the latter be in excess of the former, then the above obligation shall be void and of no effect, otherwise to remain in full force and virtue.

IN WITNESS THEREOF, the above-bounded parties have executed this instrument under their several seals this 12th day of April, 2021, the name and corporate seal of each corporate party being hereto affixed and these presents signed by its undersigned representative, pursuant to authority of its governing body.

Anderson Asphalt & Concrete Paving, LLC (SEAL)

  
\_\_\_\_\_

(SEAL)

Attest By:   
\_\_\_\_\_

# SureTec Insurance Company

## IMPORTANT NOTICE Statutory Complaint Notice/Filing of Claims

To obtain information or make a complaint: You may call the Surety's toll-free telephone number for information or to make a complaint or file a claim at: 1-866-732-0099. You may also write to the Surety at:

SureTec Insurance Company  
9737 Great Hills Trail, Suite 320  
Austin, TX 78759

You may contact the Texas Department of Insurance to obtain information on companies, coverage, rights or complaints at 1-800-252-3439. You may write the Texas Department of Insurance at:

PO Box 149104  
Austin, TX 78714-9104  
Fax#: 512-490-1007  
Web: <http://www.tdi.texas.gov>  
Email: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

**PREMIUM OR CLAIMS DISPUTES:** Should you have a dispute concerning your premium or about a claim, you should contact the Surety first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

---

Obligee: City of Forney  
Project: RFP 2021-004 - Annual Price Agreement Contract for Asphalt Street Maintenance & Materials  
Principal: Anderson Asphalt & Concrete Paving, LLC  
Bid Bond

POA #: 4221029

# SureTec Insurance Company

## LIMITED POWER OF ATTORNEY

**Know All Men by These Presents**, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Clem F. Lesch, Eric Lesch, Melissa Lesch, Felix Navejar

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for, providing the bond penalty does not exceed

Five Million and 00/100 Dollars (\$5,000,000.00)

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the CEO, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

*Be it Resolved*, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

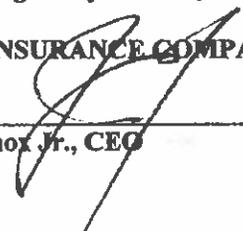
*Attorney-in-Fact* may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

*Be it Resolved*, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20<sup>th</sup> of April, 1999.)

**In Witness Whereof**, SURETEC INSURANCE COMPANY has caused these presents to be signed by its CEO, and its corporate seal to be hereto affixed this 25<sup>th</sup> day of November, A.D. 2019.

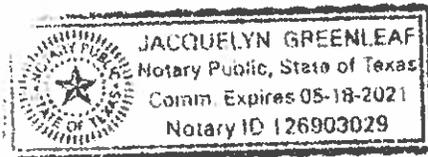


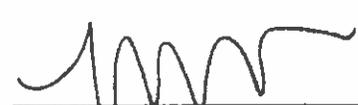
SURETEC INSURANCE COMPANY

By:   
John Knox Jr., CEO

State of Texas                      ss:  
County of Harris

On this 25<sup>th</sup> day of November, A.D. 2019 before me personally came John Knox Jr., to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is CEO of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.



  
Jacquelyn Greenleaf, Notary Public  
My commission expires May 18, 2021

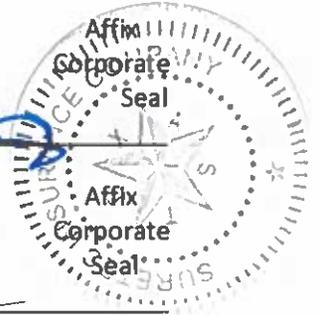
I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 12<sup>th</sup> day of April, 2021, A.D.

  
M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity. 4221029  
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:30 am and 5:00 pm CST.

Felix Navejar  
Felix Navejar, Attorney-in-Fact



Attest By: Eric Lesch  
Eric Lesch, Witness

Countersigned

By N/A

\*Attorney-in Fact, State of N/A

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, Pamela Thompson certify that I am the President Secretary of the LLC. Corporation named as Principal in the within bond: that \_\_\_\_\_, who signed the said bond on behalf of the Principal was then PRESIDENT of said corporation; that I know his signature, and his signature thereto is genuine; that said bond was duly signed, sealed, and attested to, for in behalf of said corporation by authority of this governing body.

**EXHIBIT "H":**

**PERFORMANCE BOND**

Bond No. \_\_\_\_\_

STATE OF TEXAS §

COUNTY OF KAUFMAN §

KNOWN ALL MEN BY THESE PRESENTS: That \_\_\_\_\_ ("Principal") of the City of \_\_\_\_\_, County of \_\_\_\_\_, and State of Texas, as principal, and \_\_\_\_\_ ("Surety"), authorized and licensed under the laws of the State of Texas to act as surety on bonds for principals, as surety, are held and firmly bound unto the City of Forney, Texas ("Owner"), in the penal sum of \_\_\_\_\_ Dollars and Zero Cents (\$ \_\_\_\_\_ .00), for the payment whereof said Principal and Surety bind themselves and their heirs, administrators, executors, successors and assigns, jointly and severally:

WHEREAS, Principal has entered into that certain written contract with Owner dated the \_\_\_\_ day of \_\_\_\_\_, 2021, including all documents referred to and/or made a part thereof, such as the plans, general and special conditions, specifications and drawings (collectively, the "Contract"), which Contract is hereby referred to herein and made a part hereof as fully and to the same extent as if copied at length herein, for the following public works project. This Bond shall automatically be increased by the amount of any Change Order or Supplemental Agreement which increases the Contract price, but in no event shall a Change Order or Supplemental Agreement which reduces the Contract price decrease the penal sum of this Bond.

**THE OBLIGATION TO PAY SAME** is conditioned as follows: Whereas, the Principal entered into a certain Contract with the City of Forney, dated the \_\_\_\_ of \_\_\_\_\_, A.D. \_\_\_\_\_ 20\_\_\_\_, which is made part hereof by reference, for the construction of certain public improvements that are generally described as follows:

**ANNUAL PRICE AGREEMENT CONTRACT for ASPHALT MAINTENANCE and MATERIALS**  
CITY OF FORNEY, TX (Various Locations)  
AGREEMENT# RFP 2021-004

**WORK ORDER # \_\_\_\_\_**

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal shall fully and faithfully perform all the terms, covenants and conditions of the Contract, and shall fully indemnify and save harmless Owner from all costs and damages which Owner may suffer by reason of any Principal default, and reimburse and repay Owner all outlay and expense which Owner may incur in making good such default, then this obligation shall be null and void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code, as amended, and all liabilities on this bond shall be determined in accordance with the provisions of said statute to the same extent as if it were copied at length herein.

PROVIDED FURTHER, that Surety, for value received, stipulates and agrees that no change, extension of

time, alteration or addition to the terms, covenants and conditions of the Contract, or to the work performed thereunder, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms, covenants and conditions of the Contractor to the work performed thereunder.

PROVIDED FURTHER, that the penal sum of this bond shall automatically be increased by the amount of any change order or supplemental agreement which increases the Contract price, but in no event shall a change order or supplemental agreement which reduces the Contract price decrease the penal sum of this bond.

PROVIDED FURTHER, that Surety agrees that the bond provides for the repairs and/or replacement of all defects due to faulty materials and workmanship that appear within a period of two (2) years from the date of completion and acceptance of the improvements by the Owner.

The undersigned agent of Surety is hereby designated by Surety as the Resident Agent in \_\_\_\_\_ County to whom any requisite notices may be delivered and upon whom service of process may be had in matters arising out of this bond.

IN WITNESS WHEREOF, Principal and Surety have signed and sealed this instrument this day \_\_\_\_ of, 2021.

\_\_\_\_\_

PRINCIPAL

SURETY

By: \_\_\_\_\_ By: \_\_\_\_\_

\_\_\_\_\_

Printed or Typed Name

Printed or Typed Name

\_\_\_\_\_

Title

Title

Address:

Mailing Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Physical Address (if not same as mailing address):

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Telephone Number (including area code):

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Email Address:

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Texas Department of Insurance Toll-Free Telephone Number (address of Surety to which any notice of claim should be sent may be obtained from the Texas Department of Insurance by calling this number):  
1-800-252-3439

The name and address of the Resident Agent of Surety in Texas is:

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**EXHIBIT "I":**

**PAYMENT BOND**

Bond No. \_\_\_\_\_

STATE OF TEXAS §

COUNTY OF KAUFMAN §

KNOWN ALL MEN BY THESE PRESENTS: \_\_\_\_\_ ("Principal") of the City of \_\_\_\_\_, County of \_\_\_\_\_, and State of Texas, as principal, and \_\_\_\_\_ ("Surety"), authorized and licensed under the laws of the State of Texas to act as surety on bonds for principals, as surety, are held and firmly bound unto the City of Forney, Texas ("Owner"), in the penal sum of \_\_\_\_\_ Dollars and Zero Cents (\$\_\_\_\_\_.00), for the payment whereof said Principal and Surety bind themselves and their heirs, administrators, executors, successors and assigns, jointly and severally:

WHEREAS, Principal has entered into that certain written contract with Owner dated the \_\_\_\_ day of \_\_\_\_\_, 2021, including all documents referred to and/or made a part thereof, such as the plans, general and special conditions, specifications and drawings (collectively, the "Contract"), which Contract is referred to herein and made a part hereof as fully and to the same extent as if copied at length herein, for the following public works project. This Bond shall automatically be increased by the amount of any Change Order or Supplemental Agreement which increases the Contract price, but in no event shall a Change Order or Supplemental Agreement which reduces the Contract price decrease the penal sum of this Bond.

