City of Lake Dallas
City Council
Regular Meeting
City Hall
212 Main Street, Lake Dallas, TX 75065
Thursday, March 14, 2024, at 6:30 p.m.

In accordance with Tex. Govt. Code §551.127, notice is hereby given that (i) one or more City Council members may be participating in this meeting by videoconference, (ii) the location of the meeting will be at Lake Dallas City Hall, 212 Main Street, Lake Dallas, Texas, where a quorum of the City Council will be physically present, which location will be open to the public, and (iii) it is the intent to have the quorum of members of the City Council present at said location for this meeting.

EARLY WORK SESSION

City Council Chambers - 6:00 P.M.

1. Call to Order and Determination of Quorum

2. Clarification of Consent or General Items listed on Today's City Council Meeting Agenda for March 14, 2024.

3. Receive a report and hold discussion regarding Trip 2022 Road project.

OPEN SESSION

City Council Chambers-6:30 P.M.

1. **Call to Order & Determination of Quorum**

2. **Invocation & Pledges of Allegiance**

Section I- Presentation:

Section II – Public Comment:

3. **Citizen Agenda & Public Comment**

An opportunity for citizens to address the Mayor and City Council on matters which are not scheduled for consideration by the City Council on this agenda. In order to address the Council, a Public Meeting Appearance Card must be completed and presented to the City Secretary prior to the start of the Council meeting. The Texas Open Meeting Act prohibits deliberation by the City Council of any subject which is not on the posted agenda, therefore the Council will not be able to discuss or take any action on items brought up during the citizen presentations. Citizen presentations will be limited to five (5) minutes per person. Persons wishing to provide comments on an item appearing on this agenda must complete a Public Meeting Appearance Card and present it to the City Secretary prior to the item being called on the agenda and wait until recognized by the Mayor or other presiding officer before speaking on the item when that item is called for discussion.

Section III– Elected Official Requested Items & Comments:

4. Mayor & Council Member Announcements and Requests for Future Agenda Items

The City Council may hear or make reports of community interest provided no action is taken or discussed. Community interest items may include information regarding upcoming schedules of events, honorary recognitions, and announcements involving imminent public health and safety threats to the city. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

Section IV – City Manager's Report

The City Manager's Report may provide information on status of current city projects and other projects affecting the City, meetings and actions of the city's boards and commissions, upcoming local community events, including, but not limited to, departmental operations and capital improvement project status. No action will be taken with respect to this report.

Section V– Planning & Development:

Section VI- General Items:

5. Receive and accept the annual audited financial statements for Fiscal Year 2022-23.

6. Consider and take appropriate action regarding an Ordinance abandoning all right, title and interest in Forrest Street described and depicted in Exhibit "A" attached hereto; reserving all existing easement right or others, if any, whether apparent or non-apparent, aerial, surface, underground ort otherwise; providing for the furnishing of certified copy of this Ordinance for recording in the official public records of Denton County, Texas as a Quitclaim Deed; authorizing the City Manager to execute any documents necessary to complete said abandonment; and providing an effective date.

7. Consider and take appropriate action regarding a Resolution authorizing the Interim City Manager to negotiate and execute a contract with Smitty's Floor Covering for the replacement of floor in the Community Room.

8. Consider the recommendation from the Lake Dallas Citizen Appeal Board upholding the termination of Michael Perry and take necessary action.

Section VII – Consent Agenda:

All items listed below are considered to be routine by the City Council and will be enacted with one motion. There will be no separate discussion of the items unless a Councilmember so requests, or member of the public submits a Public Meeting Appearance Card identifying the item on which such person wished to comment prior to this item being called on the agenda, in which event the item will be removed from the consent agenda and considered in its normal sequence.

9. Consider and Act on the Consent Agenda-

- **a.** Consider approval of a Resolution authorizing membership in the ATMOS Cities Steering Committee and authorizing the payment of five cents per capita to the ATMOS Cities Steering Committee to fund regulatory and related activities related to ATMOS Energy Corporation.
- **b.** Consider approval of a Resolution authorizing the Interim City Manager to negotiate and execute a contract with McAdams for the engineer design and construction management of Hundley Road.
- **c.** Consider approval and authorize the Interim City Manager City Manager to negotiate and execute a contract with Russ Kerbow for consulting to the Lake Dallas Police Department.

Section VIII – Executive Session: 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 items listed above or herein.

Section IX – Return to Open Session

10. Discuss and take appropriate action, if any, resulting from the discussions conducted in Closed Session.

Section X – Adjournment:

I certify that the above notice of this meeting posted on the bulletin board at City Hall of the City of Lake Dallas, Texas on March 11, 2024, at 5:00 p.m.

Codi Delcambre

Codi Delcambre
City Secretary

If you plan to attend this public meeting telephonically and you have a disability that requires special arrangements at this meeting, please contact City Secretary's Office at (940) 497-2226 ext. 102 or fax (940) 497-4485 at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

ORDINANCE NO. ___________

AN ORDINANCE OF THE CITY OF LAKE DALLAS, TEXAS, ABANDONING ALL RIGHT, TITLE AND INTEREST IN FORREST STREET DESCRIBED AND DEPICTED IN EXHIBIT "A" ATTACHED HERETO; RESERVING ALL EXISTING EASEMENT RIGHTS OF OTHERS, IF ANY, WHETHER APPARENT OR NON-APPARENT, AERIAL, SURFACE, UNDERGROUND OR OTHERWISE; PROVIDING FOR THE FURNISHING OF A CERTIFIED COPY OF THIS ORDINANCE FOR RECORDING IN THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AS A QUITCLAIM DEED; AUTHORIZING THE CITY MANAGER TO EXECUTE ANY DOCUMENTS NECESSARY TO COMPLETE SAID ABANDONMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the owner of property described as being situated in the Memphis, El Paso & Pacific Railroad Company Survey, Abstract Number 924, Denton County, Texas and in a Correction Deed to Dean Phillip Drozd, Et. Ux. Volume 5235, Page 2989, R.P.R.D.C.T. conveyed to Dean Phillip Drozd, Et. Ux., Inst. No. 95-R0026218 R.P.R.D.C.T., and being further described as Lot 3 and Lot 4, Block G, Lakeview Camp, Volume 1, Page 26, D.R.D.C.T. and Block I, Lakeview Camp, Volume 1, Page 26, D.R.D.C.T. has requested abandonment of the right-of-way known as Forest Street, as a public street adjacent to said property in order to facilitate the conveyance of a portion of the Property with an access, utility, and drainage easement; and

WHEREAS, the abandonment of the requested rights-of-way is consistent with development plans for the Property; and

WHEREAS, the City Council of the City of Lake Dallas, Texas, acting pursuant to State law and to facilitate the development of the Property deems it advisable and in the public interest to abandon and quitclaim the hereinafter described rights-of-way, and is of the opinion and finds that said rights-of-way are not needed for public use as a public street and should be abandoned and quitclaimed, subject to the reservations and conditions of this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKE DALLAS, TEXAS, THAT:

SECTION 1. The City of Lake Dallas, Texas, on behalf of the public, hereby abandons, vacates and quitclaims in favor of the abutting owner of the underlying fee simple title all of the City's right, title, and interest, in and to the public street right-of-way, encumbering the Forrest Street as described on Exhibit "A" attached hereto and made a part hereof for all intents and purposes, the same as if fully copied herein, together with all roadway improvements constructed on the surface thereof, if any.

SECTION 2. The abandonment and vacation of the Right-of-Way described and depicted in Exhibits "A" is subject to all existing easement rights of others, if any, whether apparent or non-apparent, aerial, surface, underground or otherwise owned by third parties.

SECTION 3. The abandonment of the street right-of-way herein is subject to, conditioned on, and shall not be effective until the owner provides an Emergency Access, Utility, and Drainage Easement ("Easement") in favor of the City of Lake Dallas as substantially shown on Exhibit "B" attached hereto and incorporated herein by reference and the recording of such Easement in the Real Property Records of Denton County, Texas.

SECTION 4. Upon satisfaction of the conditions precedent set forth in Section 3 above, the City Secretary is authorized and directed to prepare a certified copy of this ordinance and furnish the same to abutting property owners, and the recording of this abandonment ordinance in the Real Property Records of Denton County, Texas, shall serve as the quitclaim deed of the City of Lake Dallas, Texas, of all the right, title or interest of the City of Lake Dallas, Texas, in and to said Right-of-Way described in Section 1, hereof, subject to the limitations and reservations of this ordinance.

SECTION 5. The City Manager is authorized to execute any documents necessary to complete the abandonment contemplated herein.

SECTION 6. This ordinance shall take effect immediately from and after its passage in accordance with its provisions and the provisions of the Charter of the City of Lake Dallas, Texas, and it is accordingly so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LAKE DALLAS, TEXAS ON THIS THE ____ DAY OF _______, 2024.

APPROVED:

____
Andi Nolan, Mayor

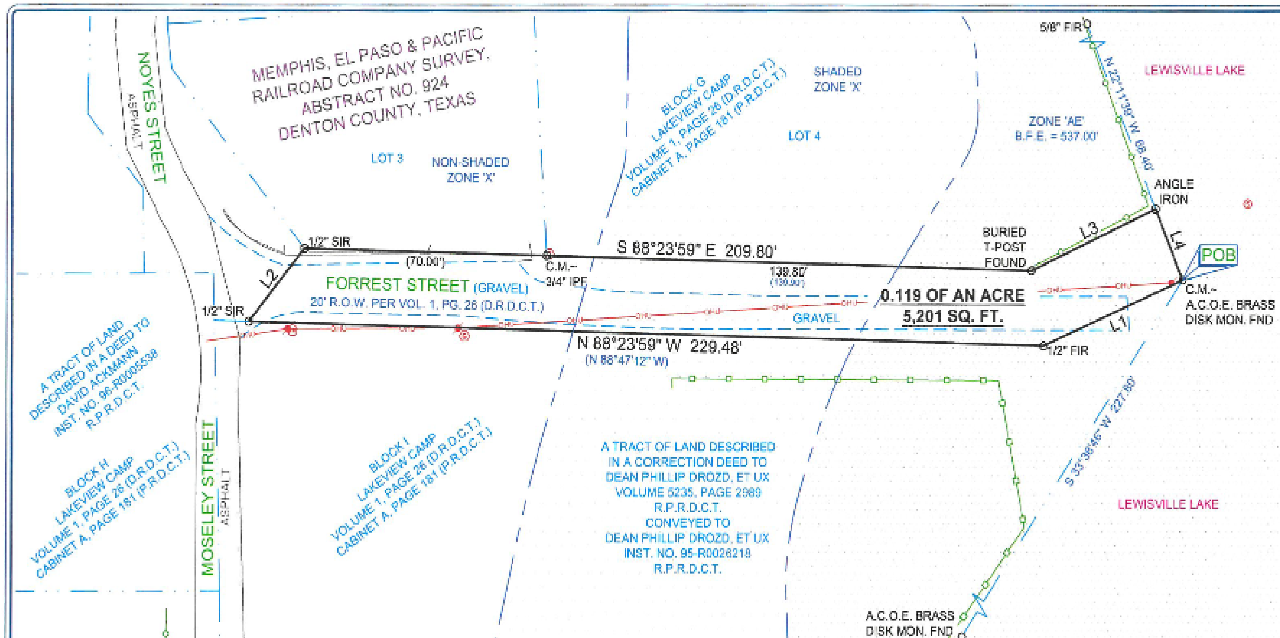
ATTEST:

____
Codi Delcambre, City Secretary

APPROVED AS TO FORM:

____
Courtney Goodman-Morris, City Attorney
(cgm:2/27/2024)

EXHIBIT "A"
Description of Forrest Street



LINE	BEARING	DISTANCE
L1	S 66°25'01" W	43.67'
	(S 67°04'48" W)	(43.80')
L2	N 39°37'22" E	25.24'
L3	N 65°20'17" E	39.35'
		(39.4')
L4	S 22°30'31" E	20.50'

LEGEND

(symbol)	= POWER POLE
(symbol)	= GAS METER
(symbol)	= SEWER CLEANOUT
(symbol)	= SEWER MANHOLE
(symbol)	= TELEPHONE RISER
R.O.W.	= RIGHT-OF-WAY
FIR	= FOUND IRON ROD
A.C.O.E.	= ARMY CORPS OF ENGINEERS
SIR/CAP	= SET IRON ROD W/CAP
C.M.~	= CONTROLING MONUMENT
( )	= PLAT OR DEED CALL
POB	= POINT OF BEGINNING
(symbol)	= CHAIN LINK FENCE
(symbol)	= WROUGHT IRON FENCE
OHU	= OVER-HEAD UTILITIES
(symbol)	= ASPHALT
(symbol)	= CONCRETE

All that certain parcel of land lying and being situated in the Memphis, El Paso & Pacific Railroad Company Survey, Abstract Number 924, Denton County, Texas, being a portion of Forrest Street, a 20 foot wide Right-of-Way, dedicated by Lakeview Camp, recorded in Volume 1, Page 26 of the Deed Records of Denton County, Texas (D.R.D.C.T.), and now recorded in Cabinet A, Page 181 of the Plat Records of Denton County, Texas (P.R.D.C.T.), and being more particularly described by metes & bounds as follows:

BEGINNING at a brass Army Corps of Engineers monument found for corner, being the Northeast corner of a tract of land described in a correction deed to Dean Phillip Drozd and wife, Caroline Drozd, as recorded in Instrument Number 95-R0026218, of the Real Property Records of Denton County, Texas (R.P.R.D.C.T.), and corrected under Volume 5235, Page 2989, R.P.R.D.C.T.;

THENCE South 66 degrees 25 minutes 01 second West, along a line common to said Drozd tract and Forrest Street, a distance of 43.67 feet to a 1/2-inch iron rod found for an angle point in same;

THENCE North 88 degrees 23 minutes 59 seconds West, continuing along said common line, a distance of 229.48 feet to a capped 1/2-inch iron rod stamped "KAZ" set for corner in same;

THENCE North 39 degrees 37 minutes 22 seconds East, a distance of 25.24 feet to a capped 1/2-inch iron rod stamped "KAZ" set for corner, being the Southwest corner of Lot 3 in Block G of said Lakeview Camp;

THENCE South 88 degrees 23 minutes 59 seconds East, along a line common to Block G of said Lakeview Camp and Forrest Street, passing a 3/4-inch iron pipe found, at 70.00 feet, being the Southeast corner of said Lot 3 and the Southwest corner of Lot 4 in said Block G, and continuing along said course for a total distance of 209.80 feet to a buried T-post found for an angle point in same;

THENCE North 65 degrees 20 minutes 17 seconds East, continuing along said common line, a distance of 39.35 feet to an angle iron found for corner, being the Southeast corner of said Lot 4;

THENCE South 22 degrees 30 minutes 31 seconds East, along the East line of Forrest Street, a distance of 20.50 feet to the POINT OF BEGINNING, containing 0.119 of an acre, or 5,201 square feet of land, more or less.