**THE OBLIGATION TO PAY SAME** is conditioned as follows: Whereas, the Principal entered into a certain Contract with the City of Forney, dated the \_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_ A.D. 20\_\_\_\_, which is made part hereof by reference, for the construction of certain public improvements that are generally described as follows:

**ANNUAL PRICE AGREEMENT CONTRACT for ASPHALT MAINTENANCE and MATERIALS**

CITY OF FORNEY, TX (Various Locations)  
AGREEMENT# RFP 2021-004

**WORK ORDER # \_\_\_\_\_**

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal and its subcontractors shall well and faithfully make payment to each and every claimant, as defined in Chapter 2253 of the Texas Government Code, as amended, supplying labor or materials in the prosecution of the work under the Contract, then this obligation shall be null and void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code, as amended, and all liabilities on this bond shall be determined in accordance with the

provisions of said statute to the same extent as if it were copied at length herein.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms, covenants and conditions of the Contract, or to the work performed thereunder, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms, covenants and conditions of the Contractor to the work performed thereunder.

IN WITNESS WHEREOF, Principal and Surety have signed and sealed this instrument this day \_\_\_\_ of, 2021.

\_\_\_\_\_

PRINCIPAL

SURETY

By: \_\_\_\_\_

\_\_\_\_\_

Printed or Typed Name

Printed or Typed Name

\_\_\_\_\_

Title

Title

Address:

Mailing Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Physical Address (if not same as mailing address):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number (including area code):

\_\_\_\_\_

Email Address:

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Texas Department of Insurance Toll-Free Telephone Number (address of Surety to which any notice of claim should be sent may be obtained from the Texas Department of Insurance by calling this number):  
1-800-252-3439

The name and address of the Resident Agent of Surety in Texas is:

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**SECTION VI:**

**GENERAL CONDITIONS OF THE CONTRACT**

**SECTION VI:**

**GENERAL CONDITIONS OF THE CONTRACT**

**SECTION VII:**

**SUPPLEMENTARY CONDITIONS**

**SECTION VIII**  
**GENERAL REQUIREMENTS**

**ASPHALT WORK ORDER NO # 2024-002**

City of Seagoville

Anderson Asphalt & Concrete Paving, LLC

Date: March 14, 2024

Description of work: Work is for Malloy Bridge Road Various Patches

<b>Street:</b>	<b>Malloy Bridge Road</b>	SF	58,850		
<b>Scope:</b>	Cement Stabilize using 45LB/SY, Microcrack, Prime, 4" Type B and 2" Type D. Includes Traffic Control (CLOSED TO THROUGH TRAFFIC)				
Item	Description	Unit	Quantity	Unit Price	Total Price
1	Mobilization / Bond	LS	1	\$ 15,500.00	\$ 15,500.00
2	Cement Stabilize using 40LB/SY 12" ( INCL. PRIME COAT)	SF	63,558	\$ 3.00	\$ 190,674.00
3	4" Type B WMA TXDOT 340	SF	58,850	\$ 3.95	\$ 232,457.50
4	2" Type D WMA SUPERPAVE	SF	58,850	\$ 2.25	\$ 132,412.50
5	Backfill Edge of Pavement	SF	10,252	\$ 1.95	\$ 19,991.40
6	Traffic Control	LS	1	\$ 10,000.00	\$ 10,000.00
7	Message Boards x 2 (Placed 2 weeks prior to start)	MO	1	\$ 7,000.00	\$ 7,000.00
	NOTE: This is for detour and full road closure.				
	If Flagging is required that will be \$2,500.00 Per Day for				
	Flaggers and Pilot Car.				
<b>Sub-Total</b>		<b>Malloy Bridge Road</b>		\$	<b>608,035.40</b>
		<b>Overall Total</b>		\$	<b>608,035.40</b>
		<b>Total Amount of Work Order</b>		\$	<b>608,035.40</b>

\*All items include traffic control, and mobilization. Quantities are based on estimated measurements. Payment will be based on final field verification.

Start Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

Special Requirements: \_\_\_\_\_

Performance Bond No.: \_\_\_\_\_ Payment Bond No.: \_\_\_\_\_

Before Photos Taken: \_\_\_\_\_ Yes \_\_\_\_\_ No

After Photos Taken: \_\_\_\_\_ Yes \_\_\_\_\_ No

Before Video Taken: \_\_\_\_\_ Yes \_\_\_\_\_ No

Approved by City of Seagoville:

Signature

Print Name

Date

Approved by Contractor:

*Cory Henneberg*  
Signature

Cory Henneberg

Print Name

3/14/2024

Date



TO: Mayor and City Council  
FROM: Pat Stallings, City Manager  
DATE: April 1, 2024  
ITEM: 17  
DESCRIPTION: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Seagoville Venture No. Three-S-SI Rio Grande, LP, a Texas Limited Partnership, as reflected in the terms and conditions of an Economic Development Incentive Agreement between the parties.

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#### **INTRODUCTION**

The purpose of this item is to approve an Economic Development Project.

#### **BACKGROUND**

The SEDC has negotiated and intends to undertake a project that will promote and retain new and expanded business enterprises within the City of Seagoville, regarding site work at property owned by Company as required by Chick-fil-A, Inc. for development of a Chick-fil-A restaurant on that property.

#### **FINANCIAL IMPACT**

\$105,000.00

#### **RECOMMENDATION**

The SEDC has made a recommendation in favor of this item.

#### **ATTACHMENTS**

1. Resolution
2. Incentive Agreement

**CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, APPROVING THE ECONOMIC DEVELOPMENT PROJECT BETWEEN THE SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION AND SEAGOVILLE VENTURE NO. THREE-S-SI RIO GRANDE, LP, A TEXAS LIMITED PARTNERSHIP, AS REFLECTED IN THE TERMS AND CONDITIONS OF AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE PARTIES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Seagoville Economic Development Corporation (“SEDC”) is authorized by the Development Corporation Act, Chapters 501-505 of the Texas Local Government Code (“Act”), to provide funding for projects which will promote and retain new and expanding business enterprises within the City; and

**WHEREAS**, the SEDC has negotiated and intends to undertake a project which will promote and retain new and expanded business enterprises within the City with Seagoville Venture No. Three-S-SI Rio Grande, LP, a Texas limited partnership, under the terms and conditions set forth in an Economic Development Incentive Agreement, attached hereto as Exhibit “A” (the “Project”) and

**WHEREAS**, section 505.158 mandates that the SEDC may not undertake a project that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings; and

**WHEREAS**, the City Council has determined that the Project contemplated by SEDC and Seagoville Venture No. Three-S-SI Rio Grande, LP under the terms and conditions set forth in the Economic Development Incentive Agreement will promote and retain new and expanded business enterprises within the City of Seagoville; and

**WHEREAS**, the City Council finds that the expenditure of funds by SEDC in undertaking the Project is authorized by the Act and that the Project should be approved and authorized; and

**WHEREAS**, the City Council has conducted two (2) readings of this resolution;

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

**Section 1.** The City Council hereby approves and authorizes the Project between the Seagoville Economic Development Corporation and Seagoville Venture No. Three-S-SI Rio Grande, LP, a Texas limited partnership, under the terms and conditions set forth in an Economic Development Incentive Agreement in substantially the form attached hereto as Exhibit “A”.

**Section 2.** The City Council authorizes the SEDC to enter into any additional agreements necessary to undertake the Project in accordance with the terms and conditions set forth in the Economic Development Incentive Agreement.

**Section 3.** This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

**DULY RESOLVED AND ADOPTED First Reading and Second Reading** of the City Council of the City of Seagoville, Texas, this the 1<sup>st</sup> day of April 2024.

**APPROVED:**

---

Lackey Stepper Sebastian, Mayor

**ATTEST:**

---

Sara Egan, City Secretary

**APPROVED AS TO FORM:**

---

David Berman, City Attorney

**Exhibit "A"**  
**Economic Development Incentive Agreement**  
**(to be attached)**

4893-7451-5311, v. 1

**STATE OF TEXAS** §  
§ **ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**  
**COUNTY OF DALLAS** §

This Economic Development Incentive Agreement (“Agreement”) is made by and between Seagoville Venture No. Three-S-SI Rio Grande, L.P., a Texas limited partnership, (“Company”), and the Seagoville Economic Development Corporation (the “SEDC”), each acting by and through their respective authorized representatives. SEDC and Company may be referred to herein each as a “Party” and collectively as the “Parties”.

**WITNESSETH:**

**WHEREAS**, Company is the owner of an approximately two (2) acre tract of real property located at the northeastern corner of the intersection of Malloy Bridge Road and Crestview Lane in the City of Seagoville (the “Property”); and

**WHEREAS**, Company is currently in negotiations with Chick-fil-A, Inc. (“Chick-fil-A”) for the lease or purchase by Chick-fil-A of the Property for the purpose of constructing and operating a Chick-fil-A restaurant on the Property; and

**WHEREAS**, Company has been advised by Chick-fil-A that it will require additional site improvements directly related to Chick-fil-A requirements over and above the site improvements already performed by Company on the Property and that said additional site improvements will cost approximately \$105,000.00; and

**WHEREAS**, Company has advised the SEDC that a contributing factor that would induce Company to perform the additional site improvements required by Chick-fil-A would be an agreement by SEDC to provide an economic development grant to Company to defray a portion of the total site preparation costs incurred and to be incurred by Company in meeting Chick-fil-A’s requirements; and

**WHEREAS**, SEDC has adopted programs for promoting economic development; and

**WHEREAS**, the Development Corporation Act, Chapters 501-505, Texas Local Government Code (the “Act”), authorizes SEDC to provide economic development grants for business retention and/or expansion; and

**WHEREAS**, SEDC has determined that the Grant (hereinafter defined) to be made hereunder is required or suitable to retain, promote or develop new or expanded business enterprises and constitutes a “project”, as that term is defined in the Act; and

**WHEREAS**, SEDC has determined that making the Grant to Company in accordance with this Agreement will further the objectives of SEDC, will benefit the City and the City’s inhabitants and will promote local economic development and stimulate business and commercial activity in the City;

**NOW THEREFORE**, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **Article I Definitions**

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Bankruptcy or Insolvency” shall mean the dissolution or termination of Company’s existence as a going business, insolvency, appointment of receiver for any part of Company’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Company and such proceeding is not dismissed within ninety (90) days after the filing thereof.