FLOOD STATEMENT: I have reviewed the F.E.M.A. Flood Insurance Rate Map for the City of Lake Dallas, Community Number 480780 effective date 04-18-2011 and that map indicates as scaled, that a portion of this property is within "**Non-Shaded Zone X**" defined as "Areas determined to be outside the 0.2% annual chance floodplain", a portion of which is in "**Shaded Zone X**" defined as "Areas determined to be outside the 0.2% annual chance floodplain" and a portion is within "**Shaded Zone AE**" defined as "Special Flood Hazard Areas subject to inundation by the 1% annual chance flood (100-year); with Base Flood Elevations determined"as shown on Panel 535 G of said map.

NOTE: Bearings shown hereon are referenced to the Texas Coordinate System of 1983, North Central Zone (4202), and are based on the North American Datum of 1983, 2011 Adjustment.

NOTE: This survey was performed without the benefit of a Title Commitment, Title Report or Title Binder.

SURVEYORS CERTIFICATION

Certified to Ellis Lowe, the City of Lake Dallas and assigns:

This survey correctly represents the results of an on-the-ground survey made under my direction and supervision on 07-27-2023, and substantially complies with the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1B, Condition II Survey. There are no apparent encroachments, intrusions or protrusions except as shown hereon.

7-31-23

STATE OF TEXAS REGISTERED KENNETH A. ZOLLINGER 5312 PROFESSIONAL LAND SURVEYOR

KAZ SURVEYING

TX FIRM REGISTRATION # 10002100

1720 WESTMINSTER
DENTON, TX 76205
(940)382-3446

JOB NUMBER: 230290
DRAWN BY: DJJ
DATE: 07-31-2023
R.P.L.S.
KENNETH A. ZOLLINGER

EXHIBIT "B"
Access, Utility, and Drainage Easement

AFTER RECORDING RETURN TO:
City of Lake Dallas
Attn: City Secretary's Office
212 N Main Street
Lake Dallas, Texas 75065

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

EMERGENCY ACCESS, UTILITY AND DRAINAGE EASEMENT FOR THE CITY OF LAKE DALLAS

STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF DENTON §

That ____________________, ("**Grantor**"), for and in consideration of good and valuable consideration provided to Grantor by the **CITY OF LAKE DALLAS, TEXAS**, a Texas home rule municipality, ("**Grantee**"), the receipt and sufficiency of which is hereby acknowledged, has **DEDICATED, GRANTED, SOLD AND CONVEYED**, and by these presents does **DEDICATE, GRANT, SELL AND CONVEY** unto Grantee, a non-exclusive perpetual Emergency Access, Utility and Drainage Easement ("**Easement**") over, along, and across the following described property (the "**Easement Property**"), to wit:

> **Being that certain parcel of land lying and being situated in the Memphis, El Paso & Pacific Railroad Company Survey, Abstract Number 924, Denton County, Texas, containing 0.119 acres of land, more or less, and being situated in Denton County, Texas, and being more particularly described by metes and bounds and depicted on Exhibit "A," attached hereto and incorporated herein by reference.**

The Easement purposes, for the benefit of Grantee shall include:

(a) **Emergency Fire Lane Access**. Including the right of ingress, egress, and regress across the Easement Property for emergency use;

Grantor does hereby covenant and agree Grantor shall construct, or cause to be constructed, upon the Easement Property, a hard surface and that it shall maintain, or cause to be maintained, the same in a state of good repair at all times and keep the same free and clear of any buildings, fences, trees, shrubs or other improvements, other than paving, curbing and directional signage. The maintenance of paving and related facilities within the Easement Property is the sole responsibility of Grantor, and Grantor shall post and maintain appropriate signs, as required by the Fire Marshall, in conspicuous places along such fire lanes, stating "Fire Lane, No Parking". The Fire Marshall or his duly authorized representative is hereby authorized to cause such fire lanes to be maintained free and unobstructed at all times for fire department and emergency use.

(b) **Public Utility Access**. All other public utilities having the right to use City's rights of way, an easement and right of way for public utility purposes, including the right of ingress, egress, and regress therein, and easements to construct underground, maintain, repair, replace, relocate, and remove underground public utilities (including, but not limited to, electric, water, sanitary sewer, natural gas, and telecommunications); and

(c) **Drainage Access**. The right of ingress, egress, and regress therein, to erect, construct, reconstruct, install, replace, repair, operate, use, inspect, modify, remove certain above and underground drainage improvements and collect and direct surface water over or under the Easement Property from the adjacent tracts, together with all lines, pipes, conduits and other equipment, improvements, and appurtenances, if any, at Grantee's sole cost and expense, (collectively the "Drainage Facilities"), used in the collection and direction of surface water , and all improvements and appurtenances related thereto and deemed necessary by Grantee or such other public utilities.

Grantor further agrees that Grantee shall have the right to remove any existing fences, buildings, landscaping, trees, shrubs, concrete structures, and any other physical obstructions or improvements as may now or in the future be located within the Easement Property and are reasonably determined by Grantee to interfere with the use of the Easement Property for the Easement Purposes by Grantee or the public. In the event the Grantee or other public utility needs to access the Easement Area for the purpose of maintaining, repairing replacing, relocating and removing underground public utilities, the Grantee and public utility shall not be responsible for restoring any of surface materials that are within the Easement area to include, but not limited to, brick, stone, concrete, asphalt or sod. The Grantor shall have the sole responsibility for restoring any improvements, including surface materials, within the Easement Property.

TO HAVE AND TO HOLD the Easement Property for the Easement Purpose unto Grantee, its successors and assigns, forever, and Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend, all and singular, the said premises unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise.

EXECUTED on the dates appearing in the acknowledgement below; however, to be effective on this _______ day of _______________, 2024.

GRANTOR

____

GRANTOR'S ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the ____ day of ____________, 2024, by ______________________________________.

____
Notary Public, State of Texas

EXHIBIT "A"
DESCRIPTION OF EASEMENT PROPERTY

4888-1419-4089, v. 1

VG-226-2024-24617

Denton County
Juli Luke
County Clerk

Instrument Number: 24617

Real Property Recordings

EASEMENT

Recorded On: March 08, 2024 02:22 PM

Number of Pages: 5

" Examined and Charged as Follows: "

Total Recording: $41.00

************ THIS PAGE IS PART OF THE INSTRUMENT ************

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number:	24617
Receipt Number:	20240308000488
Recorded Date/Time:	March 08, 2024 02:22 PM
User:	Patty M
Station:	Station 5

Record and Return To:

ELLIS DAVID LOWE

STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

REAL ESTATE EASEMENT AGREEMENT

THIS AGREEMENT is made on March 8, 2024, by and between Dean Drozd of 112 Noyes St, Lake Dallas, Texas 75065, hereinafter ("Grantor"), and Ellis Lowe of 705 Forrest St., Lake Dallas, Texas, 75065 hereinafter ("Grantee").

Recitals

A. The Grantor is the owner of certain real property commonly known as 112 Noyes St, Lake Dallas, Texas, 75065, and more fully described as follows: Home, (Servient Estate).

B. The Grantee is the owner of certain real property commonly known as Texas, 705 Forrest St., Lake Dallas Ellis Lowe, Home, ("Dominant Estate").

C. The Grantee desires to acquire certain rights in the Servient Estate.

1. Grant of Easement

For valuable consideration, Grantor hereby grants to Grantee an easement on and across the following-described portion of the Servient Estate: Home.

2. Character of Easement

It is the intention of the parties that the easement granted appurtenant to the Dominant Estate, in that the easement benefits the use and enjoyment of the Dominant Estate by Providing an essential means of access to that property.

3. Duration and Binding Effect

The easement shall endure 30 years. This Agreement is made expressly for the benefit of, and shall be binding on, the heirs, personal representatives, successors in interest, and assigns of the respective parties.

4. Purpose of Easement

The easement will benefit the Grantee by Providing an essential means of access to that property.

5. Limitations

It is expressly agreed that the easement, rights, and privileges conveyed to Grantee are limited to Providing access to the Grantee's property.

6. Exclusiveness of Easement

The easement, rights, and privileges granted by this easement are exclusive, and Grantor covenants not to convey any other easement or conflicting rights within the area covered by this grant, or nonexclusive, and Grantor reserves and retains the right to convey similar easement and rights to such other persons as Grantor may deem proper.

7. Grantor's Rights

Grantor also retains, reserves, and shall continue to enjoy the use of the surface of the land subject to this easement for any and all purposes that do not interfere with or prevent the use by Grantee of the easement. Grantor's retained rights include, but are not limited to, the right to build and use the surface of the easement for drainage ditches and private streets, roads, driveways, alleys, walks, gardens, lawns, planting or parking areas, and other like uses. The Grantor further reserves the right to dedicate all or any part of the property affected by this easement to any city for use as a public street, road, or alley, if the dedication can be accomplished without extinguishing or otherwise interfering with the rights of Grantee in the easement. If the Grantor or any of Grantor's successors or assigns dedicates all or any part of the property affected by this easement, the Grantee and its successors and assigns shall execute all instruments that may be necessary or appropriate to effectuate the dedications.

8. Grantee's Rights and Duties

Grantee shall have the duty to repair and maintain the property subject to the easement and shall at all times keep the easement property free and open for the benefit of Grantor and any other concurrent user. Grantee shall at all times act so as to safeguard Grantor's property. Grantee shall have the right to keep access to the easement open by removing vegetation and by cutting or trimming trees or vegetation that may encroach on the easement property. Grantee shall have the right to cut and trim trees or shrubbery that may encroach on the easement property. Grantee shall dispose of all cuttings and trimmings by hauling them away from the premises.

9. Termination
This easement may be terminated by written agreement signed by all owners of record and other successors to the respective interests of Grantor and Grantee in the Dominant and Servient Estates. Grantee, his/her heirs, successors, and assigns may execute and record a release of this easement at any time. This easement shall also terminate if the purposes of the easement cease to exist, are abandoned by Grantee, or become impossible to perform.

10. Failure to Perform
Should Grantee fail to perform any covenant, undertaking, or obligation arising under this easement, all rights and privileges granted shall terminate and the provisions of this Agreement creating the easement shall be of no further effect. In such a case, within thirty days of receipt of a written demand from Grantor, Grantee shall execute and record all documents necessary to terminate the easement of record. Should Grantee fail or refuse to record the necessary documents, Grantor shall be entitled to bring an action for the purpose of declaring the easement to be terminated.

11. Entire Agreement
This instrument contains the entire agreement between the parties relating to the rights granted and the obligations assumed. Any oral representations or modifications concerning this instrument shall be of no force and effect. Any modification of this Agreement must be in writing and must be signed by both parties.

12. Attorney's Fees
If legal action is initiated by either party for the purpose of enforcing or interpreting this Agreement, or to compel the recording of a release, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees, and costs.

TEXAS NOTARIAL CERTIFICATE
(JURAT)

State of Texas

County of Denton

Sworn to and subscribed before me on the 8th day of March, 2024, by DeanDrozd & EllisLaw [Name of Principal Signer].

(seal) ALYSSA GAYLE WHITTLE
NOTARY PUBLIC STATE OF TEXAS
Notary Public, State of Texas
Comm. Expires 05-15-2027
Notary ID 130229028

Alyssa Gayle Whittle
Notary Public Signature

The parties have executed this agreement on the above mentioned date.

GRANTOR:

By: Dean Drozd   Date: 3-8-24

Dean Drozd

GRANTEE:

By: Ellis Lowe   Date: 3-8-24

Ellis Lowe

ALYSSA GAYLE WHITTLE
Notary Public, State of Texas
Comm. Expires 05-15-2027
Notary ID 130229028

Alyssa Gayle Whittle
3-8-2024

CITY OF LAKE DALLAS, TEXAS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2023

CITY OF LAKE DALLAS, TEXAS
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Members:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

HANKINS, EASTUP, DEATON, TONN, SEAY & SCARBOROUGH
A Limited Liability Company

CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977

TEL. (940) 387-8563
FAX (940) 383-4746

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Lake Dallas, Texas

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Lake Dallas as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility 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 general accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lake Dallas' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lake Dallas' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and the Texas Municipal Retirement System schedules on pages 48 through 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake Dallas' basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 12, 2024 on our consideration of the City of Lake Dallas' internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lake Dallas' internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn, Seay + Scarborough

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
February 12, 2024

MANAGEMENT’S DISCUSSION & ANALYSIS

As management of the City of Lake Dallas, we offer readers of the City of Lake Dallas's financial statements this narrative overview and analysis of the financial activities of the City of Lake Dallas for the year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements and with the independent auditors' report.

Financial Highlights

- The assets and deferred outflows of the City of Lake Dallas exceeded its liabilities and deferred inflows at September 30, 2023 by $11,832,387.
- The City's total net position increased by $1,107,875 during the fiscal year from the results of current year operations.
- As of September 30, 2023, the City of Lake Dallas's governmental funds reported a combined ending fund balance of $11,579,898, an increase of $4,467,845 in comparison with the beginning of the period.
- The general fund fund balance increased $331,835, from a fund balance of $3,012,302 at the beginning of the year to an ending fund balance of $3,344,157.
- The general fund fund balance at September 30, 2023 of $3,344,157 represents a reserve of 62.17% current year general fund expenditures.

Overview of the Financial Statements

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

Also included as a discretely presented component unit is the Lake Dallas Community Development Corporation, which was formed on January 1, 2003 as the result of a successful 4B sales tax election. Separately-issued financial statements for the component unit may be obtaining by contacting the City of Lake Dallas.

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

The statement of net position presents information on all of the City of Lake Dallas's assets, deferred outflows, deferred inflows and liabilities, with the difference 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 of Lake Dallas is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent period. All of the current period's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Position and the Statement of Activities, the City is divided between two kinds of activities:

- **Governmental activities.** All of the City's basic services are reported here, including the police, fire, library, community development, public works, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

- **Business-type activities.** The City may charge a fee to customers to help it cover all or most of the cost of certain services it provides. The City had no business-type activities during the current period.

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. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of Lake Dallas are considered governmental funds.

Governmental Funds. All of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at period-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City of Lake Dallas maintains three types of 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, special revenue funds and debt service fund. All but the special revenue funds are considered to be major funds.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Lake Dallas's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City of Lake Dallas does not currently have any fiduciary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and funds financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information highlighting budgetary information for the general fund.

Government-wide Financial Analysis

The City's combined net position was $11,832,387 as of September 30, 2023. The City first implemented GASB Statement No. 34, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*, for fiscal year 2004. The following analysis presents both current and prior year data and discusses significant changes in the accounts. This analysis focuses on the net position (Table 1) and general revenues (Table 2) and changes in net position (Table 3) of the City's governmental activities.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is 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 capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Net Position

	Governmental Activities	
	2022	2023
Current and other assets	$ 7,683,828	$ 11,987,839
Capital assets	7,151,525	6,616,641
Total assets	14,835,353	18,604,480
Deferred outflows of resources	423,593	150,742
Long-term liabilities outstanding	3,507,291	7,390,623
Other liabilities	160,300	338,630
Total liabilities	3,667,591	7,729,253
Deferred inflows of resources	866,843	583,582
Net position:		
Net investment in capital assets	4,872,419	4,597,634
Restricted	3,152,834	4,206,657
Unrestricted	2,699,259	3,028,096
Total net position	$ 10,724,512	$ 11,832,387

Governmental Activities. The City's general revenues for governmental activities for the years ended September 30, 2022 and 2023 are detailed below (Table 2).

Table 2
General Revenues

	2022	2023
Property taxes, levied for general purposes	$ 3,231,491	$ 3,492,051
Property taxes, levied for debt service	323,007	336,664
Sales taxes	1,468,356	1,633,536
Franchise taxes	429,126	472,547
Hotel occupancy taxes	228,466	75,617
Mixed beverage taxes	33,602	34,771
Investment earnings	43,370	339,930
CLFRF funds	1,000,923	-
Miscellaneous	46,013	59,697
	$ 6,804,354	$ 6,444,813

The following table provides a summary of the City's operations for the years ended September 30, 2022 and 2023.

Table 3
Changes in Net Position

	Governmental Activities	
	2022	2023
Revenues:		
Program revenues:		
Charges for services	$ 1,130,780	$ 1,132,526
Operating grants and contributions	124,511	143,641
General revenues:		
Property taxes	3,554,498	3,828,715
Sales taxes	1,468,356	1,633,536
Franchise taxes	429,126	472,547
Hotel occupancy taxes	228,466	75,617
Mixed beverage taxes	33,602	34,771
Investment earnings	43,370	339,930
CLFRF funds	1,000,923	-
Other	46,013	59,697
	8,059,645	7,720,980
Expenses:		
Administration	752,336	987,794
Tourism	74,322	83,654
City council	6,746	11,935
Public safety	2,880,711	3,607,236
Animal services	250,298	248,187
Library	229,290	85,457
Public works - streets	894,913	1,065,267
Municipal court	99,417	136,163
Parks and facilities	253,735	200,527
Development services	444,602	242,382
Debt service - interest	94,516	173,753
	5,980,886	6,842,355
Transfers in	265,860	229,250
Change in net position	2,344,619	1,107,875
Net position – October 1 (beginning)	8,379,893	10,724,512
Net position – September 30 (ending)	$ 10,724,512	$ 11,832,387

Financial Analysis of the Government's Funds

Governments Funds. The focus of the City's governmental funds is to provide information on 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 government's net resources available for spending at the end of the period.

As of the end of the current period, the City's governmental funds reported a combined ending fund balance of $1,157,898, an increase of $4,467,845 in comparison with the beginning of the period. Unassigned fund balance available for spending at the City's discretion was $3,308,565. A portion of fund balance is considered nonspendable and not available for new spending because it is restricted for street maintenance ($708,830), restricted for debt service ($826,673), restricted for capital projects ($3,618,316), restricted for tourism ($274,188), has already been committed to liquidate prepaid items ($38,137) or are special revenue funds that have been restricted or assigned for specific purposes ($2,726,960).

The general fund is the chief operating fund of the City. At the end of the current period, unassigned fund balance of the general fund was $3,308,565, while total fund balance was $3,344,157. The fund balance of the City's general fund increased by $331,855 during the current period, primarily due to additional tax revenue and interest earnings.

General Fund Budgetary Highlights

During the current year, the City Council amended the budget for the General Fund on one occasion.

The original budget for the general fund projected that the activity for the year would decrease available fund balance by $69,995. The available fund balance for the general fund actually increased in the amount of $331,855 due to greater than expected revenue from interest earnings and sales tax, combined with lower than expected expenditures in several departments.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental activities as of September 30, 2023, amounted to $6,616,641 (net of accumulated depreciation). This amount represents a net decrease of $534,884, or 7.5 percent, below the beginning of the period. The investment in capital assets includes land, buildings, equipment, vehicles, roads and parks.

Capital asset additions during the current year include the following:

Description	Amount
Mobile PD car computers	$ 33,711
City Hall generator	21,576
Total	$ 55,287

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities
Land	$ 440,797
Construction in Progress	826,509
Buildings and Improvements	1,627,556
Streets and Parks Infrastructure	3,412,527
Equipment and Vehicles	309,252
Totals	$ 6,616,641

Additional information on the City's capital assets can be found in Note 6 of this report.

Long-term Debt. At the end of the current period, the City had certificates of obligation outstanding of $4,030,000, accrued compensated absences of $399,224, equipment loans of $115,431 and general obligation bonds outstanding of $1,415,000, for total long-term debt of $6,050,493. The only new debt incurred during the year was the issuance of $3,020,000 certificates of obligation.

The following is a summary of the changes in the City's Long-term Debt for the year ended September 30, 2023:

Description	Interest Rate Payable	Amounts Outstanding 10/1/22	Refunded/ Additions	Retired	Amounts Outstanding 9/30/23	Due Within One Year
Bonded Indebtedness:						
2008 General Obligation	4.21%	$ 400,000	$ -	$ 60,000	$ 340,000	$ 60,000
2018 General Obligation	2.81%	780,000	-	160,000	620,000	165,000
2019 General Obligation	1.86%	525,000	-	70,000	455,000	70,000
Total Bonded Indebtedness		1,705,000	-	290,000	1,415,000	295,000
Certificates of Obligation:						
2019 Series		1,165,000	-	155,000	1,010,000	160,000
2023 Series	5.00%	-	3,020,000	-	3,020,000	60,000
Total Cert. of Obligation		1,165,000	3,020,000	155,000	4,030,000	220,000
Equipment Loans		169,800	-	54,369	115,431	56,347
Certificates of Obligation premium		-	90,838	-	90,838	-
Compensated Absences		315,760	83,464	-	399,224	-
Total Long-Term Debt		$ 3,355,560	$3,194,302	$499,369	$ 6,050,493	$571,347

Economic Factors and New Year's Budgets and Rates

Fiscal year 2023 saw the implementation of TRIP 2022 (Denton County Road Program) in Lake Dallas City Council prioritized projects that were approved in the bond referendum. The projects included Shady Shores north of Swisher Road; Dobbs Road; Hundley Drive; and improvements to Swisher Road.

The operating budget reflects a General Fund balance of $3,344,157. This represents a reserve of 62.17% of current year general fund expenditures. The reserve reflects strong fiscal management as directed by Council. Increased property valuations and sales tax collections were highlighted as additional revenue producers. Investment income earnings significantly increased due to unobligated federal monies.

New debt issued will provide necessary initial funds to follow through on Council road priorities. The new debt amounted to $3,020.00. Additional debt issuance will be necessary to meet our funding requirements for the TRIP 2022 projects.

Single family infill housing continued in this fiscal year. New commercial projects have been through forth by the CDC and will bring results in 2024.

Requests for Information

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 City of Lake Dallas, 212 Main St., Lake Dallas, Texas 75065.

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BASIC FINANCIAL STATEMENT

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CITY OF LAKE DALLAS, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government	Component Unit
	Governmental Activities	Community Development Corporation
ASSETS		
Cash and Investments	$ 11,533,304	$ 220,494
Receivables (net of allowance for uncollectibles):		
Taxes – Ad Valorem	90,886	-
Taxes – Sales	283,196	94,399
Taxes - Mixed Beverage	5,757	-
Taxes - Franchise	19,201	-
Taxes- Occupancy	6,568	-
Other	10,790	-
Prepaid Expenses	38,137	-
Capital Assets:		
Land	440,797	1,077,430
Construction in Progress	826,509	-
Buildings and Improvements, net	1,627,556	-
Streets and Parks Infrastructure, net	3,412,527	-
Equipment and Vehicles, net	309,252	-
Total Assets	18,604,480	1,392,323
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on bond refunding	13,946	-
Deferred outflow related to TMRS	1,523,924	-
Deferred outflow related to OPEB	2,872	-
Total Deferred Outflows of Resources	1,540,742	-
LIABILITIES		
Accounts Payable	265,764	2,355
Accrued Wages Payable	57,998	-
Accrued Interest Payable	14,868	4,200
Noncurrent Liabilities:		
Due within one year	571,347	60,000
Due in more than one year	5,479,146	540,000
Net pension liability	1,241,423	-
Net OPEB liability	98,707	-
Total Liabilities	7,729,253	606,555
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to TMRS	546,062	-
Deferred inflow related to OPEB	37,520	-
Total Deferred Inflows of Resources	583,582	-
NET POSITION		
Net investment in capital assets	4,597,634	477,430
Restricted for:		
Community Development	-	308,338
Debt Service	826,673	-
Other Purposes	3,379,984	-
Unrestricted Net Position	3,028,096	-
Total Net Position	$ 11,832,387	$ 785,768

The accompanying notes are an integral part of this statement.