“City” shall mean the City of Seagoville, Texas.

“Company” shall mean Seagoville Venture No. Three-S-SI Rio Grande, L.P.

“Completion of Construction” shall mean that (1) construction of a Chick-fil-A restaurant Facility (licensed or franchised by Chick-fil-A, Inc.) has been substantially completed on the Property, (2) a final, permanent certificate of occupancy for the Chick-fil-A restaurant on the Property has been issued by the City of Seagoville, and (3) the Chick-fil-A restaurant is open and conducting business during normal business hours serving the public in the City of Seagoville, Texas.

“Effective Date” shall mean the last date of execution hereof.

“Facility” shall mean a new Chick-fil-A restaurant designed, constructed, equipped, furnished, and operated on the Property as indicated on Exhibit “A” attached hereto and incorporated herein by this reference.

“Expiration Date” shall mean the earlier of the fifth (5<sup>th</sup>) anniversary of the Effective Date or the Completion of Construction.

“Force Majeure” shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns or work stoppages.

“Grant” shall mean an economic development grant in the amount equal to the costs incurred and paid by Company for or on account of the Site Improvements directly

related to Chick-fil-A requirements and above the improvements by Owner prior to the Effective Date, not to exceed One Hundred and Five Thousand (\$105,000.00) Dollars to offset a portion of the costs paid and incurred by Company for the Site Improvements required by Chick-fil-A; the Grant shall be paid in one lump sum payment as a reimbursement grant upon presentation to SEDC of a written request for payment accompanied by copies of all records, contracts, receipts, invoices, bills, proofs of payment, and such other information as SEDC may reasonably request to document amounts expended by Company for or on account of the Site Improvements.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Company or any property or any business owned by Company within the City.

“Property” shall mean the approximately two (2) acres of real property located at the northeastern corner of Malloy Bridge Road and Crestview Lane in the City of Seagoville, Texas.

“Related Agreement” shall mean any agreement (other than this Agreement) by and between the Company and SEDC or the City.

“SEDC” shall mean the Seagoville Economic Development Corporation.

“Site Improvements” shall mean the improvements to the development site located on the Property which are directly related to Chick-fil-A, Inc.’s requirements and which are over and above the site improvements already performed by Company on the Property. The Site Improvements include removal of existing soil to 14 feet below existing grade within the building pad plus 10 feet beyond the building pad, moisture-condition the soil to 12 feet and then add 2 feet of select fill, replace woven reinforcement geotextile fabric at the bottom of the excavation prior to placing the moisture-conditioned soil and above every two lifts of the compacted moisture-conditioned soil. A ten (10%) percent contingency for labor, overhead and profit may constitute a part of the Site Improvements.

## **Article II**

### **Term**

The term of this Agreement shall begin on the last date of execution hereof (the “Effective Date”) and continue until the Expiration Date, unless sooner terminated as provided herein.

## **Article III**

### **Grant**

3.1 Grant. SEDC agrees, subject to the continued satisfaction of all the conditions precedent, terms, and conditions of this Agreement by Company and the obligation of Company to repay pursuant to Article V hereof, to provide Company with the Grant as set forth herein.

3.2 Grant Limitations. Under no circumstances shall the obligations of SEDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. SEDC shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company. None of the obligations of SEDC under this Agreement shall be pledged or otherwise encumbered by Company in favor of any commercial lender and/or similar financial institution.

3.3 Current Revenue. The Grant made hereunder shall be paid solely from lawfully available funds that have been appropriated by SEDC. SEDC shall have no obligation or liability to provide any Grant except as allowed by law. SEDC shall not be required to provide any of the Grant if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

#### **Article IV Conditions to Grant**

Company shall during the term of this Agreement satisfy and comply with the terms and conditions of this Agreement and specifically, each term and condition of this Article IV. The obligation of SEDC to provide the Grant or any portion thereof shall be conditioned upon Company's compliance with and satisfaction of the terms and conditions of this Agreement and each of the conditions set forth in this Article IV.

4.1 Good Standing. Company shall not have an uncured breach or default of this Agreement or a Related Agreement.

4.2 Lease or Purchase Agreement for the Property. Company shall execute a lease or purchase agreement for the Property with Chick-fil-A, Inc. no later than December 31, 2024 and shall provide SEDC with a copy of said Lease or Purchase Agreement by December 31, 2024.

4.3 Completion of Construction. Completion of Construction, as that term is defined herein, shall occur not later than June 30, 2025.

#### **Article V Termination; Repayment**

5.1 Termination. This Agreement terminates on the Expiration Date, and may, prior to the Expiration Date, be terminated upon any one or more of the following:

- (a) by mutual written agreement of the Parties;

- (b) upon written notice by either Party, if the other Party defaults or breaches any of the terms or conditions of this Agreement or a Related Agreement and such default or breach is not cured within thirty (30) days after written notice thereof;
- (c) upon written notice by SEDC, if any Impositions owed to SEDC, City or the State of Texas by Company shall have become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such taxes or Impositions), and such delinquency is not cured within thirty (30) days following Company's receipt of written notice thereof;
- (d) upon written notice by SEDC, if Company suffers an event of Bankruptcy or Insolvency; or
- (e) upon written notice by either Party, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable.

5.2 Repayment Following Termination Under Section 5.1(b), (c), (d), and/or (e). In the event the Agreement is terminated by SEDC pursuant to Section 5.1(b), (c), (d), and/or (e), Company shall immediately refund to the SEDC an amount equal to one hundred (100%) percent of the value of the Grant received by Company. The repayment obligations of the Company set forth in this Section 5.2 shall survive termination of this Agreement.

5.3 Offsets. SEDC may, at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to City and/or SEDC from Company, regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement, or otherwise, and regardless of whether or not the debt due SEDC has been reduced to judgment by a court.

## **Article VI Miscellaneous**

6.1 Conditions Precedent. The obligations of SEDC under this Agreement are subject to and conditioned on the following:

- (a) The City Council of the City of Seagoville, Texas has, by resolution, approved this Incentive Agreement and the related Project; and
- (b) The sixty (60) day period provided under Texas Local Government Code section 505.160 has passed and neither the SEDC nor the City has received a petition from more than ten (10%) percent of the registered voters of the City requesting that an election be held before the funding of the Project.

6.2 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto.

6.3 Limitation on Liability. It is understood and agreed between the Parties that Company and SEDC, in satisfying the conditions of this Agreement, have acted independently,

and SEDC assumes no responsibilities or liabilities to third parties in connection with these actions.

6.4 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties.

6.5 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

6.6 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below (or such other address as such Party may subsequently designate in writing), or on the day actually received if sent by courier or otherwise hand delivered.

If intended for SEDC, to:

Seagoville Economic Development  
Corporation  
Attn: Patrick Stallings, Exec. Director  
702 N. Highway 175  
Seagoville, Texas 75159

With a copy to:

Victoria W. Thomas  
Nichols, Jackson, Dillard,  
Hager & Smith, L.L.P.  
1800 Ross Tower  
500 North Akard  
Dallas, Texas 75201

If intended for Company:

Seagoville Venture No. Three-S-SI Rio  
Grande, LP  
Attn: Jim Gissler  
501 W. Pres. George Bush Hwy, Suite 215  
Richardson, Texas 75080

6.7 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement. There is no other collateral oral or written agreement among the Parties that in any manner relates to the subject matter of this Agreement.

6.8 Governing Law. The Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and exclusive venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.9 Amendment. This Agreement may only be amended by the mutual written agreement of the Parties.

6.10 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.11 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.12 Successors and Assigns. This Agreement may not be assigned without the prior written consent of SEDC.

6.13 Recitals. The recitals to this Agreement are incorporated herein.

6.14 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.15 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.16 Employment of Undocumented Workers. During the term of this Agreement, Company agrees to not knowingly employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a(f), Company shall repay the value or the costs incurred by SEDC to provide the Grants herein and any other funds received by Company from SEDC as of the date of such violation within 120 days after the date Company is notified by SEDC of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Company is not liable for a violation of this section in relation to any workers employed by a subsidiary, affiliate, or franchisee of Company or by a person with whom the Company contracts.

**EXECUTED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
Patrick Stallings, Executive Director

**EXECUTED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**SEAGOVILLE VENTURE NO. THREE-S-SI RIO GRANDE, LP, A TEXAS LIMITED PARTNERSHIP**

**BY: ST. IVES HOLDINGS, L.L.C., A TEXAS LIMITED LIABILITY COMPANY AND ITS GENERAL PARTNER**

By: \_\_\_\_\_  
Troy Bathman, Managing Member and President

**ACKNOWLEDGMENT**

STATE OF TEXAS  
COUNTY OF DALLAS

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared, Troy Bathman, Managing Member and President of St. Ives Holdings, L.L.C., which he acknowledged to me to be the General Partner of Seagoville Venture No. Three-S-SI Rio Grande, LP, a Texas limited partnership, known or proven to me to be the person and agent whose name is subscribed to the foregoing instrument and acknowledge to me that the same was the act of said Seagoville Venture No. Three-S-SI Rio Grande, LP. through its General Partner St. Ives Holdings, L.,L.C., that he was duly authorized to perform the same by appropriate resolutions, and that he executed the same as the act of said Seagoville Venture No. Three-S-SI Rio Grande, LP and its General Partner St. Ives Holdings, L.L.C. for the purpose and consideration therein expressed and in the capacity therein stated after first having been duly authorized so to do.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_ day of \_\_\_\_\_, 2024.