CITY OF LAKE DALLAS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Administration	$ 987,794	$ 44,385	$ -	$ -
Tourism	83,654	25,670	17,015	-
City Council	11,935	-	-	-
Public Safety	3,607,236	159,435	110,746	-
Animal Services	248,187	12,280	5,085	-
Library	85,457	3,845	10,795	-
Public Works - Streets	1,065,267	370,521	-	-
Municipal Court	136,163	136,163	-	-
Parks and Facilities	200,527	226,812	-	-
Development Services	242,382	153,415	-	-
Debt Service - Interest and Fees	173,753	-	-	-
Total Governmental Activities	6,842,355	1,132,526	143,641	-
TOTAL PRIMARY GOVERNMENT	$ 6,842,355	$ 1,132,526	$ 143,641	$ -
COMPONENT UNIT:				
Community Development Corporation	$ 373,430	$ -	$ -	$ -
TOTAL COMPONENT UNIT	$ 373,430	$ -	$ -	$ -

GENERAL REVENUES:

Taxes:
- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Sales taxes
- Franchise taxes
- Hotel occupancy taxes
- Mixed beverage taxes

Investment Earnings
Miscellaneous
Special item - gain (loss) on sale of asset
Special item – transfers in (out)
Total General Revenues and Special Items
Change in Net Position

NET POSITION, October 1 (beginning)
NET POSITION, September 30 (ending)

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Change in Net Position	
	Component Unit
Governmental Activities	Community Development Corp
$ (943,409)	$ -
(40,969)	-
(11,935)	-
(3,337,055)	-
(230,822)	-
(70,817)	-
(694,746)	-
-	-
26,285	-
(88,967)	-
(173,753)	-
(5,566,188)	-
(5,566,188)	-
-	(373,430)
-	(373,430)
3,492,051	-
336,664	-
1,633,536	544,512
472,547	-
75,617	-
34,771	-
339,930	8,087
59,697	-
-	(5,285)
229,250	(229,250)
6,674,063	318,064
1,107,875	(55,366)
10,724,512	841,134
$ 11,832,387	$ 785,768

CITY OF LAKE DALLAS, TEXAS
BALANCE SHEET GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

ASSETS	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash and cash equivalents	$3,325,327	$ 826,033	$ 3,618,316	$3,763,628	$ 11,533,304
Receivables (net of allowances for uncollectibles):					
Ad Valorem tax	78,694	12,192	-	-	90,886
Sales tax	235,997	-	-	47,199	283,196
Mixed beverage tax	5,757	-	-	-	5,757
Franchise tax	19,201	-	-	-	19,201
Occupancy tax	-	-	-	6,568	6,568
Other	-	-	-	10,790	10,790
Due from other funds	-	-	-	-	-
Prepaid costs	35,592	-	-	2,545	38,137
Total Assets	$3,700,568	$ 838,225	$ 3,618,316	$3,830,730	$ 11,987,839
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 225,786	$ -	$ -	$ 39,978	$ 265,764
Accrued wages payable	57,998	-	-	-	57,998
Due to other funds	-	-	-	-	-
Escrowed funds	-	-	-	-	-
Total Liabilities	283,784	-	-	39,978	323,762
Deferred Inflows of Resources:					
Unavailable Revenue-Property Taxes	72,627	11,552	-	-	84,179
Total Deferred Inflows of Resources	72,627	11,552	-	-	84,179
Fund Balances:					
Nonspendable fund balance:					
Prepaid costs	35,592	-	-	2,545	38,137
Restricted fund balance:					
Restricted for debt service	-	826,673	-	-	826,673
Restricted for capital projects	-	-	3,618,316	-	3,618,316
Restricted for court security/technology	-	-	-	78,229	78,229
Restricted for street maintenance	-	-	-	708,830	708,830
Restricted for tourism	-	-	-	274,188	274,188
Restricted for other purposes	-	-	-	2,318,737	2,318,737
Assigned fund balance	-	-	-	408,223	408,223
Unassigned fund balance	3,308,565	-	-	-	3,308,565
Total Fund Balances	3,344,157	826,673	3,618,316	3,790,752	11,579,898
Total Liabilities, Deferred Inflows and Fund Balances	$3,700,568	$ 838,225	$ 3,618,316	$3,830,730	$ 11,987,839

The accompanying notes are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balance – Governmental Funds	$ 11,579,898
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.	17,376,512
Accumulated depreciation is not reported in the fund financial statements.	(10,759,871)
Bonds payable, certificates of obligation payable, equipment loan payable and compensated absences payable are not reported in the fund financial statements.	(6,050,493)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(14,868)
Property tax revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	84,179
Deferred charge on bond refundings is not recognized in the fund financial statements.	13,946
Included in the items related to debt is the recognition of the City's net TMRS pension liability required by GASB 68 in the amount of $1,241,423, a Deferred Resource Outflow related to TMRS in the amount of $1,523,924 and a Deferred Resource Inflow related to TMRS in the amount of $546,062. This amounted to a decrease in Net Position in the amount of $263,561.	(263,561)
Included in the items related to debt is the recognition of the City's net TMRS OPEB liability required by GASB 75 in the amount of $98,707, a Deferred Resource Outflow related to OPEB in the amount of $2,872, and a Deferred Resource Inflow related to OPEB in the amount of $37,520. This amounted to a decrease in Net Position in the amount of $133,355.	(133,355)
Net Position of Governmental Activities	$ 11,832,387

The accompanying notes are an integral part of this statement.

CITY OF LAKE DALLAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	GENERAL FUND	DEBT SERVICE FUND	CAPTIAL PROJECTS FUND	OTHER FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Taxes (ad valorem, sales and other)	$ 5,353,755	$ 336,475	$ -	$ 347,873	$ 6,038,103
Licenses and permits	157,266	-	-	-	157,266
Charges for services	263,393	-	-	162,522	425,915
Fines and fees	158,421	-	-	402,652	561,073
CLFRF funds	-	-	-	-	-
Donations and grants	-	-	-	131,913	131,913
Insurance proceeds	13,648	-	-	-	13,648
Interest	167,729	24,700	28,595	118,906	339,930
Miscellaneous	3,660	-	-	-	3,660
Total Revenues	6,117,872	361,175	28,595	1,163,866	7,671,508
Expenditures:					
Administration	919,484	-	-	-	919,484
Tourism	29,423	-	-	54,231	83,654
City council	11,935	-	-	-	11,935
Public safety	3,202,029	-	-	126,517	3,328,546
Animal services	209,114	-	-	11,079	220,193
Library	74,506	-	-	7,520	82,026
Public works – streets	409,752	-	-	285,463	695,215
Municipal court	128,638	-	-	3,000	131,638
Parks and facilities	26,657	-	-	86,347	113,004
Development services	235,108	-	-	-	235,108
Capital outlay	72,212	-	-	21,576	93,788
Debt service:					
Principal retirement	54,369	445,000	-	-	499,369
Interest and fees	5,976	70,766	95,438	-	172,180
Total Expenditures	5,379,203	515,766	95,438	595,733	6,586,140
Excess of Revenues Over (Under) Expenditures	738,669	(154,591)	(66,843)	568,133	1,085,368
Other Financing Resources (Uses):					
Certificates of Obligation principal	-	-	3,020,000	-	3,020,000
Certificates of Obligation permium	-	-	90,838	-	90,838
Sale of assets	42,389	-	-	-	42,389
Transfers out	(449,203)	-	-	-	(449,203)
Transfers in	-	663,289	-	15,164	678,453
Total Other Financing Resources (Uses)	(406,814)	663,289	3,110,838	15,164	3,382,477
Net Change in Fund Balance	331,855	508,698	3,043,995	583,297	4,467,845
Fund Balance - October 1 (beginning)	3,012,302	317,975	574,321	3,207,455	7,112,053
Fund Balance - September 30 (ending)	$ 3,344,157	$ 826,673	$ 3,618,316	$ 3,790,752	$ 11,579,898

The accompanying notes are an integral part of this statemtent.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Total Net Change in Fund Balances – Governmental Funds	$ 4,467,845
Proceeds from certificates of obligation sales are recorded as other resources in the fund financial statements but are shown as an increase in long-term debt in the government-wide financial statements.	(3,020,000)
Premium received on certificates of obligation sales are recorded as other resources in the fund financial statements but are shown as an increase in long-term debt in the government-wide financial statements.	(90,838)
Current year principal payments on bonds, certificates of obligation and equipment loans are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	499,369
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.	93,788
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(628,672)
Interest is accrued on outstanding debt in the government-side financial statements, whereas in the fund financial statements interest expenditures are reported when due.	1,054
Revenues from property taxes are recorded as unavailable in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectable amounts, in the government-wide financial statements.	7,083
Current year amortization of deferred charge on bond refunding is not recorded in the fund financial statements, but is shown as a reduction of the deferred loss in the government-wide financial statements.	(2,627)
Current year compensated absences earned but not used is not recorded in the fund financial statements, but is shown as a, increase in long-term debt in the government-wide financial statements.	(83,464)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. The contributions made after the measurement date of 12/31/22 caused the change in ending net position to increase in the amount of $223,240. Contributions made before the measurement date but during the 2023 FY were also de-expended and recorded as a reduction in the net position liability for the City. This also caused an increase in the change in net position in the amount of $80,689. These contributions were replaced with the City's pension expense for the year of $438,549, which caused a decrease in the change in net position. The impact of all of these is to decrease net position by $134,620.	(134,620)
The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. The contributions made after the measurement date of 12/31/22 caused net position to increase in the amount of $2,872. Contributions made before the measurement date but during the 2023 FY were also de-expended and recorded as a reduction in the net position liability for the City. This also caused an increase in net position in the amount of $957. These contributions were replaced with the City's OPEB expense for the year of $4,872, which caused a decrease in the change in net position. The impact of all of these is to decrease net position by $1,043.	(1,043)
Change in Net Position of Governmental Activities	$ 1,107,875

CITY OF LAKE DALLAS, TEXAS
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget
Revenues:				
Taxes (ad valorem, sales and other)	$ 5,235,471	$ 5,235,471	$ 5,353,755	$ 118,284
Licenses and permits	145,300	145,300	157,266	11,966
Charges for services	267,100	267,100	263,393	(3,707)
Court fines	181,000	181,000	158,421	(22,579)
CARES funds	-	-	-	-
Donations and grants	-	-	-	-
Insurance proceeds	-	-	13,648	13,648
Interest	1,000	1,000	167,729	166,729
Miscellaneous revenue	10,000	10,000	3,660	(6,340)
Total Revenues	5,839,871	5,839,871	6,117,872	278,001
Expenditures:				
Current:				
Administration	944,135	944,135	919,484	24,651
Tourism	30,000	30,000	29,423	577
City council	13,695	13,695	11,935	1,760
Public safety	3,398,541	3,398,541	3,202,029	196,512
Animal services	244,207	244,207	209,114	35,093
Library	188,749	188,749	74,506	114,243
Public works-streets	515,858	515,858	409,752	106,106
Municipal court	130,726	130,726	128,638	2,088
Parks and recreation	62,229	62,229	26,657	35,572
Development services	228,280	228,280	235,108	(6,828)
Debt Service	60,346	60,346	60,345	1
Capital Outlay	71,100	71,100	72,212	(1,112)
Total Expenditures	5,887,866	5,887,866	5,379,203	508,663
Excess of Revenues over (under) Expenditures	(47,995)	(47,995)	738,669	786,664
Other Financing Sources (Uses):				
Loan Proceeds	-	-	-	-
Sale of Assets	20,000	20,000	42,389	22,389
Transfers out	(42,000)	(42,000)	(449,203)	(407,203)
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	(22,000)	(22,000)	(406,814)	(384,814)
Net Change in Fund Balance	(69,995)	(69,995)	331,855	401,850
Fund Balance – October 1 (beginning)	3,012,302	3,012,302	3,012,302	-
Fund Balance – September 30 (ending)	$ 2,942,307	$ 2,942,307	$ 3,344,157	$ 401,850

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lake Dallas (the "City") are presented in accordance with generally accepted accounting principles applicable to state and local governmental units as set forth by the Governmental Accounting Standards Board ("GASB).

In fiscal year 2004, the City implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments,* GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement 34, GASB Statement No. 38, *Certain Financial Statement Disclosures*, which changes note disclosures requirements for governmental entities, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements,* which clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where difference have arisen, or potentially could arise, in interpretation and practice of GASB Statement No. 34.

GASB Statements No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the use of account groups to the already required fund financial statements and notes. GASB Statement No. 37 provided additional guidance in reporting infrastructure, program revenues and major criteria.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that the government-wide financial statements are needed to allow users of financial reports to assess a government's operational accountability. The new GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

The following is a summary of the more significant accounting policies.

A. Reporting Entity

The City of Lake Dallas (City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The City of Lake Dallas, as of September 30, 2023 has one discretely presented component unit as defined by GASB criteria- the Lake Dallas Community Development Corporation. Separately–issued financial statements for the component unit may be obtained by contacting the City of Lake Dallas.

B. Government-wide and Fund 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 non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City had no business-type activities during the period.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for government funds, proprietary funds, and fiduciary funds, even though the latter are excluded for the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The City had no proprietary funds or fiduciary funds during the period.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. 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.

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 City 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.

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 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.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about 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 are treated as being equal to the employer's yearly contributions for retirees. There are no investments as this is a pay-as-you-go plan.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – The General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – These funds are established to account for funds restricted for specified purposes. For many funds in this type, project accounting is employed to maintain integrity for the various sources of funds.

Debt Service Fund – The Debt Service Fund accounts for the use of debt service taxes collected for the purpose of retiring bond and certificates of obligation principal and paying interest due.

Capital Projects Fund – The Capital Projects Funds accounts for proceeds from the sale of Certificates of Obligation and General Obligation Bonds to be used for authorized acquisition, construction, or renovation projects. Upon completion of a project, any unused debt proceeds, if any, are used to retire related debt principal.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Cash and Investments

The City's cash and investments are considered to be cash on hand, demand deposits and short-term investments in State investment pools.

E. Receivable and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the period are referred to as "due to/from other funds" or "advances to/from other funds."

Property tax receivables are shown net of an allowance for uncollectibles.

F. Property Taxes

Ad valorem taxes are levied from valuations assessed as of January 1 and recognized as revenue on the date of levy, on October 1. Property tax receivables are recognized when the City has an enforceable claim against the property owner. In the governmental funds, property tax revenue is recognized in the fiscal period for which the taxes are levied, provided that they become available. Available means collected within the current period, or expected to be collected soon enough thereafter, to be used to pay current liabilities. The City's availability period is sixty days. Taxes collected prior to the levy date to which they apply are recorded as unavailable revenues and recognized as revenue of the period to which they apply.

Current taxes are due on October 1 and become delinquent if unpaid on February 1. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance. On January 1 of each year, a tax lien attaches to property to secure all taxes, penalties and interest ultimately imposed.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the government-wide and fund financial statements. These items consist primarily of prepaid insurance.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., streets, roads, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of more than $1000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of governmental activities is not included as part of the capitalized value of the assets constructed.

Depreciation expense is calculated on the straight-line method. Depreciation methods are designed to amortize the cost of the assets over their estimated useful lives. Estimated useful lives of major categories of property are as follows:

Category	Estimated Life
Buildings	25-40 years
Street infrastructure	15 years
Machinery and equipment	7-10 years
Vehicles	5-7 years

I. Compensated Absences

It is the City's policy to permit employees to accumulate certain earned but unused vacation and sick pay benefits. When an employee separates from service with the City, the employee is entitled to receive pay for earned but unused vacation and sick pay. All such vacation and sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Estimates

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

K. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

L. Budgets and Budgetary Accounting

Prior to September 1, the City Manager submits to the City Council a proposed budget for the ensuing fiscal year. At the meeting of the City Council at which the budget is submitted, the City Council fixes the time and place of the public hearing on the budget and causes to be published a notice of the budget hearing. After the budget hearing the budget may be adopted by a favorable vote of the majority vote of the Council. Upon adoption the budget is filed with the City Secretary and the County Clerk of Denton County.

The City Manager is authorized to transfer budgeted amounts between departments with any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures should not exceed appropriations at the department level, the classification level as reported in the combined financial statements. Unused appropriations lapse at the end of each fiscal year.

Budgets for the general fund and debt service fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget was amended once during the year by the City Council. Any amendments are reflected in the official minutes of the Council.

2. DEPOSITS AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository agreement. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the agreement. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At September 30, 2023, the carrying amount of the City's deposits in checking accounts and interest-bearing savings accounts was $933,852 and the bank balance was $857,442. The City's cash deposits at September 30, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptance, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the City has adopted a deposit and investment policy. That policy addresses the following risks:

a. 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. As of September 30, 2023, the City's cash balances totaled $857,442. This entire amount was either collateralized with securities held by the City's financial institution's agent in the City's name or covered by FDIC insurance. Thus, the City's deposits are not exposed to custodial credit risk.

b. 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. At September 30, 2023, the City held all of its investments in four public funds investment pools – TexPool, TexStar, Texas Class and LOGIC. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

c. Credit Risk: This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The City has no policy relating to the credit risk of investments. The credit quality rating for LOGIC at year-end was AAA (Standard & Poor's) and for TexPool, Texas Class and TexStar was AAAm (Standard & Poor's).

d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to interest rate risk but manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for the TexPool and LOGIC investment pools is less than 60 days.

e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At September 30, 2023, the City was not exposed to foreign currency risk.

f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the City's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools are excluded from the 5 percent disclosure requirement.

The City's investments at September 30, 2023 are shown below:

Name	Carrying Amount	Market Value
TexPool Investment Pool	$ 5,127,527	$ 5,127,527
LOGIC Investment Pool	3,344,033	3,344,033
TexStar Investment Pool	25,913	25,913
Texas Class Investment Pool	2,101,354	2,101,354
Total	$ 10,598,827	$ 10,598,827

Fair Value Measurements

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that ae measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based in the lowest level input that is significantly to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The City's investments in the TexPool, Texas Class, TexStar and LOGIC investment pools (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost.

3. FUND BALANCE

The City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified prepaid items as being nonspendable as these items are not expected to be converted to cash.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Court security and technology fees are being restricted because their use is restricted pursuant to the regulations that allow the collection of those fees. Child safety fees, juvenile case management fees, state LEOSE training fees and drug seizure funds are being restricted because their use is restricted by law in a similar manner to these specific purposes. Debt service funds are being restricted because their use is restricted for the purpose of retiring long-term debt.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. The Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council has no committed fund balance as of September 30, 2023.

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Council or through the Council delegating this responsibility to other individuals in the City. Under the City's policy, only the Council may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City assigned fund balance resources of various funds accounted for through the special revenue fund.

- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Council has provided otherwise in its commitment or assignment actions.

The Council has expressed an intent to maintain a level of assigned and unassigned fund balance in the general fund equal to 25 percent of the fund's operating expenditures.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 18) and are described below:

General Fund

The General Fund has unassigned fund balance of $3,308,565 at September 30, 2023. Prepaid costs of $35,592 are considered nonspendable fund balance.

Special Revenue Funds

The fund balances of the Court Technology Fund and Court Security Fund (totaling $78,229) are shown as restricted for those purposes. The fund balances of the Street Maintenance Tax Fund ($708,830) and the Hotel Occupancy Tax Fund ($274,188) are shown as restricted for those purposes. The fund balances of the LEOSE Training Fund, Juvenile Case Management Fund, Drug Seizure Fund, Child Safety Fund, Forensic Testing Fund, Park Improvement Fund, CLFRF Grant, Opioid Abatement Fund, Tree Preservation Fund and Willow Grove Camping Fees Fund (totaling $2,318,737) are shown as restricted for those purposes also. The fund balances of the Kids N Cops Fund, Library Donations Fund, Stormwater Drainage Fund, Halloween Event, Christmas Event and Animal Rescue Fund (totaling $408,223) have been assigned for use in the activities that generated those funds.

Debt Service Fund

The Debt Service Fund has restricted fund balance of $826,673 at September 30, 2023 that is restricted by law for use in retiring long-term debt.

3. RECEIVABLES

Government-wide receivables as of September 30, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Special Revenue Fund	Total
Receivables:				
Property taxes	$ 103,544	$ 16,042	$ -	$ 119,586
Sales taxes	235,997	-	47,199	283,196
Mixed beverage tax	5,757	-	-	5,757
Occupancy tax	-	-	6,568	6,568
Franchise tax	19,201	-	-	19,201
Other	-	-	10,790	10,790
Gross Receivables	364,499	16,042	64,557	445,098
Less: Uncollectible allowance	24,850	3,850	-	28,700
Net Total Receivables	$ 339,649	$ 12,192	$ 64,557	$ 416,398

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal period, the unavailable revenue reported in the governmental funds relates to delinquent property taxes.

5. INTERFUND BALANCES AND TRANSFERS

There were no interfund balances at September 30, 2023.

Interfund transfers for the year ended September 30, 2023 consisted of the following individual amounts:

Fund	Transfers to Other Funds	Transfers from Other Funds
General Fund:		
VAWA Grant	$ 11,923	$ -
Halloween Event	3,241	-
Debt Service Fund	434,039	-
Special Revenue Fund:		
VAWA Grant	-	11,923
Halloween Event	-	3,241
Debt Service Fund		
General Fund	-	434,039
Total	$ 449,203	$ 449,203

Interfund transfers during the year include the following:

- Transfer of $11,923 from the general fund to the VAWA Grant special revenue fund to cover excess costs of that grant.
- Transfer of $434,039 from the general fund to the debt service fund toward payment of debt service expenditures.
- Transfer of $3,241 from the general fund to the Halloween Event special revenue fund to set aside funds received for that purpose.

6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 440,797	$ -	$ -	$ 440,797
Construction in Progress	826,509	-	-	826,509
Total capital assets, not being depreciated	1,267,306	-	-	1,267,306
Capital assets, being depreciated:				
Buildings and Improvements	3,191,066	-	-	3,191,066
Street and Parks	10,811,104	-	-	10,811,104
Equipment and Vehicles	2,128,022	93,788	(114,774)	2,107,036
Total capital assets, being depreciated	16,130,192	93,788	(114,774)	16,109,206
Less accumulated depreciation for:				
Buildings and Improvements	(1,478,961)	(84,549)	-	(1,563,510)
Street and Parks	(6,983,343)	(415,234)	-	(7,398,577)
Equipment and Vehicles	(1,783,669)	(128,889)	114,774	(1,797,784)
Total accumulated depreciation	(10,245,973)	(628,672)	114,774	(10,759,871)
Total capital assets, being depreciated, net	5,884,219	(534,884)	-	5,349,335
Governmental activities capital assets, net	$ 7,151,525	$ (534,884)	$ -	$ 6,616,641

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 36,324
Public Safety	138,921
Animal Services	19,229
Public Works-Streets	343,645
Municipal Court	1,832
Parks and Recreation	87,523
Development Services	741
Library	457
Total depreciation expense – Governmental activities	$ 628,672

7. LONG TERM DEBT

Long term debt of the City consists of three general obligation bond series, two certificate of obligation series, equipment loans and compensated absences. All long-term debt represents transactions in the City's governmental activities.

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

The following is a summary of the changes in the City's Long-term Debt for the year ended September 30, 2023:

Description	Interest Rate Payable	Amounts Outstanding 10/1/22	Refunded/ Additions	Retired	Amounts Outstanding 9/30/23	Due Within One Year
Bonded Indebtedness:						
2008 General Obligation	4.21%	$ 400,000	$ -	$ 60,000	$ 340,000	$ 60,000
2018 General Obligation	2.81%	780,000	-	160,000	620,000	165,000
2019 General Obligation	1.86%	525,000	-	70,000	455,000	70,000
Total Bonded Indebtedness		1,705,000	-	290,000	1,415,000	295,000
Certificates of Obligation:						
2019 Series		1,165,000	-	155,000	1,010,000	160,000
2023 Series	5.00%	-	3,020,000	-	3,020,000	60,000
Total Cert. of Obligation		1,165,000	3,020,000	155,000	4,030,000	220,000
Equipment Loans		169,800	-	54,369	115,431	56,347
Certificates of Obligation premium		-	90,838	-	90,838	-
Compensated Absences		315,760	83,464	-	399,224	-
Total Long-Term Debt		$ 3,355,560	$3,194,302	$499,369	$ 6,050,493	$571,347

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General Obligation Bonds require the City to compute, at the time taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

The retirement of accrued compensated absences is provided by financial resources of the General Fund.

8. DEBT SERVICE REQUIREMENTS TO MATURITY

Presented below is a summary of general obligation bond requirements to maturity:

Year Ended September 30,	Principal	Interest	Total Requirements
2024	$ 295,000	$ 40,199	$ 335,199
2025	310,000	31,735	341,735
2026	320,000	22,826	342,826
2027	200,000	13,567	213,567
2028	210,000	7,680	217,680
2029	80,000	1,488	81,488
Total	$ 1,415,000	$ 117,495	$ 1,532,495

Presented below is a summary of certificates of obligation requirements to maturity:

Year Ended September 30,	Principal	Interest	Total Requirements
2024	$ 220,000	$ 137,356	$ 357,356
2025	235,000	152,625	387,625
2026	250,000	145,990	395,990
2027	280,000	138,605	418,605
2028	290,000	129,875	419,875
2029-2033	850,000	526,700	1,376,700
2024-2038	855,000	338,675	1,193,675
2039-2034	1,050,000	138,125	1,188,125
Total	$ 4,030,000	$ 1,707,951	$ 5,737,951

9. DEFEASED BONDS OUTSTANDING

In prior years, the City issued refunding bonds to defease other outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from those earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2023, $675,000 of bonds outstanding are considered defeased.