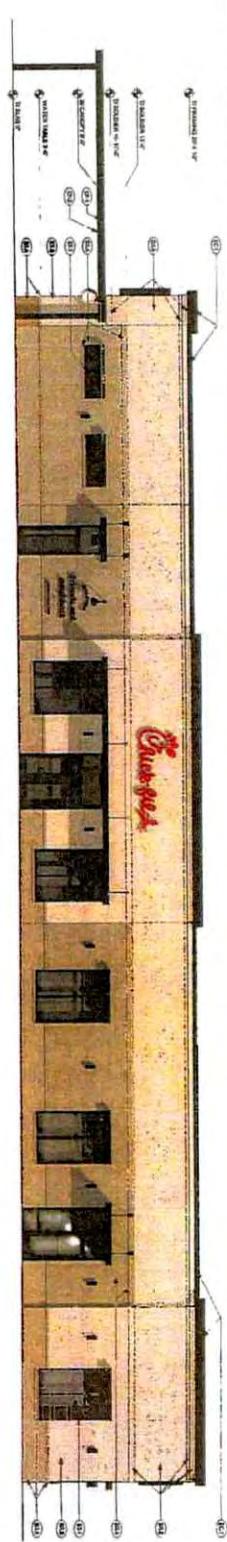
\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires: \_\_\_\_\_

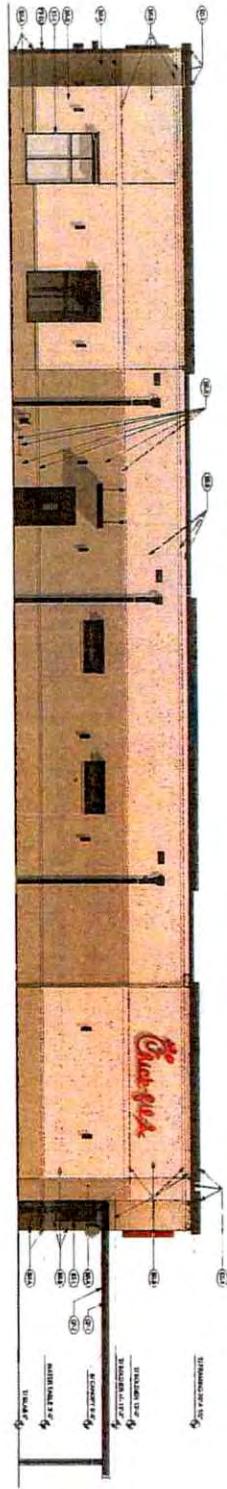
**EXHIBIT “A”**



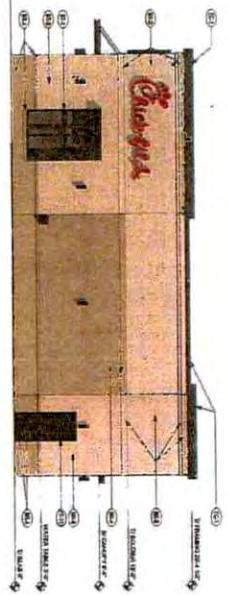
E4 EAST ELEVATION - BLDG



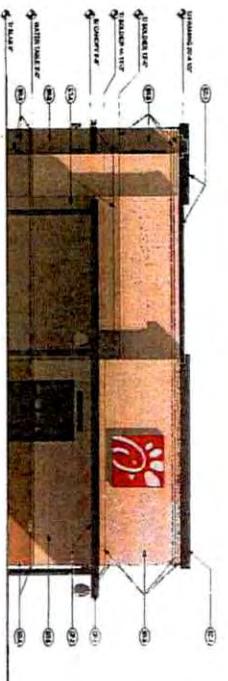
D4 WEST ELEVATION - BLDG



C4 NORTH ELEVATION - BLDG



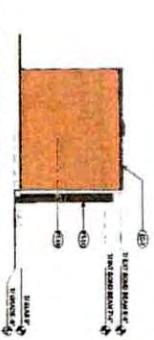
C2 SOUTH ELEVATION - BLDG



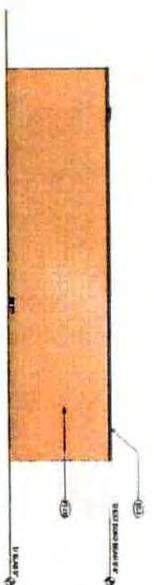
B4 SOUTH ELEVATION - REFUSE



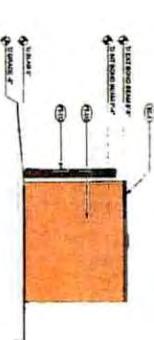
B2 WEST ELEVATION - REFUSE



A4 NORTH ELEVATION - REFUSE



A2 EAST ELEVATION - REFUSE



FINISH SCHEDULE - EXTERIOR

NO.	DESCRIPTION	MANUFACTURER	FINISH
1	CONCRETE	AS SUPPLIED	AS SUPPLIED
2	BRICK	AS SUPPLIED	AS SUPPLIED
3	STUCCO	AS SUPPLIED	AS SUPPLIED
4	PAINT	AS SUPPLIED	AS SUPPLIED
5	GLASS	AS SUPPLIED	AS SUPPLIED
6	ALUMINUM	AS SUPPLIED	AS SUPPLIED
7	STEEL	AS SUPPLIED	AS SUPPLIED
8	COPPER	AS SUPPLIED	AS SUPPLIED
9	CERAMIC TILE	AS SUPPLIED	AS SUPPLIED
10	WOOD	AS SUPPLIED	AS SUPPLIED
11	SPRINKLER HEADS	AS SUPPLIED	AS SUPPLIED
12	SMOKE DETECTORS	AS SUPPLIED	AS SUPPLIED
13	EXTERIOR LIGHTS	AS SUPPLIED	AS SUPPLIED
14	EXTERIOR VENTILATORS	AS SUPPLIED	AS SUPPLIED
15	EXTERIOR DOORS	AS SUPPLIED	AS SUPPLIED
16	EXTERIOR WINDOWS	AS SUPPLIED	AS SUPPLIED
17	EXTERIOR SIGNAGE	AS SUPPLIED	AS SUPPLIED
18	EXTERIOR PAINT	AS SUPPLIED	AS SUPPLIED
19	EXTERIOR STAIN	AS SUPPLIED	AS SUPPLIED
20	EXTERIOR SEALANT	AS SUPPLIED	AS SUPPLIED
21	EXTERIOR GLAZING	AS SUPPLIED	AS SUPPLIED
22	EXTERIOR METAL	AS SUPPLIED	AS SUPPLIED
23	EXTERIOR PLASTER	AS SUPPLIED	AS SUPPLIED
24	EXTERIOR GROUT	AS SUPPLIED	AS SUPPLIED
25	EXTERIOR TILE	AS SUPPLIED	AS SUPPLIED
26	EXTERIOR STONE	AS SUPPLIED	AS SUPPLIED
27	EXTERIOR BRICK	AS SUPPLIED	AS SUPPLIED
28	EXTERIOR CONCRETE	AS SUPPLIED	AS SUPPLIED
29	EXTERIOR STUCCO	AS SUPPLIED	AS SUPPLIED
30	EXTERIOR PAINT	AS SUPPLIED	AS SUPPLIED
31	EXTERIOR STAIN	AS SUPPLIED	AS SUPPLIED
32	EXTERIOR SEALANT	AS SUPPLIED	AS SUPPLIED
33	EXTERIOR GLAZING	AS SUPPLIED	AS SUPPLIED
34	EXTERIOR METAL	AS SUPPLIED	AS SUPPLIED
35	EXTERIOR PLASTER	AS SUPPLIED	AS SUPPLIED
36	EXTERIOR GROUT	AS SUPPLIED	AS SUPPLIED
37	EXTERIOR TILE	AS SUPPLIED	AS SUPPLIED
38	EXTERIOR STONE	AS SUPPLIED	AS SUPPLIED
39	EXTERIOR BRICK	AS SUPPLIED	AS SUPPLIED
40	EXTERIOR CONCRETE	AS SUPPLIED	AS SUPPLIED
41	EXTERIOR STUCCO	AS SUPPLIED	AS SUPPLIED
42	EXTERIOR PAINT	AS SUPPLIED	AS SUPPLIED
43	EXTERIOR STAIN	AS SUPPLIED	AS SUPPLIED
44	EXTERIOR SEALANT	AS SUPPLIED	AS SUPPLIED
45	EXTERIOR GLAZING	AS SUPPLIED	AS SUPPLIED
46	EXTERIOR METAL	AS SUPPLIED	AS SUPPLIED
47	EXTERIOR PLASTER	AS SUPPLIED	AS SUPPLIED
48	EXTERIOR GROUT	AS SUPPLIED	AS SUPPLIED
49	EXTERIOR TILE	AS SUPPLIED	AS SUPPLIED
50	EXTERIOR STONE	AS SUPPLIED	AS SUPPLIED

**CHICK-FIL-A**  
Seagoville FSU  
E Malloy Bridge Rd  
Seagoville, TX 75159

FSR#05670  
PROJECT STATUS: FIELD  
REVISIONS: 2/18/2018

ARCHITECT: MACE & ASSOCIATES, INC.  
NO. 2001 S. HARRIS BLVD.  
DALLAS, TX 75261

A-302



Chick-fil-A  
4390 Springtown Road  
Atlanta, GA 30349-2888

MACE & ASSOCIATES, INC.  
10000 W. LAKOTA BLVD.  
DALLAS, TX 75247



DATE: 1/18/2018  
TIME: 10:00 AM

**EXHIBIT “B”**







TO: Mayor and City Council  
FROM: Pat Stallings, City Manager  
DATE: April 1, 2024  
ITEM: 18  
DESCRIPTION: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Hallett No. 1 L.P., a Texas Limited Partnership, as reflected in the terms and conditions of an Economic Development Incentive Agreement between the parties.

---

#### **INTRODUCTION**

The purpose of this item is to approve an Economic Development Project.

#### **BACKGROUND**

The SEDC has negotiated and intends to undertake a project to provide funding which will promote and retain new and expanding business enterprises within the City.

The SEDC has conducted a public hearing to consider the Economic Development Incentive Agreement (the "Agreement") between SEDC and Hallett No. 1 L.P., a Texas limited partnership operating a chain of restaurants known as Soulman's Bar-B-Que that desires to develop a Soulman's Bar-B-Que restaurant on property located within the City of Seagoville.

#### **FINANCIAL IMPACT**

\$350,000.00

#### **RECOMMENDATION**

The SEDC has made a recommendation in favor of this item.