10. EQUIPMENT LOANS

The City has obtained financing through Government Capital Corporation for the purchase of police vehicles and other equipment. A summary of the activity on the loans during the current fiscal year is as follows:

Description	Interest Rate	Amounts Outstanding 10/1/22	Additions	Retired	Amounts Outstanding 9/30/23
Equipment loan - Government Capital Corp	4.25%	$ 35,951	$ -	$ 17,601	$ 18,350
Equipment loan - Government Capital Corp	3.497%	58,194	-	18,736	39,458
Equipment loan - Government Capital Corp	3.19%	75,655	-	18,032	57,623
Total		$ 169,800	$ -	$ 54,369	$ 115,431

Presented below is a summary of debt service requirements to maturity:

Year Ended September 30,	Principal	Interest	Total Requirements
2024	$ 56,347	$ 3,998	$ 60,345
2025	39,270	1,946	41,216
2026	19,814	632	20,446
Total	$ 115,431	$ 6,576	$ 122,007

11. DEFINED BENEFIT PENSION PLANS

Plan Description

The City of Lake Dallas participates as one of 919 plans in the defined benefit cash-balance 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 Governor-appointed Board of Trustees. However, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at *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.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the-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:

	Plan Year 2022	Plan Year 2023
Employee deposit rate	7.0%	7.0%
Employer deposit rate	13.20%	13.54
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)	70% of CPI Reporting	70% of CPI Reporting

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	48
Inactive employees entitled to buy not yet receiving benefits	76
Active employees	31
	155

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 1 to 1, 1.5 to 1 or 2 to 1, 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 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 Lake Dallas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Lake Dallas were 13.20% and 13.54% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were $303,929, which consists of $272,469 required contributions and $31,460 additional voluntary 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	2.50% per year
Overall payroll growth	2.75% per year, adjusted down from population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return*
Global Public Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public and Private Market	12.0%	8.1%
Real Estate	15.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
Total	100.0%	

Discount Rate

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

Changes in the Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/2021	$ 10,686,848	$ 11,037,149	$ (350,301)
Changes for the year:			
Service Cost	373,458	-	373,458
Interest	718,071	-	718,071
Change in benefit terms	-	-	-
Difference between expected and actual experience	130,669	-	130,669
Changes of assumptions	-	-	-
Contributions – employer	-	293,375	(293,375)
Contributions – employee	-	141,080	(141,080)
Net investment income	-	(805,328)	805,328
Benefit payments, including refunds of employee contributions	(470,980)	(470,980)	-
Administrative expense	-	(6,972)	6,972
Other changes	-	8,319	(8,319)
Net changes	751,218	(840,506)	1,591,724
Balance at 12/31/2022	**$ 11,438,066**	**$ 10,196,643**	**$ 1,241,423**

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	$2,900,314	$1,241,423	$(98,258)

Pension Plan Fiduciary Net Position

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

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 $434,459.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 60,416	$ 5,226
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	1,240,268	540,836
Contributions subsequent to the measurement date	223,240	-
Total	$ 1,523,924	$ 546,062

$223,240 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024 Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2024	$ 86,104
2025	171,587
2026	186,867
2027	310,064
2028	-
Thereafter	-

12. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City also participates in a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage (Supplemental Death Benefits) for their active members, including or not including retirees.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council. 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	17
Inactive employees entitled to but not yet receiving benefits	12
Active employees	31
Total	60

Contributions

The City contributes to the SDBF program at a contractually required rate. An annual actuarial valuation is performed, and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The SDBF program is voluntary and employers can cease participation by adopting an ordinance before November 1 of any year to be effective the following January 1. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers. The City's contribution, which equaled the required contribution, was as follows for the year ended September 30:

	2023
Employer rate	0.19%
Employer contributions	$ 3,829

Actuarial Assumptions

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

Inflation	2.5%
Salary increases	3.50% to 11.5%, including inflation
Discount rate	4.05%

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.

Mortality rates for disabled retirees were based on the 2020 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2022 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. A discount rate of 4.05% was based on the Fidelity Index's 20-Year Municipal GO AA Index as of December 31, 2022.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2023, the City reported a total OPEB liability of $98,707 measured at December 31, 2022. For the year ended September 30, 2023, the City recognized OPEB expense of $5,491.

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period, except for a change in the discount rate from 1.84% to 4.05%.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the total OPEB liability for the measurement year ended December 31, 2022 are as follows:

Changes in Total OPEB Liability	Total OPEB Liability
Balance at December 31, 2021	$ 151,731
Changes for the year:	
Service cost	8,868
Interest on total OPEB liability	2,846
Changes of benefit terms	-
Differences between expected and actual experience	(5,407)
Effect of assumption changes or inputs	(56,308)
Benefit payments*	(3,023)
Balance as of December 31, 2022	$ 98,707

*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Discount Rate Sensitivity Analysis

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 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 in Discount Rate (4.05%)	Discount Rate (3.05%)	1% Increase in Discount Rate (5.05%)
Total OPEB liability	$119,756	$98,707	$82,693

At December 31, 2022, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 7,316
Changes in actuarial assumptions	-	30,204
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	2,872	-
Total	$ 2,872	$ 37,520

Deferred outflows of resources related to OPEB resulting from contribution subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2024 in the amount of $2,872. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year ended September 30:	
2024	$ (5,776)
2025	(11,322)
2026	(14,063)
2027	(6,359)
2028	-
Thereafter	-

13. LITIGATION AND CONTINGENCIES

The City participates in some state and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectibility of any related receivable at September 30, 2023 may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

14. RISK MANAGEMENT

Liability and property insurance coverage is provided by TML Intergovernmental Risk Pool. The City retains, as a risk only, the deductible amounts for each declaration of coverage. There were no reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The City is a member of the Texas Municipal League Intergovernmental Risk Pool. Insurance coverage of the City is divided into the following types: property, crime, general liability, public official's liability, auto liability, auto physical damage, auto catastrophic, inland marine (mobile equipment), law enforcement liability, and boiler and machinery.

15. SUBSEQUENT EVENTS

Management has reviewed events subsequent to September 30, 2023 through February 12, 2024, which is the date the financial statements were available to be issued. No events were identified that are required to be disclosed in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKE DALLAS, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2022	2021	2020	2019
Total Pension Liability				
Service Cost	$ 373,458	$ 383,800	$ 366,138	$ 316,733
Interest (on the Total Pension Liability)	718,071	683,951	649,272	618,310
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	130,669	(70,570)	(28,563)	(25,474)
Change of assumptions	-	-	-	34,035
Benefit payments, including refunds of employee contributions	(470,980)	(502,090)	(461,719)	(557,516)
Net Change in Total Pension Liability	751,218	495,091	525,128	386,088
Total Pension Liability - Beginning	10,686,848	10,191,757	9,666,629	9,280,541
Total Pension Liability - Ending (a)	$ 11,438,066	$ 10,686,848	$ 10,191,757	$ 9,666,629
Plan Fiduciary Net Position				
Contributions - Employer	$ 293,375	$ 310,492	$ 303,421	$ 240,024
Contributions - Employee	141,080	150,089	144,230	127,202
Net Investment Income (loss)	(805,328)	1,277,961	692,823	1,248,850
Benefit payments, including refunds of employee contributions	(470,980)	(502,090)	(461,719)	(557,516)
Administrative Expense	(6,972)	(5,915)	(4,486)	(7,059)
Other	8,319	40	(175)	(212)
Net Change in Plan Fiduciary Net Position	(840,506)	1,230,577	674,094	1,051,289
Plan Fiduciary Net Position - Beginning	11,037,149	9,806,572	9,132,478	8,081,189
Plan Fiduciary Net Position - Ending (b)	$ 10,196,643	$ 11,037,149	$ 9,806,572	$ 9,132,478
Net Pension Liability (Asset) - Ending (a) - (b)	$ 1,241,423	$ (350,301)	$ 385,185	$ 534,151
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.15%	103.28%	96.22%	94.47%
Covered Employee Payroll	$ 2,015,423	$ 2,144,135	$ 2,060,427	$ 1,817,174
Net Pension Liability as a Percentage of Covered Employee Payroll	61.60%	16.34%	18.69%	29.39%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

2018	2017	2016	2015	2014
$ 312,484	$ 310,358	$ 304,544	$ 280,697	$ 254,024
589,594	573,047	548,546	542,064	493,307
-	-	-	-	-
7,609	(198,331)	(108,277)	(239,049)	235,740
-	-	-	98,743	-
(415,258)	(466,739)	(302,728)	(320,372)	(279,382)
494,429	218,335	442,085	362,083	703,689
8,786,112	8,567,777	8,125,692	7,763,609	7,059,920
$ 9,280,541	$ 8,786,112	$ 8,567,777	$ 8,125,692	$ 7,763,609
$ 247,704	$ 241,581	$ 222,894	$ 214,231	$ 236,507
128,821	124,713	124,265	123,422	124,103
(250,791)	1,032,735	469,202	10,212	370,300
(415,258)	(466,739)	(302,728)	(320,372)	(279,382)
(4,849)	(5,350)	(5,298)	(6,220)	(3,866)
(253)	(271)	(285)	(307)	(318)
(294,626)	926,669	508,050	20,966	447,344
8,375,815	7,449,146	6,941,096	6,920,130	6,472,786
$ 8,081,189	$ 8,375,815	$ 7,449,146	$ 6,941,096	$ 6,920,130
$ 1,199,352	$ 410,297	$ 1,118,631	$ 1,184,596	$ 843,479
87.08%	95.33%	86.94%	85.42%	89.14%
$ 1,840,305	$ 1,781,620	$ 1,775,768	$ 1,768,037	$ 1,763,314
65.17%	23.03%	62.99%	67.00%	47.83%

CITY OF LAKE DALLAS, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR FISCAL YEAR 2023

	2023	2022	2021	2020
Contractually Required Contribution	$ 272,469	$ 266,131	$ 304,234	$ 258,446
Contribution in Relation to the Contractually Required Contribution	(272,469)	(266,131)	(304,234)	(258,446)
Contribution Deficiency (Excess)	$ -0-	$ -0-	$ -0-	$ -0-
City's Covered-Employee Payroll	$ 2,026,326	$ 1,996,326	$ 2,241,514	$ 1,973,775
Contributions as a Percentage of Covered-Employee Payroll	13.45%	13.33%	13.57%	13.09%

Note: The information from this schedule corresponds with the City's fiscal years ended September 30. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

2019	2018	2017	2016	2015
$ 231,778	$ 233,663	$ 249,853	$ 224,395	$ 224,355
(231,778)	(233,663)	(249,853)	(224,395)	(224,355)
$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
$ 1,840,307	$ 1,701,413	$ 1,838,908	$ 1,765,570	$ 1,768,037
12.59%	13.73%	13.59%	12.71%	12.69%

CITY OF LAKE DALLAS, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR FISCAL YEAR 2023

	2023	2022	2021	2020
Total OPEB Liability				
Service cost	$ 8,868	$ 10,077	$ 7,418	$ 5,270
Interest on total OPEB liability	2,846	2,943	3,084	3,236
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(5,407)	(7,026)	3,770	(2,486)
Change of assumptions	(56,308)	5,230	21,528	18,797
Benefit payments/refunds of contributions	(3,023)	(3,216)	(1,030)	(909)
Net change in total OPEB liability	(53,024)	8,008	34,770	23,908
Total OPEB liability, beginning	151,731	143,723	108,953	85,045
Total OPEB liability, ending	$ 98,707	$ 151,731	$ 143,723	$ 108,953
Covered employee payroll	$ 2,015,423	$ 2,144,135	$ 2,060,427	$ 1,817,174
Net OPEB liability as a percentage of covered payroll	4.90%	7.08%	6.98%	6.00%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2018. Ten year will ultimately be displayed.

No assets are accumulated in a trust as defined by GASB 75. Benefits are on a pay as you go basis.

2019
$ 4,601
2,842
-
1,209
(6,796)
(736)
1,120
83,925
$ 85,045
$ 1,840,305
4.62%

Note A – Net Pension Liability – Texas Municipal Retirement System

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	23 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP. 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.

Changes of Benefit Terms

There were no changes in benefit terms during the measurement period.

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Note B – Total OPEB Liability – Texas Municipal Retirement System

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
Inflation	2.5%
Salary Increases	3.50% to 11.5%, including inflation
Discount Rate	4.05%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	2019 Municipal Retirees of Texas Mortality Tables with 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2022 AND 2023

	2022	2023
ASSETS		
Cash and cash equivalents	$ 2,842,181	$ 3,325,327
Receivables:		
Ad valorem tax	72,389	78,694
Sales tax	223,068	235,997
Franchise tax	21,479	19,201
Mixed beverage tax	6,475	5,757
Other	1,380	-
Due from other funds	28,406	-
Prepaid costs	27,113	35,592
TOTAL ASSETS	$ 3,222,491	$ 3,700,568
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 61,507	$ 225,786
Accrued wages payable	74,499	57,998
Escrowed funds	8,450	-
Total Liabilities	144,456	283,784
Deferred Inflows of Resources:		
Unavailable revenue-property taxes	65,733	72,627
Total Deferred Inflows of Resources	65,733	72,627
Fund Balance:		
Nonspendable	27,113	35,592
Unassigned	2,985,189	3,308,565
Total Fund Balance	3,012,302	3,344,157
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 3,222,491	$ 3,700,568

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2023

	2022	2023
REVENUES:		
Taxes:		
Property	$ 3,217,057	$ 3,485,157
Sales	1,223,630	1,361,280
Mixed beverage	33,602	34,771
Franchise	429,126	472,547
License and permits	522,194	157,266
Charges for services	277,599	263,393
Court fines	161,277	158,421
Donations and grants	29,046	-
Insurance proceeds	15,796	13,648
Interest	25,577	167,729
Miscellaneous	18,307	3,660
Total Revenues	5,953,211	6,117,872
EXPENDITURES:		
Current:		
Administration	770,503	919,484
Tourism	31,321	29,423
City council	6,746	11,935
Public safety	2,751,790	3,202,029
Animal services	225,480	209,114
Library	245,718	74,506
Public works – streets	482,861	409,752
Municipal court	95,198	128,638
Parks and facilities	93,345	26,657
Development services	464,682	235,108
Capital outlay	29,914	72,212
Debt service:		
Principal	116,867	54,369
Interest	9,983	5,976
Total Expenditures	5,324,408	5,379,203
Excess of Revenues over (under) Expenditures	628,803	738,669
OTHER FINANCING SOURCES (USES):		
Loan proceeds	-	-
Sale of assets	11,910	42,389
Transfers out	(180,404)	(449,203)
Total Other Financing Sources (Uses)	(168,494)	(406,814)
Net Change in Fund Balance	460,309	331,855
Fund Balance - October 1 (beginning)	2,551,993	3,012,302
Fund Balance - September 30 (Ending)	$ 3,012,302	$ 3,344,157