#### **ATTACHMENTS**

1. Resolution
2. Incentive Agreement

**CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, APPROVING THE ECONOMIC DEVELOPMENT PROJECT BETWEEN THE SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION AND HALLETT NO. I L.P., A TEXAS LIMITED PARTNERSHIP, AS REFLECTED IN THE TERMS AND CONDITIONS OF AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE PARTIES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Seagoville Economic Development Corporation (“SEDC”) is authorized by the Development Corporation Act, Chapters 501-505 of the Texas Local Government Code (“Act”), to provide funding for projects which will promote and retain new and expanding business enterprises within the City; and

**WHEREAS**, the SEDC has negotiated and intends to undertake a project which will promote and retain new and expanded business enterprises within the City with HALLETT No. I L.P., a Texas limited partnership, under the terms and conditions set forth in an Economic Development Incentive Agreement, attached hereto as Exhibit “A” (the “Project”) and

**WHEREAS**, section 505.158 mandates that the SEDC may not undertake a project that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings; and

**WHEREAS**, the City Council has determined that the Project contemplated by SEDC and Hallett No. I L.P. under the terms and conditions set forth in the Economic Development Incentive Agreement will promote and retain new and expanded business enterprises within the City of Seagoville; and

**WHEREAS**, the City Council finds that the expenditure of funds by SEDC in undertaking the Project is authorized by the Act and that the Project should be approved and authorized; and

**WHEREAS**, the City Council has conducted two (2) readings of this resolution;

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

**Section 1.** The City Council hereby approves and authorizes the Project between the Seagoville Economic Development Corporation and Hallett No. I L.P., a Texas limited partnership, under the terms and conditions set forth in an Economic Development Incentive Agreement in substantially the form attached hereto as Exhibit “A”.

**Section 2.** The City Council authorizes the SEDC to enter into any additional agreements necessary to undertake the Project in accordance with the terms and conditions set forth in the Economic Development Incentive Agreement.

**Section 3.** This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

**DULY RESOLVED AND ADOPTED First Reading and Second Reading** of the City Council of the City of Seagoville, Texas, this the \_\_\_\_ day of \_\_\_\_\_ 2024.

**APPROVED:**

\_\_\_\_\_  
Lackey Stepper Sebastian, Mayor

**ATTEST:**

\_\_\_\_\_  
Sara Egan, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David Berman, City Attorney

**Exhibit "A"**  
**Economic Development Incentive Agreement**  
**(to be attached)**

4893-7451-5311, v. 1

**STATE OF TEXAS** §  
§ **ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**  
**COUNTY OF DALLAS** §

This Economic Development Incentive Agreement (“Agreement”) is made by and between Hallett No. I, L.P., a Texas limited partnership, (“Company”), and the Seagoville Economic Development Corporation (the “SEDC”), each acting by and through their respective authorized representatives. SEDC and Company may be referred to herein each as a “Party” and collectively as the “Parties”.

**WITNESSETH:**

**WHEREAS**, Company is a restaurant business with several locations in the Dallas metroplex area operating as Soulman’s Bar-B-Que since 1974; and

**WHEREAS**, Company intends to purchase and is in the process of purchasing the real property located at 350 N. Highway 175 in the City of Seagoville, Texas (the “Property”) and desires to design, construct, equip, furnish, and operate thereon a Soulman’s Bar-B-Que dine-in restaurant facility of a minimum of 3,000 square feet along with all required parking lots, landscaping, lighting, and related appurtenances as required by law (the “Project”) ; and

**WHEREAS**, Company has advised the SEDC that the total cost of the construction, equipping, and furnishing of the restaurant facility on the Property, excluding the cost of purchasing the real property, will be approximately \$1,400,000.00 and that a contributing factor that would induce Company to relocate its operations to Seagoville would be an agreement by SEDC to provide an economic development grant and loan to Company to defray a portion of the costs of the construction, equipping, and furnishing of the new facility to be located in Seagoville; and

**WHEREAS**, SEDC has adopted programs for promoting economic development; and

**WHEREAS**, the Development Corporation Act, Chapters 501-505, Texas Local Government Code (the “Act”), authorizes SEDC to provide economic development grants for business retention and/or expansion; and

**WHEREAS**, SEDC has determined that the Grant (hereinafter defined) to be made hereunder is required or suitable to retain, promote or develop new or expanded business enterprises and constitutes a “project”, as that term is defined in the Act; and

**WHEREAS**, SEDC has determined that making the Grant to Company in accordance with this Agreement will further the objectives of SEDC, will benefit the City and the City’s inhabitants and will promote local economic development and stimulate business and commercial activity in the City;

**NOW THEREFORE**, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **Article I Definitions**

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Bankruptcy or Insolvency” shall mean the dissolution or termination of Company’s existence as a going business, insolvency, appointment of receiver for any part of Company’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Company and such proceeding is not dismissed within ninety (90) days after the filing thereof.

“City” shall mean the City of Seagoville, Texas.

“Commencement of Construction” shall mean that (1) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for the Facility, (2) all necessary permits for the Facility have been issued by all applicable governmental authorities, and (3) construction of the vertical elements of the Facility has commenced.

“Company” shall mean Hallett No. I L.P., a Texas limited partnership.

“Completion of Construction” shall mean that (1) the Facility has been substantially completed, (2) a final, permanent certificate of occupancy for the Facility has been issued, and (3) Company is open and conducting business during normal business hours for the restaurant Soulman’s Bar-B-Que in the Facility.

“Effective Date” shall mean the last date of execution hereof.

“Facility” shall mean a new dine-in restaurant facility to be designed, constructed, equipped, furnished, and operated on the Property, said Facility (1) to include a building similar in design and outward appearance to that shown on Exhibit “A” attached hereto and incorporated herein by this reference, which shall be a minimum of 3,000 square feet in area, and (2) to include construction of building foundation, construction and erection of building, construction of all required drives, parking areas, and fire lanes, electrical work, site plan and engineering services, installation of all necessary utilities, fencing, and installation of all required equipment and furnishings.

“Expiration Date” shall mean the tenth (10<sup>th</sup>) anniversary of Completion of Construction.

“Force Majeure” shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns or work stoppages.

“Grant” shall mean an economic development grant in the amount equal to the costs incurred and paid by Company for the Facility, as defined herein, not to exceed Three Hundred and Fifty Thousand Dollars (\$350,000.00) to offset a portion of the costs paid and incurred by Company for the Facility (excluding the cost of the real estate purchase for the Property), to be paid in one lump sum payment to be paid when all conditions precedent stated in this Agreement have been fulfilled and Company has presented a written request for payment.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Company or any property or any business owned by Company within the City.

“Loan” shall mean an economic development loan in the amount of \$225,00.00, to be repaid as set forth in accordance with the Note, and to provide funds solely for the purpose of being applied to offset the costs paid and incurred by Company for the Facility.

“Note” shall mean that certain “Promissory Note” setting forth the terms of repayment of the Loan substantially in the form of that attached hereto and incorporated herein by this reference as Exhibit “C.”

“Property” shall mean the approximately one (1) acre of real property located at 350 N. Highway 175, Seagoville, Texas and which is more particularly described and depicted in Exhibit “B” attached hereto and incorporated herein by this reference.

“Related Agreement” shall mean any agreement (other than this Agreement) by and between the Company and SEDC or the City.

“Required Use” shall mean Company’s continuous operation and occupancy of the Facility as a commercial Soulman’s Bar-B-Que dine-in restaurant open to and serving the public of the City of Seagoville.

“SEDC” shall mean the Seagoville Economic Development Corporation.

## **Article II Term**

The term of this Agreement shall begin on the last date of execution hereof (the “Effective Date”) and continue until the Expiration Date, unless sooner terminated as provided herein.

## **Article III Grant and Loan**

3.1 Grant. SEDC agrees, subject to the continued satisfaction of all the conditions precedent, terms, and conditions of this Agreement by Company and the obligation of Company to repay pursuant to Article V hereof, to provide Company with the Grant as set forth herein.

3.2 Loan. Subject to the agreement of Company to repay the Loan pursuant to the terms of the Note, and the continued satisfaction of all the terms and conditions of this Agreement and any related agreements by Company, SEDC agrees to loan to Company the amount of Two Hundred, Twenty-Five Thousand Dollars (\$225,000.00), the proceeds of said Loan to be applied to offset costs paid and incurred by Company for the Facility.

3.2 Grant and Loan Limitations. Under no circumstances shall the obligations of SEDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. SEDC shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company. None of the obligations of SEDC under this Agreement shall be pledged or otherwise encumbered by Company in favor of any commercial lender and/or similar financial institution.

3.3 Current Revenue. The Grant and Loan made hereunder shall be paid solely from lawfully available funds that have been appropriated by SEDC. SEDC shall have no obligation or liability to provide any Grant or Loan except as allowed by law. SEDC shall not be required to provide any of the Grant or Loan if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

## **Article IV Conditions to Grant and Loan**

Company shall during the term of this Agreement satisfy and comply with the terms and conditions of this Agreement and specifically, each term and condition of this Article IV. The obligation of SEDC to provide the Grant, the Loan, or any portion thereof shall be conditioned upon Company’s compliance with and satisfaction of the terms and conditions of this Agreement and each of the conditions set forth in this Article IV.

4.1 Good Standing. Company shall not have an uncured breach or default of this Agreement or a Related Agreement.

4.2 Commencement of Construction. Commencement of Construction, as that term is defined herein, shall occur not later than January 1, 2025.

4.3 Completion of Construction. Completion of Construction, as that term is defined herein, shall occur not later than September 1, 2025.

4.4 Required Use. During the term of this Agreement following Completion of Construction and continuing thereafter until expiration of this Agreement or earlier termination Company shall continuously own and occupy the Property and the Facility located thereon which shall not be used during the term of this Agreement for any purpose other than the Required Use. Further, during the term of this Agreement, such occupation and Required Use shall not cease for more than thirty (30) days except in connection with, and to the extent of, an event of Force Majeure.

4.5 Continuous Ownership. During the term of this Agreement following the Effective Date and continuing thereafter until the Expiration Date, the Property, including the Facility, shall be continuously owned and occupied by the Company.

4.6 Capital Investment. Company's Capital Investment for the Facility (excluding purchase of the Property) as of the Completion of Construction shall be not less than One Million, Four Hundred Thousand (\$1,400,000.00) Dollars. SEDC shall have a right, during the term of this Agreement, to request that Company provide proof of this Capital Investment. In the event of such request, Company shall, not later than fifteen (15) calendar days after the request by SEDC, deliver to SEDC copies of all records, contracts, receipts, invoices, bills, proofs of payment, and such other information as SEDC may reasonably request to document compliance with the required Capital Investment. In the event the final total cost of the design, construction, equipping and furnishing of the Facility, as reasonably verified by SEDC, is less than \$1,400,000.00, the Company shall, within thirty (30) days of receipt by Company of written demand by SEDC, pay the SEDC the difference in value between \$1,400,000.00 and the final total cost of the construction of the Facility as reasonably verified by SEDC.

## **Article V Termination; Repayment**

5.1 Termination. This Agreement terminates on the Expiration Date, and may, prior to the Expiration Date, be terminated upon any one or more of the following:

- (a) by mutual written agreement of the Parties;
- (b) upon written notice by either Party, if the other Party defaults or breaches any of the terms or conditions of this Agreement or a Related Agreement and such default or breach is not cured within thirty (30) days after written notice thereof;
- (c) upon written notice by SEDC, if any Impositions owed to SEDC, City or the State of Texas by Company shall have become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such

taxes or Impositions), and such delinquency is not cured within thirty (30) days following Company's receipt of written notice thereof;

- (d) upon written notice by SEDC, if Company suffers an event of Bankruptcy or Insolvency; or
- (e) upon written notice by either Party, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable.

5.2 Repayment Following Termination Under Section 5.1(b). In the event the Agreement is terminated by SEDC pursuant to Section 5.1(b):

- (a) due to a breach of the obligation set forth in section 4.2 and/or 4.3 hereof:
  - (i) Company shall immediately refund to the SEDC an amount equal to one hundred (100%) percent of the value of the Grant received by Company and
  - (ii) Company shall immediately refund to SEDC \$11,250.00, said amount being five percent (5%) of the total Loan amount of \$225,000.00.
- (b) due to a breach of the obligation set forth in section 4.1, 4.4 and/or 4.5 hereof, Company shall immediately refund to the SEDC an amount equal to:
  - (i) \$11,250.00, said amount being five percent (5%) of the total Loan amount of \$225,000.00; and
  - (ii) One hundred (100%) percent of the value of the Grant received by Company if the breach occurs before the sixth anniversary of Completion of Construction; or
  - (iii) Sixty (60%) percent of the value of the Grant received by Company if the breach occurs after the sixth anniversary of Completion of Construction and before the eighth anniversary of Completion of Construction; or
  - (iv) Twenty (20%) percent of the value of the Grant received by Company if the breach occurs after the eighth anniversary of Completion of Construction and before the Expiration Date.

The repayment obligations of the Company set forth in this Section 5.2 shall survive termination of this Agreement.

5.3 Repayment Following Termination under Section 5.1(c), (d), and/or (e). In the event the Agreement is terminated by SEDC pursuant to Section 5.1(c), (d), and/or (e), the Company shall immediately refund to SEDC (a) \$11,250.00, said amount being five percent (5%) of the total Loan amount of \$225,000.00 and (b) an amount equal to the Grant paid by SEDC to the Company, plus interest at the rate of interest periodically announced by the *Wall Street Journal* as the prime or base commercial lending rate, or if the *Wall Street Journal* shall cease to exist or cease to announce a prime or base lending rate, than at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank

selected by the SEDC) as its prime or base commercial lending rate from the date on which the Grant is paid by SEDC until refunded by the Company. The repayment obligation of Company set forth in this Section 5.3 shall survive termination of this Agreement.

5.4 Offsets. SEDC may, at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to City and/or SEDC from Company, regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement, or otherwise, and regardless of whether or not the debt due SEDC has been reduced to judgment by a court.

## **Article VI Miscellaneous**

6.1 Conditions Precedent. The obligations of SEDC under this Agreement are subject to and conditioned on the following:

- (a) Company has purchased the Property or title to the Property has otherwise been transferred to Company and a copy of the deed, bearing evidence of recording thereof in the Dallas County land records, has been provided to SEDC;
- (b) The City Council of the City of Seagoville, Texas has, by resolution, approved this Incentive Agreement and the related Project; and
- (c) The sixty (60) day period provided under Texas Local Government Code section 505.160 has passed and neither the SEDC nor the City has received a petition from more than ten (10%) percent of the registered voters of the City requesting that an election be held before the funding of the Project.

6.2 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto. Neither this Agreement nor the Note may be assigned or assumed without the prior written consent of the SEDC.

6.3 Limitation on Liability. It is understood and agreed between the Parties that Company and SEDC, in satisfying the conditions of this Agreement, have acted independently, and SEDC assumes no responsibilities or liabilities to third parties in connection with these actions.

6.4 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties.

6.5 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

6.6 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified

mail, return receipt requested, addressed to the Party at the address set forth below (or such other address as such Party may subsequently designate in writing), or on the day actually received if sent by courier or otherwise hand delivered.

If intended for SEDC, to:

Seagoville Economic Development  
Corporation  
Attn: Patrick Stallings, Exec. Director  
702 N. Highway 175  
Seagoville, Texas 75159

With a copy to:

Victoria W. Thomas  
Nichols, Jackson, Dillard,  
Hager & Smith, L.L.P.  
1800 Ross Tower  
500 North Akard  
Dallas, Texas 75201

If intended for Company:

Hallett No, I L.P, (Soiulman's)  
Attn: Brett Randle  
202 E. Main Street  
Royce City, Texas 75189

6.7 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement. There is no other collateral oral or written agreement among the Parties that in any manner relates to the subject matter of this Agreement.

6.8 Governing Law. The Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and exclusive venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.9 Amendment. This Agreement may only be amended by the mutual written agreement of the Parties.

6.10 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.11 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.12 Successors and Assigns. This Agreement may not be assigned without the prior written consent of SEDC.

6.13 Recitals. The recitals to this Agreement are incorporated herein.

6.14 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.15 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.16 Employment of Undocumented Workers. During the term of this Agreement, Company agrees to not knowingly employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a(f), Company shall repay the value or the costs incurred by SEDC to provide the Grants herein and any other funds received by Company from SEDC as of the date of such violation within 120 days after the date Company is notified by SEDC of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Company is not liable for a violation of this section in relation to any workers employed by a subsidiary, affiliate, or franchisee of Company or by a person with whom the Company contracts.

**EXECUTED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
Patrick Stallings, Executive Director

**EXECUTED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**HALLETT NO. I L.P., A TEXAS LIMITED PARTNERSHIP**

**BY: HALLETT, LLC, ITS GENERAL PARTNER AND A TEXAS LIMITED LIABILITY COMPANY**

By: \_\_\_\_\_  
Donald J. Hallett, President and Managing Member

ACKNOWLEDGMENT

STATE OF TEXAS  
COUNTY OF DALLAS

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared, Donald J. Hallett, president and managing member of Hallett, LLC, which he acknowledged to me to be the General Partner of Hallett No. I L.P., a Texas limited partnership, known or proven to me to be the person and agent whose name is subscribed to the foregoing instrument and acknowledge to me that the same was the act of said Hallett No. I L.P. through its General Partner Hallett, LLC, that he was duly authorized to perform the same by appropriate resolutions, and that he executed the same as the act of said Hallett No. I L.P. and its General Partner Hallett, LLC for the purpose and consideration therein expressed and in the capacity therein stated after first having been duly authorized so to do.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_ day of \_\_\_\_\_, 2024.

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

My Commission Expires: \_\_\_\_\_

**EXHIBIT “A”**  
**Soulman’s Restaurant Representative Elevations and Depictions**



BAR-B-QUE

BAR-B-QUE



FIRE LANE

★ Don't mess with  
**TEXAS BBQ**

**WARNING**

Contents inside this building may  
be habit forming due to it's Hickory  
Smoked, lip smackin' goodness!

Life is short....Eat well!

**PICK-UP**

**WHOLE PIES**  
PERFECT FOR ALL CELEBRATIONS & OCCASIONS  
\$15.99

**TEXAS BBQ**  
SINCE 1972

**BOURBON**  
**PIZZA**  
**SANDWICHES**  
**BIG TIME BATTER**

**PIZZA**  
**FAMILY STYLE MEALS**  
**WILD FIRE OWN BBQ PLATE**

**Southern SPECIALS & FAVORITES**  
**MEAT & POTATO**  
**WIFE & KIDS SPECIAL**  
**SMOKE BOWL**  
**WHEELER'S  
SOIN IN**

**MONTHLY SPECIAL**  
**Ball Chicken Plate**  
\$16.49

**ORDER HERE**

**TEXAS TRIPLE PLAY**  
\$19.99  
1st OF JULY WEDNESDAY  
2nd OF JULY THURSDAY  
3rd OF JULY FRIDAY

**EXHIBIT “B”**  
**Property Legal Description**

Approximately 1 ac; Seagoville Corners 2 Retail ctr. Lt 2.1 acs 3.718

**EXHIBIT “C”**  
**Promissory Note**



## PROMISSORY NOTE

**Date:** INSERT DATE

**Borrower:** Hallett No. 1, L.P. , a Texas limited partnership

**Borrower's Mailing Address:** P. O. Box 147, Royse City, Texas 75189

**Lender:** Seagoville Economic Development Corporation

**Place for Payment:** Attn: Patrick Stallings, Seagoville Economic Development Corporation, 702 North Highway 175, Seagoville, Texas 75159

**Principal Amount:** TWO HUNDRED, TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$225,000.00)

**Annual Interest Rate:** ZERO (0.0%) PERCENT

**Maturity Date:** INSERT DATE

**Annual Interest Rate on Matured, Unpaid Amounts:**Maximum allowed by law.

**Terms of Payment (principal and interest):** The principal and interest shall be paid in one hundred, twenty (120) equal monthly installments of \$1,875.00 each, the first such installment being due and payable on INSERT DATE ("the Initial Payment Date"), the remaining one hundred, nineteen (119) installments to be due and payable on the monthly anniversary of the Initial Payment Date thereafter, with all remaining principal and interest due under this Note being due and payable in full on the Maturity Date.