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Ad valorem tax	$ 3,506,771	$ 3,485,157	$ (21,614)
Sales tax	1,267,900	1,361,280	93,380
Mixed beverage tax	29,000	34,771	5,771
Franchise tax	431,800	472,547	40,747
Court fines and fees	181,000	158,421	(22,579)
Library donations, fines, memberships	8,000	3,845	(4,155)
Building permits	70,000	75,109	5,109
Park administration fees	20,000	20,000	-
Other permits and fees	75,300	82,157	6,857
School resource officer reimbursements	72,296	73,469	1,173
Rent - fire station	47,804	47,704	(100)
Other rentals	1,000	425	(575)
Parks maintenance	36,000	36,000	-
Staff/office services - CDC	44,000	44,000	-
Interest earned	1,000	167,729	166,729
Animal services	11,000	12,280	1,280
Special events	27,000	25,670	(1,330)
Insurance proceeds	-	13,648	13,648
Other revenue	10,000	3,660	(6,340)
TOTAL REVENUE	$ 5,839,871	$ 6,117,872	$ 278,001

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION:			
Personnel:			
Salaries	$ 362,284	$ 361,662	$ 622
Retirement	55,482	50,104	5,378
Longevity pay	894	516	378
Insurance	51,785	45,044	6,741
Payroll taxes	6,011	4,775	1,236
Total Personnel	476,456	462,101	14,355
Supplies, Repairs and Services:			
Insurance	110,000	70,125	39,875
Office expense	7,000	6,083	917
Operating supplies	9,000	8,486	514
Travel and training	8,150	3,057	5,093
Ads and public notices	2,000	2,365	(365)
Publications	5,900	5,811	89
Printing	17,325	13,909	3,416
Dues and memberships	2,596	5,060	(2,464)
Postage	1,600	1,853	(253)
Telephone and utilities	43,950	41,152	2,798
Consultants and professionals	12,700	10,923	1,777
Legal services	100,000	57,259	42,741
Audit	19,000	22,500	(3,500)
Election costs	10,000	10,485	(485)
Tax appraisal fees	31,000	40,843	(9,843)
Financial advisory services	-	-	-
SPAN	3,750	3,726	24
Civic Plus	-	-	-
Software maintenance	33,965	45,598	(11,633)
Maintenance and repair - building	43,658	104,742	(61,084)
Miscellaneous	6,085	3,406	2,679
Total Supplies, Repairs and Services	467,679	457,383	10,296
TOTAL ADMINISTRATION	944,135	919,484	24,651

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
CITY COUNCIL:			
Supplies, Repairs and Services:			
Uniforms	$ 900	$ 489	$ 411
Legislative	3,420	2,122	1,298
Travel and training	5,400	6,731	(1,331)
Dues and memberships	3,675	2,464	1,211
Flowers/gifts/plaques	300	129	171
Total Supplies, Repairs and Services	13,695	11,935	1,760
TOTAL CITY COUNCIL	13,695	11,935	1,760
TOURISM:			
Supplies, Repairs and Services:			
Community events	5,000	4,423	577
Fireworks	25,000	25,000	-
Total Supplies, Repairs and Services	30,000	29,423	577
TOTAL TOURISM	30,000	29,423	577
PUBLIC SAFETY:			
Police Department:			
Personnel:			
Salaries	1,232,112	1,076,631	155,481
Retirement	185,908	165,655	20,253
Longevity pay	6,060	3,714	2,346
Insurance	276,208	202,086	74,122
Payroll taxes	20,887	16,231	4,656
Total Personnel	1,721,175	1,464,317	256,858

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Supplies, Repairs and Services:			
Office expense	$ 7,200	$ 2,585	$ 4,615
Supplies	20,888	19,976	912
Printing	4,581	3,764	817
Travel and training	18,185	25,885	(7,700)
Physicals and evaluations	7,700	4,071	3,629
Publications	7,100	6,352	748
Dues and memberships	2,090	2,648	(558)
Uniforms	17,200	26,175	(8,975)
Utilities	4,980	7,481	(2,501)
Legal	3,500	1,200	2,300
Software maintenance	41,658	47,508	(5,850)
Jail fees	500	-	500
Telephone	10,800	13,118	(2,318)
Communications	50,000	53,030	(3,030)
Consultants and professionals	8,500	5,059	3,441
Small equipment	-	13,264	(13,264)
Maintenance and repair - building	1,600	3,051	(1,451)
Maintenance and repair - equipment	9,240	10,486	(1,246)
Maintenance and repair - vehicles	18,000	29,140	(11,140)
Vehicle fuel	23,000	38,175	(15,175)
Vehicle lease	59,920	64,050	(4,130)
Total Supplies, Repairs and Services	316,642	377,018	(60,376)
Total Police Department	2,037,817	1,841,335	196,482
Fire Department:			
Contribution for services	1,360,724	1,360,694	30
Total Fire Department	1,360,724	1,360,694	30
TOTAL PUBLIC SAFETY	3,398,541	3,202,029	196,512

	Budget	Actual	Variance Favorable (Unfavorable)
ANIMAL SERVICES:			
Personnel:			
Salaries	$ 136,976	$ 123,950	$ 13,026
Longevity pay	606	360	246
Retirement	20,632	19,504	1,128
Insurance	39,243	22,201	17,042
Payroll taxes	2,654	1,890	764
Total Personnel	200,111	167,905	32,206
Supplies, Repairs and Services:			
Office expense	1,295	745	550
Supplies	7,500	7,029	471
Advertising	200	-	200
Travel and training	-	77	(77)
Physicals and evaluations	-	403	(403)
Land lease	1,454	1,453	1
Software maintenance	3,395	2,331	1,064
Dues and memberships	375	141	234
Uniforms	770	1,244	(474)
Telephone	1,185	862	323
Consultants and professionals	9,000	11,107	(2,107)
Utilities	14,000	11,785	2,215
Maintenance and repair - building	2,000	3,062	(1,062)
Maintenance and repair - vehicles	1,972	234	1,738
Vehicle fuel	950	736	214
Total Supplies, Repairs and Services	44,096	41,209	2,887
TOTAL ANIMAL SERVICES	244,207	209,114	35,093
LIBRARY:			
Personnel:			
Salaries	106,821	35,809	71,012
Longevity pay	432	162	270
Retirement	16,013	6,619	9,394
Insurance	30,135	6,304	23,831
Payroll taxes	1,872	579	1,293
Total Personnel	155,273	49,473	105,800

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Supplies, Repairs and Services:			
Supplies	$ 670	$ 908	$ (238)
Information technology	15,611	10,302	5,309
Printing	2,850	2,327	523
Telephone	820	470	350
Utilities	12,000	8,611	3,389
Maintenance and repair - building	1,525	2,415	(890)
Total Supplies, Repairs and Services	33,476	25,033	8,443
TOTAL LIBRARY	188,749	74,506	114,243
PUBLIC WORKS:			
Streets and Drainage:			
Personnel:			
Salaries	251,723	203,173	48,550
Retirement	38,253	37,128	1,125
Longevity pay	2,214	1,584	630
Insurance	84,161	56,214	27,947
Payroll taxes	4,508	3,123	1,385
Total Personnel	380,859	301,222	79,637
Supplies, Repairs and Services:			
Supplies	4,685	2,976	1,709
Travel and training	3,211	150	3,061
Uniforms	1,020	1,020	-
Telephone	1,200	844	356
Equipment rentals	8,000	954	7,046
Street lighting	60,000	56,358	3,642
Utilities	8,000	3,835	4,165
Engineering	8,000	1,213	6,787
Information technology	5,800	2,864	2,936
Dues and memberships	288	-	288
Consultants and professionals	700	7,045	(6,345)

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Supplies, Repairs and Services:			
Maintenance and repair - building	$ 2,600	$ 719	$ 1,881
Maintenance and repair - equipment	9,615	8,813	802
Maintenance and repair- vehicle	4,580	7,894	(3,314)
Maintenance - drainage	-	-	-
Maintenance - signs	6,000	5,058	942
Maintenance - trees	2,500	2,800	(300)
Vehicle fuel	8,800	5,987	2,813
Total Supplies, Repairs and Services	134,999	108,530	26,469
TOTAL PUBLIC WORKS	515,858	409,752	106,106
MUNICIPAL COURT:			
Personnel:			
Salaries	50,980	52,156	(1,176)
Retirement	7,630	5,993	1,637
Insurance	16,346	10,687	5,659
Payroll taxes	900	815	85
Total Personnel	75,856	69,651	6,205
Supplies, Repairs and Services:			
Supplies	1,900	1,565	335
Travel and training	1,350	-	1,350
Printing	1,165	461	704
Dues and memberships	55	-	55
Consultants and professionals	-	-	-
Software maintenance	-	7,637	(7,637)
Legal services	21,000	23,738	(2,738)
MVBA fees	15,000	11,186	3,814
Municipal judge	14,400	14,400	-
Jury fees	-	-	-
Total Supplies, Repairs and Services	54,870	58,987	(4,117)
TOTAL MUNICIPAL COURT	130,726	128,638	2,088

	Budget	Actual	Variance Favorable (Unfavorable)
PARKS AND FACILITIES:			
Personnel:			
Salaries	17,690	-	17,690
Retirement	2,561	-	2,561
Insurance	5,565	-	5,565
Payroll Taxes	329	-	329
Total Personnel	26,145	-	26,145
Supplies, Repairs and Services:			
Supplies	1,315	227	1,088
Telephone	336	-	336
Travel and training	275	-	275
Dues and memberships	-	-	-
Uniforms	608	732	(124)
Mowing contract	16,000	11,912	4,088
Consultants and professionals	-	-	-
Park maintenance	12,000	10,169	1,831
Maintenance and repair - building	1,000	414	586
Maintenance and repair - equipment	950	768	182
Maintenance and repair - vehicle	1,100	931	169
Vehicle fuel	2,500	1,504	996
Total Supplies, Repairs and Services	36,084	26,657	9,427
TOTAL PARKS AND FACILITIES	62,229	26,657	35,572
DEVELOPMENT SERVICES:			
Personnel:			
Salaries	82,642	85,241	(2,599)
Retirement	12,658	14,537	(1,879)
Longevity pay	618	486	132
Insurance	37,567	26,296	11,271
Payroll taxes	1,532	1,247	285
Total Personnel	135,017	127,807	7,210

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Supplies, Repairs and Services:			
Supplies	$ 2,300	$ 988	$ 1,312
Travel and training	2,000	20	1,980
Printing	100	1,824	(1,724)
Advertising	1,750	66	1,684
Dues and memberships	800	327	473
Telephone	840	1,314	(474)
Consultants and professionals	20,000	44,065	(24,065)
Software maintenance	-	4,000	(4,000)
Keep Lake Dallas Beautiful	1,650	800	850
Engineering	10,000	2,522	7,478
Inspection services	30,000	30,192	(192)
Health inspections	5,500	10,725	(5,225)
Property abatement	9,000	805	8,195
Maintenance and repair - vehicles	1,800	20	1,780
Vehicle lease	6,443	7,925	(1,482)
Vehicle fuel	1,080	1,708	(628)
Total Supplies, Repairs and Services	93,263	107,301	(14,038)
TOTAL DEVELOPMENT SERVICES	228,280	235,108	(6,828)
CAPITAL OUTLAY:			
Capital outlay - information technology	3,600	-	3,600
Capital outlay - equipment	30,000	72,212	(42,212)
Capital outlay - vehicles	-	-	-
Capital outlay - building	37,500	-	37,500
Capital outlay - streets	-	-	-
TOTAL CAPITAL OUTLAY	71,100	72,212	(1,112)
DEBT SERVICE:			
Principal	55,600	54,369	1,231
Interest and fees	4,746	5,976	(1,230)
TOTAL DEBT SERVICE	60,346	60,345	1
TOTAL EXPENDITURES	$ 5,887,866	$ 5,379,203	$ 508,663

CITY OF LAKE DALLAS, TEXAS
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Court Technology Fund	Court Security Fund	Street Maintenance Sales Tax	Hotel Occupancy Tax	Library Donations
ASSETS					
Cash and cash equivalents	$ 9,780	$ 68,449	$ 661,710	$ 268,540	$ 19,740
Receivables:					
Sales tax	-	-	47,199	-	-
Occupancy tax	-	-	-	6,568	-
Other	-	-	-	-	-
Prepaid costs	-	-	-	-	632
TOTAL ASSETS	$ 9,780	$ 68,449	$ 708,909	$ 275,108	$ 20,372
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	$ 8	$ -	$ 79	$ 920	$ 2,174
Due to other funds	-	-	-	-	-
Total Liabilities	8	-	79	920	2,174
Fund Balance:					
Nonspendable	-	-	-	-	632
Restricted	9,772	68,449	708,830	274,188	-
Assigned	-	-	-	-	17,566
Total Fund Balance	9,772	68,449	708,830	274,188	18,198
TOTAL LIABILITIES AND FUND BALANCE	$ 9,780	$ 68,449	$ 708,909	$ 275,108	$ 20,372