**Security for Payment:** This Note is unsecured.

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This Note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. After maturity, Borrower promises to pay any unpaid principal balance plus interest at the Annual Interest Rate on Matured, Unpaid Amounts.

If Borrower defaults in the payment of this Note or in the performance of any obligation in any instrument securing or collateral to this Note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on this Note immediately due. Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Borrower also promises to pay reasonable attorney's fees and court and other costs if this Note is placed in the hands of an attorney to collect or enforce this Note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by this Note and will be secured by any security for payment.

Interest on the debt evidenced by this Note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess

of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this Note and all other instruments concerning the debt.

In the event any installment shall become overdue for a period in excess of thirty (30) days, a charge of one percent (1.0%) of the installment payment so overdue may be charged by Lender for the purpose of defraying the expense incident to handling such delinquent payments. This charge is in addition to and not in lieu of Lender's other rights and remedies that it may have available.

A default exists under this Note if (1) (a) Borrower or (b) any other person liable on any part of this Note or who grants a lien or security interest on any property as security for any part of this Note (an "Other Obligated Party") fails to timely pay or perform any obligation or covenant in any written agreement between Lender and Borrower or any Other Obligated Party; (2) any warranty, covenant, or representation in this Note or in any other written agreement between Lender and Borrower or any Other Obligated Party is materially false when made; (3) a receiver is appointed for Borrower, any Other Obligated Party, or any property on which a lien or security interest is created as security (the "Collateral Security") for any part of this Note; (4) any Collateral Security is assigned for the benefit of creditors; (5) a bankruptcy or insolvency proceeding is commenced by Borrower, a partnership of which Borrower is a general partner, or an Other Obligated Party; (6) (a) a bankruptcy or insolvency proceeding is commenced against Borrower, a partnership of which Borrower is a general partner, or an Other Obligated Party and (b) the proceeding continues without dismissal for sixty days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered; (7) any of the following parties is dissolved, begins to wind up its affairs, is authorized to dissolve or wind up its affairs by its governing body or persons, or any event occurs or condition exists that permits the dissolution or winding up of the affairs of any of the following parties: Borrower, a partnership of which Borrower is a general partner, or an Other Obligated Party; or (8) any Collateral Security is impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly replaced with collateral security of like kind and quality or restored to its former condition.

Borrower and each surety, endorser, and guarantor waive demand, notice of intent to demand, presentment for payment, notice of nonpayment, protest, notice of protest, grace, notice of dishonor, notice of intent to accelerate maturity, notice of acceleration of maturity, and diligence in collection. Failure by the holder of this Note to exercise its option to accelerate upon any default shall not constitute a waiver of the holder's right to exercise such option in the event of any subsequent default.

Borrower hereby represents and warrants that this Note has been duly and validly executed and delivered by Borrower, and constitutes the legal, valid and binding agreement of Borrower enforceable against Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws from time-to-time in effect affecting the enforcement of creditor's rights generally and to general equitable principles.

Each right, power and remedy of the Lender as provided for in this Note or now or hereafter existing under any applicable law shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Note or now or hereafter existing under applicable law, and the exercise or beginning of exercise by the Lender of any one or more of such rights, powers or remedies, shall not preclude the simultaneous or later exercise by the Lender of any and all such other rights, powers or remedies. No failure or delay by the Lender to insist upon the strict performance of any term,

condition, covenant or agreement of this Note, or to exercise any right, power or remedy consequent upon a breach hereof, shall constitute a waiver of any such term, condition, covenant, agreement or breach or preclude the Lender from exercising any such right, power or remedy at a later time or times. By accepting payment after the due date of any amount payable under the terms of this Note, the Lender shall not be deemed to waive the right to either require prompt payment when due of all other amounts payable under the terms of this Note, or to declare an event of default for the failure to effect such prompt payment of any such other amount. No course of dealing or conduct shall be effective to amend, modify, release or change any provisions of this Note.

**Prepayment.** Borrower reserves the right to prepay, at any time prior to maturity, all or any part of the principal of this Note without penalty. Any prepayments shall be applied first to accrued interest and then to principal. Borrower will provide written notice to the holder of this Note of any such prepayment of all or any part of the principal at the time thereof. All payments and prepayments of principal or interest on this Note shall be made in lawful money of the United States of America in immediately available funds, at the address of Lender indicated above, or such other place as the holder of this Note shall designate in writing to Borrower. All partial prepayments of principal shall be applied to the last installments payable in their inverse order of maturity.

This Note is non-assignable by Borrower without the Lender's prior written consent.

Borrower is responsible for all obligations represented by this Note.

Borrower hereby represents and warrants to Lender that Borrower has no defenses under this Note and that this Note represents the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with the terms thereof and hereof.

When the context requires, singular nouns and pronouns include the plural.

**BORROWER:**

**HALLETT NO. 1 L.P., A TEXAS LIMITED  
PARTNERSHIP**

**BY: HALLETT, LLC, ITS GENERAL PARTNER AND  
A TEXAS LIMITED LIABILITY COMPANY**

By: \_\_\_\_\_  
Donald J. Hallett, President and Managing  
Member



TO: Mayor and City Council  
FROM: Pat Stallings, City Manager  
DATE: April 1, 2024  
ITEM: 19  
DESCRIPTION: Discuss and consider a Resolution approving the economic development project between the Seagoville Economic Development Corporation and Jeremiah Hatch and Ryan Hatch, also known as Ryan Macon, doing business as Closing the Gap Learning Center, as reflected in the terms and conditions of an economic development incentive agreement between the parties.

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#### **INTRODUCTION**

The purpose of this item is to approve an Economic Development Project.

#### **BACKGROUND**

The SEDC has negotiated and intends to undertake a project which will promote and retain new and expanding business enterprises within the City.

The SEDC has conducted a public hearing to consider the Economic Development Incentive Agreement (the "Agreement") for a façade grant between SEDC and Jeremiah Hatch and Ryan Hatch, also known as Ryan Macon, doing business as Closing the Gap Learning Center.

#### **FINANCIAL IMPACT**

\$8,512.54

#### **RECOMMENDATION**

The SEDC has made a recommendation in favor of this item.

#### **ATTACHMENTS**

1. Incentive Agreement
2. Resolution

**CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, APPROVING THE ECONOMIC DEVELOPMENT PROJECT BETWEEN THE SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION AND JEREMIAH HATCH AND RYAN HATCH, ALSO KNOWN AS RYAN MACON, DOING BUSINESS AS CLOSING THE GAP LEARNING CENTER, AS REFLECTED IN THE TERMS AND CONDITIONS OF AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE PARTIES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Seagoville Economic Development Corporation (“SEDC”) is authorized by the Development Corporation Act, Chapters 501-505 of the Texas Local Government Code (“Act”), to provide funding for projects which will promote and retain new and expanding business enterprises within the City; and

**WHEREAS**, the SEDC has negotiated and intends to undertake a project which will promote and retain new and expanded business enterprises within the City with Jeremiah Hatch and Ryan Hatch, also known as Ryan Macon, doing business as Closing the Gap Learning Center, under the terms and conditions set forth in an Economic Development Incentive Agreement, attached hereto as Exhibit “A” (the “Project”) and

**WHEREAS**, the City Council has determined that the Project contemplated by SEDC and Jeremiah Hatch and Ryan Hatch, also known as Ryan Macon, doing business as Closing the Gap Learning Center under the terms and conditions set forth in the Economic Development Incentive Agreement will promote and retain new and expanded business enterprises within the City of Seagoville; and

**WHEREAS**, the City Council finds that the expenditure of funds by SEDC in undertaking the Project is authorized by the Act and that the Project should be approved and authorized; and

**WHEREAS**, the City Council has conducted two (2) readings of this resolution;

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

**Section 1.** The City Council hereby approves and authorizes the Project between the Seagoville Economic Development Corporation and Jeremiah Hatch and Ryan Hatch, also known as Ryan Macon, doing business as Closing the Gap Learning Center, under the terms and conditions set forth in an Economic Development Incentive Agreement in substantially the form attached hereto as Exhibit “A”.

**Section 2.** The City Council authorizes the SEDC to enter into any additional agreements necessary to undertake the Project in accordance with the terms and conditions set forth in the Economic Development Incentive Agreement.

**Section 3.** This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

**DULY RESOLVED AND ADOPTED First Reading and Second Reading** of the City Council of the City of Seagoville, Texas, this the \_\_\_\_ day of \_\_\_\_\_ 2024.

**APPROVED:**

\_\_\_\_\_  
Lackey Stepper Sebastian, Mayor

**ATTEST:**

\_\_\_\_\_  
Sara Egan, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David Berman, City Attorney

**Exhibit "A"**  
**Economic Development Incentive Agreement**  
**(to be attached)**

4886-3565-5858, v. 1

**STATE OF TEXAS** §  
§ **ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**  
**COUNTY OF DALLAS** §

This Economic Development Incentive Agreement (“Agreement”) is made by and between the Seagoville Economic Development Corporation (“SEDC”), and Jeremiah Hatch, an individual, and Ryan Macon, also known as Ryan Hatch, an individual doing business as Closing the Gap Learning Center (collectively, “Company”) (each a “Party” and collectively the “Parties”), acting by and through their respective authorized officers.

**WITNESSETH:**

**WHEREAS**, Company owns and occupies the improvements located at 605 Avalon Drive, Seagoville, Texas (the “Premises”) and operates or intends to operate a child day care business on the Premises under the trade name Closing the Gap Learning Center; and

**WHEREAS**, Company has advised SEDC that a contributing factor that would induce Company to make certain improvements to the exterior façade of the Premises would be an agreement by SEDC to provide an economic development grant to Company to defray a portion of the costs to construct the Façade Improvements (hereinafter defined); and

**WHEREAS**, SEDC has adopted programs for promoting economic development; and

**WHEREAS**, the Development Corporation Act, Chapters 501-505, Texas Local Government Code (the “Act”), authorizes SEDC to provide economic development grants for new or expanded business enterprises and to expend funds for the promotion of economic development; and

**WHEREAS**, SEDC has determined that the Façade Grant (hereinafter defined) to be made hereunder is required or suitable to promote or develop new or expanded business enterprises and constitutes a “project”, as that term is defined in the Act; and

**WHEREAS**, SEDC has determined that making the Façade Grant to Company in accordance with this Agreement will further the objectives of SEDC, will benefit the City and the City’s inhabitants and will promote local economic development and stimulate business and commercial activity in the City;

**NOW THEREFORE**, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **Article I Definitions**

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“Bankruptcy or Insolvency” shall mean the dissolution or termination of a Party’s existence as a going business, insolvency, appointment of receiver for any part of such Party’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such Party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

“City” shall mean the City of Seagoville, Texas.

“Company” shall mean Jeremiah Hatch, an individual, and Ryan Macon, also known as Ryan Hatch, an individual doing business as Closing the Gap Learning Center.

“SEDC” shall mean the Seagoville Economic Development Corporation.

“Effective Date” shall mean the last date of execution hereof.

“Expiration Date” shall mean the first anniversary of the date the Façade Grant is paid by SEDC to Company.

“Façade Grant” shall mean an economic development grant in the amount equal to fifty percent (50%) of the costs of the Façade Improvements, but in no case exceeding Eight Thousand, Five Hundred, Twelve and 54/100 Dollars (\$8.512/54) for costs incurred and paid by Company for the purchase, construction and installation of the Façade Improvements.

“Façade Improvements” shall mean (1) restriping of all existing parking areas and crosshatch areas, (2) design, fabrication, and installation of a 48” x 36” business sign, (3) installation of six foot in height white vinyl privacy fence around playground area, and (4) preparation and painting of all exterior siding, fascia, soffits, brick, doors and shutters on the building located on the Premises, all in accordance with and as further and more particularly described, depicted, and illustrated in the price quotes, renderings and/or photographs attached hereto and incorporated herein collectively as Exhibit “A.”

“Force Majeure” shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns or work stoppages.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general

and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on Company with respect to the Premises or any property or any business owned by Company within the SEDC.

“Premises” shall mean 605 Avalon Drive located in Seagoville, Texas, and all improvements situated thereon.

“Payment Request” shall mean a written request from Company to SEDC for payment of the Façade Grant accompanied by copies of receipts and invoices and such other information as may be reasonably requested by SEDC to document the actual costs incurred and paid by Company for the Facade Improvements.

“Related Agreement” shall mean any agreement (other than this Agreement) by and between the Company and SEDC.

“Required Use” shall mean Company’s continued ownership and occupancy of the Premises and its continuous operation of the child day care business open to the public and serving the citizens of the City.

## **Article II Term**

The term of this Agreement shall begin on the last date of execution hereof (the “Effective Date”) and continue until the Expiration Date, unless sooner terminated as provided herein.

## **Article III Façade Grant**

3.1 SEDC agrees, subject to the continued satisfaction of all the terms and conditions of this Agreement by Company and the obligation of Company to repay the Facade Grant pursuant to Article V hereof to provide the Façade Grant to Company within thirty (30) days after receipt of a Payment Request following completion of installation of the Facade Improvements.

3.2 Grant Limitations. Under no circumstances shall the obligations of SEDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. SEDC shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company. None of the obligations of SEDC under this Agreement shall be pledged or otherwise encumbered by Company in favor of any commercial lender and/or similar financial institution.

3.3 Current Revenue. The Façade Grant made hereunder shall be paid solely from lawfully available funds that have been appropriated by SEDC for promotional items. SEDC shall have no obligation or liability to provide any Façade Grant except as allowed by law.

SEDC shall not be required to provide the Façade Grant if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

#### **Article IV Conditions to Façade Grant**

The obligation of SEDC to pay the Façade Grant shall be conditioned upon the compliance and satisfaction by Company of the terms and conditions of this Agreement and each of the following conditions.

4.1 Good Standing. Company shall not have an uncured breach or default of this Agreement, or a Related Agreement.

4.2 Required Use. During the term of this Agreement following the Effective Date and continuing thereafter until the Expiration Date, the Premises shall not be used for any purpose other than the Required Use, and the operation and occupancy of the Premises in conformance with the Required Use shall not cease for more than thirty (30) days, except in connection with and to the extent of an event of Force Majeure.

4.3 Continuous Ownership and Occupancy. During the term of this Agreement following the Effective date and continuing thereafter until the Expiration Date, the Premises shall be continuously owned and occupied by the Company.

4.4 Facade Improvements. Company shall complete the installation of the Facade Improvements within sixty (60) days after the Effective Date.

#### **Article V Termination; Repayment**

5.1 Termination. This Agreement shall terminate upon any one of the following:

- (a) by mutual written agreement of the Parties;
- (b) upon written notice by either Party, if the other Party defaults or breaches any of the terms or conditions of this Agreement or a Related Agreement and such default or breach is not cured within thirty (30) days after written notice thereof;
- (c) upon written notice by SEDC, if any Impositions owed to SEDC, City or the State of Texas by Company shall have become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such taxes or Impositions), and such delinquency is not cured within thirty (30) days following Company's receipt of written notice thereof;

- (d) upon written notice by SEDC, if Company suffers an event of Bankruptcy or Insolvency; or
- (e) upon written notice by either Party, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable.

5.2. Repayment. In the event the Agreement is terminated by SEDC pursuant to Section 5.1(b), (c), (d), or (e), Company shall immediately repay to SEDC an amount equal to the Façade Grant previously paid by SEDC to Company immediately preceding the date of such termination, plus interest at the rate of interest periodically announced by the *Wall Street Journal* as the prime or base commercial lending rate, or if the *Wall Street Journal* shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by SEDC) as its prime or base commercial lending rate, from the date on which the Façade Grant is paid by SEDC until such Façade Grant is refunded by Company. The repayment obligation of Company set forth in this section 5.2 hereof shall survive termination.

5.3 Right of Offset. SEDC may at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to SEDC or the City of Seagoville, Texas from Company, regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement or otherwise, and regardless of whether or not the debt due SEDC has been reduced to judgment by a court.

## **Article VI Miscellaneous**

6.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto.

6.2 Limitation on Liability. It is understood and agreed between the Parties that Company and SEDC, in satisfying the conditions of this Agreement, have acted independently, and SEDC assumes no responsibilities or liabilities to third parties in connection with these actions. Company agrees to indemnify and hold harmless SEDC from all such claims, suits, and causes of actions, liabilities and expenses, including reasonable attorney's fees, of any nature whatsoever by a third party arising out of Company's performance of the conditions under this Agreement.

6.3 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture between the Parties.

6.4 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered:

If intended for SEDC:

Attn: Patrick Stallings  
Chief Executive Officer  
Seagoville EDC  
702 US-175 Frontage Rd.  
Seagoville, Texas 75159

With a copy to:

Victoria W. Thomas  
General Counsel  
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.  
1800 Ross Tower  
500 N. Akard Street  
Dallas, Texas 75201

If intended for Company, to:

Jeremiah Hatch  
Ryan Macon  
Ryan Hatch  
Closing the Gap Learning Center  
863 Knoxbridge Rd.  
Forney, Texas 75126

6.5 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

6.6 Severability. In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the Parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

6.7 Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action under this Agreement shall be the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

6.9 Entire Agreement. This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written previous and contemporary agreements between the Parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement.

6.10 Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

6.11 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.12 Amendment. This Agreement may only be amended by the mutual written agreement of the Parties.

6.13 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.14 Assignment. This Agreement may not be assigned by Company without the prior written consent of the SEDC.

6.15 Employment of Undocumented Workers. During the term of this Agreement, Company agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the Façade Grant, and any other funds received by Company from SEDC as of the date of such violation within one hundred twenty (120) days after the date Company is notified by SEDC of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid.

*(Signature Page to Follow)*

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
Patrick Stallings, Chief Executive Officer

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**Jeremiah Hatch**

By: \_\_\_\_\_  
Jeremiah Hatch, Owner

**Ryan Hatch, also known as  
Ryan Macon, doing business as  
Closing the Gap Learning Center**

By: \_\_\_\_\_  
Ryan Hatch, a/k/a Ryan Macon, Owner

4865-2334-4045, v. 1



TO: Mayor and City Council  
FROM: Pat Stallings, City Manager  
DATE: April 1, 2024  
ITEM: 23  
DESCRIPTION: Discuss and consider approving an amendment to the City Manager's contract to provide for a one-year extension.

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**BACKGROUND**

This will extend the City Manager's contract by one-year to end the existing term in October of 2027.

**FINANCIAL IMPACT**

None

**ATTACHMENTS**

1. Fifth Amendment



terminate the services of the City Manager at any time, with or without cause, subject to the terms of this Agreement.”

**SECTION 2.** Except as otherwise amended herein, the Agreement by and between the City of Seagoville, Texas, and Patrick Stallings dated August 19, 2019, as amended by the First, Second, Third and Fourth Amendments thereto, shall continue in full force and effect.

**EXECUTED** this the \_\_\_\_ day of April 2024.

**CITY OF SEAGOVILLE, TEXAS**

By: \_\_\_\_\_  
Dennis K. Childress, Mayor

Approved as to form:

\_\_\_\_\_  
David M. Berman, City Attorney

**EXECUTED** this the \_\_\_\_ day of April 2024.

\_\_\_\_\_  
**PATRICK STALLINGS**, Employee