Juvenile Case Management Fund	Drug Seizure Fund	Kids N Cops Fund	Forensic Testing	Willow Grove Park Fund	Animal Rescue Fund	Park Improvement Fund
$ 180,032	$ 2,503	$ 11,001	$ 8	$ 213,158	$ 14,536	$ 2,449
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,913	-	-
$ 180,032	$ 2,503	$ 11,001	$ 8	$ 215,071	$ 14,536	$ 2,449
$ -	$ -	$ (114)	$ -	$ 1,236	$ 285	$ -
-	-	-	-	-	-	-
-	-	(114)	-	1,236	285	-
-	-	-	-	1,913	-	-
180,032	2,503	-	8	211,922	-	2,449
-	-	11,115	-	-	14,251	-
180,032	2,503	11,115	8	213,835	14,251	2,449
$ 180,032	$ 2,503	$ 11,001	$ 8	$ 215,071	$ 14,536	$ 2,449

CITY OF LAKE DALLAS, TEXAS
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	CLFRF Grant	VAWA Grant	LEOSE Training Fund	Child Safety Fund	Stormwater Drainage Fund
ASSETS					
Cash and cash equivalents	$ 1,907,001	$ (8,929)	$ 2,127	$ 28,369	$ 365,013
Receivables:					
Sales tax	-	-	-	-	-
Occupancy tax	-	-	-	-	-
Other	-	10,790	-	-	-
Prepaid costs	-	-	-	-	-
TOTAL ASSETS	$ 1,907,001	$ 1,861	$ 2,127	$ 28,369	$ 365,013
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	$ 31,863	$ 1,861	$ -	$ -	$ 1,566
Due to other funds	-	-	-	-	-
Total Liabilities	31,863	1,861	-	-	1,566
Fund Balance:					
Nonspendable	-	-	-	-	-
Restricted	1,875,138	-	2,127	28,369	-
Assigned	-	-	-	-	363,447
Total Fund Balance	1,875,138	-	2,127	28,369	363,447
TOTAL LIABILITIES AND FUND BALANCE	$ 1,907,001	$ 1,861	$ 2,127	$ 28,369	$ 365,013

Halloween Event	Christmas Event	Opiod Abatement Fund	Tree Preservation Fund	Total
$ 1,852	$ 92	$ 7,947	$ 8,250	$ 3,763,628
-	-	-	-	47,199
-	-	-	-	6,568
-	-	-	-	10,790
-	-	-	-	2,545
$ 1,852	$ 92	$ 7,947	$ 8,250	$ 3,830,730
$ 100	$ -	$ -	$ -	$ 39,978
-	-	-	-	-
100	-	-	-	39,978
-	-	-	-	2,545
-	-	7,947	8,250	3,379,984
1,752	92	-	-	408,223
1,752	92	7,947	8,250	3,790,752
$ 1,852	$ 92	$ 7,947	$ 8,250	$ 3,830,730

CITY OF LAKE DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Court Technology Fund	Court Security Fund	Street Maintenance Sales Tax	Hotel Occupancy Tax	Library Donations
Revenues:					
Taxes	$ -	$ -	$ 272,256	$ 75,617	$ -
Charges for services	-	-	-	-	-
Fines and fees	3,539	4,280	-	-	-
Donations and grants	-	-	-	-	10,795
Interest earned	666	2,272	9,170	729	417
Total Revenues	4,205	6,552	281,426	76,346	11,212
Expenditures:					
Tourism	-	-	-	35,819	-
Public safety	-	-	-	-	-
Animal services	-	-	-	-	-
Municipal court	-	3,000	-	-	-
Parks and recreation	-	-	-	-	-
Library	-	-	-	-	7,520
Public works - streets	-	-	73,749	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	3,000	73,749	35,819	7,520
Excess of Revenues over (under) Expenditures	4,205	3,552	207,677	40,527	3,692
Other Financing Sources (Uses):					
Transfers in (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance	4,205	3,552	207,677	40,527	3,692
Fund Balance – October 1 (beginning)	5,567	64,897	501,153	233,661	14,506
Fund Balance – September 30 (ending)	$ 9,772	$ 68,449	$ 708,830	$ 274,188	$ 18,198

Juvenile Case Management Fund	Drug Seizure Fund	Kids N Cops Fund	Forensic Testing	Willow Grove Park Fund	Animal Rescue Fund	Park Improvement Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	162,522	-	-
4,334	1,094	-	-	-	-	-
-	-	764	-	-	5,085	-
7,552	188	518	-	2,279	295	118
11,886	1,282	1,282	-	164,801	5,380	118
-	-	-	-	-	-	-
-	50	12,034	-	-	-	-
-	-	-	-	-	11,079	-
-	-	-	-	-	-	-
-	-	-	-	86,347	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	50	12,034	-	86,347	11,079	-
11,886	1,232	(10,752)	-	78,454	(5,699)	118
-	-	3,525	-	-	-	-
-	-	3,525	-	-	-	-
11,886	1,232	(7,227)	-	78,454	(5,699)	118
168,146	1,271	18,342	8	135,381	19,950	2,331
$ 180,032	$ 2,503	$ 11,115	$ 8	$ 213,835	$ 14,251	$ 2,449

CITY OF LAKE DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	CLFRF Grant	VAWA Grant	LEOSE Training Fund	Child Safety Fund	Stormwater Drainage Fund
Revenues:					
Taxes	$ -	$ -	$ -	$ -	-
Charges for services	-	-	-	-	-
Fines and fees	-	-	-	10,634	370,521
Donations and grants	-	89,110	1,197	-	-
Interest earned	93,329	-	71	1,302	-
Total Revenues	93,329	89,110	1,268	11,936	370,521
Expenditures:					
Tourism	-	-	-	-	-
Public safety	-	101,033	1,925	11,475	-
Animal services	-	-	-	-	-
Municipal court	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Library	-	-	-	-	-
Public works - streets	204,640	-	-	-	7,074
Capital outlay	21,576	-	-	-	-
Total Expenditures	226,216	101,033	1,925	11,475	7,074
Excess of Revenues over (under) Expenditures	(132,887)	(11,923)	(657)	461	363,447
Other Financing Sources (Uses):					
Transfers in (out)	-	11,923	-	(3,525)	-
Total Other Financing Sources (Uses)	-	11,923	-	(3,525)	-
Net Change in Fund Balance	(132,887)	-	(657)	(3,064)	363,447
Fund Balance – October 1 (beginning)	2,008,025	-	2,784	31,433	-
Fund Balance – September 30 (ending)	$ 1,875,138	$ -	$ 2,127	$ 28,369	$ 363,447

Halloween Event	Christmas Event	Opiod Abatement Fund	Tree Preservation Fund	Total
$ -	$ -	$ -	$ -	$ 347,873
-	-	-	-	162,522
-	-	-	8,250	402,652
2,115	14,900	7,947	-	131,913
-	-	-	-	118,906
2,115	14,900	7,947	8,250	1,163,866
3,604	14,808	-	-	54,231
-	-	-	-	126,517
-	-	-	-	11,079
-	-	-	-	3,000
-	-	-	-	86,347
-	-	-	-	7,520
-	-	-	-	285,463
-	-	-	-	21,576
3,604	14,808	-	-	595,733
(1,489)	92	7,947	8,250	568,133
				-
				-
3,241	-	-	-	15,164
3,241	-	-	-	15,164
1,752	92	7,947	8,250	583,297
				-
-	-	-	-	3,207,455
$ 1,752	$ 92	$ 7,947	$ 8,250	$ 3,790,752

CITY OF LAKE DALLAS, TEXAS
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2022 AND 2023

	2022	2023
ASSETS		
Cash and cash equivalents	$ 317,282	$ 826,033
Receivables:		
Ad valorem tax	12,056	12,192
TOTAL ASSETS	$ 329,338	$ 838,225
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
Liabilities:		
Due to other funds	$ -	$ -
Total Liabilities	-	-
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	11,363	11,552
Total Deferred Inflows of Resources	11,363	11,552
Fund balance:		
Restricted for debt service	317,975	826,673
Total Fund Balance	317,975	826,673
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 329,338	$ 838,225

CITY OF LAKE DALLAS, TEXAS
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2023

	2022	2023
REVENUES:		
Taxes:		
Property	$ 322,789	$ 336,475
Interest	1,707	24,700
TOTAL REVENUES	324,496	361,175
EXPENDITURES:		
Debt service:		
Principal retirement	530,000	500,000
Interest and fees	82,877	98,276
TOTAL EXPENDITURES	612,877	598,276
Excess of Revenues over (under) Expenditures	(288,381)	(237,101)
Other Financing Resources (Uses):		
Transfers in	415,860	745,799
Total Other Financing Resources (Uses)	415,860	745,799
Net change in fund balance	127,479	508,698
Fund balance, beginning of year	190,496	317,975
Fund balance, end of year	$ 317,975	$ 826,673

CITY OF LAKE DALLAS, TEXAS
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget
Revenues:				
Taxes (ad valorem)	$ 327,207	$ 327,207	$ 336,475	$ 9,268
Interest	200	200	24,700	24,500
Total Revenues	327,407	327,407	361,175	33,768
Expenditures:				
Principal	445,000	445,000	500,000	(55,000)
Interest and fees	70,658	70,658	98,276	(27,618)
Total Expenditures	515,658	515,658	598,276	(82,618)
Excess of Revenues Over (Under) Expenditures	(188,251)	(188,251)	(237,101)	(48,850)
Other Financing Resources (Uses):				
Transfers in	229,250	229,250	745,799	516,549
Total Other Financing Resources (Uses)	229,250	229,250	745,799	516,549
Net Change in Fund Balance	40,999	40,999	508,698	467,699
Fund Balance – October 1 (beginning)	317,975	317,975	317,975	-
Fund Balance – September 30 (ending)	$ 358,974	$ 358,974	$ 826,673	$ 467,699

Members:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

HANKINS, EASTUP, DEATON, TONN, SEAY & SCARBOROUGH
A Limited Liability Company
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of Lake Dallas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Lake Dallas, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise The City of Lake Dallas, Texas's basic financial statements, and have issued our report dated February 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we identified one deficiency in internal control that we consider to be a material weakness that is described in the accompanying Schedule of Findings as Finding 2022-01.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas

February 12, 2024

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statement: Unmodified.

2. Internal control over financial reporting:
   Material weakness(es) identified: None reported
   Significant deficiency(ise) identified that are not considered to be material weaknesses: None reported

3. Noncompliance which is material to the financial statement: None

II. Findings Related to the Financial Statements

None

Finding 2022-01 – Lack of Internal Control Over Financial Reporting

Status: The City implemented a month end close out process to ensure that the bank reconciliations were prepared timely and a subsequent review of the general ledger conducted each month.

STATISTICAL SECTION

CITY OF LAKE DALLAS, TEXAS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Administration	Public Safety	Animal Services	Public Works - Streets	Municipal Court	Park and Recreation	Development Services
2014	$ 593,199	$ 2,456,186	$ 149,482	$ 261,144	$ 159,238	$ 74,610	$ 192,819
2015	616,812	2,506,825	135,342	271,980	151,488	78,959	159,082
2016	643,477	2,546,566	134,568	473,678	156,230	146,940	169,953
2017	692,398	2,517,874	135,724	313,000	196,666	103,663	278,219
2018	733,677	2,499,673	200,530	599,152	190,713	182,566	298,061
2019	724,973	2,501,996	185,787	383,435	146,345	152,998	259,072
2020	769,056	2,616,986	228,539	727,070	137,256	148,415	277,080
2021	1,167,877	2,657,488	202,457	546,667	127,296	179,200	392,127
2022	851,571	2,870,725	243,853	506,798	105,853	180,705	464,682
2023	1,015,073	3,328,546	220,193	695,215	131,638	113,004	235,108

Library	Community Relations	Capital Outlay	Debt Service	Total
$ -	$ 119,726	$ 2,065,753	$ 514,717	$ 6,586,874
37,778	114,479	380,969	500,482	4,954,196
152,428	112,514	239,049	446,428	5,221,831
154,505	99,410	698,926	657,921	5,848,306
188,743	-	123,962	753,489	5,770,566
178,679	-	412,541	641,273	5,587,099
215,413	-	1,021,070	761,458	6,902,343
259,195	-	428,203	745,611	6,706,121
247,860	-	94,757	739,727	6,306,531
82,026	-	93,788	671,549	6,586,140

CITY OF LAKE DALLAS, TEXAS
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Taxes	License and Permits	Charges for Services	Fines and Fees	Interest	Donations/ Grants
2014	$3,539,885	$ 255,255	$2,442,787	$785,608	$ 529	$ 18,413
2015	3,778,284	102,466	291,848	628,668	1,349	12,738
2016	3,895,843	129,163	287,364	560,921	8,024	110,509
2017	4,369,274	205,472	335,601	415,603	18,375	48,340
2018	4,472,594	145,356	391,448	321,732	39,727	61,556
2019	4,770,626	158,009	350,887	488,975	64,617	133,812
2020	5,076,512	151,538	359,777	450,250	39,821	507,219
2021	5,209,079	165,250	393,391	285,125	2,338	1,158,086
2022	5,699,396	522,194	426,661	181,925	43,370	1,125,434
2023	6,038,103	157,266	425,915	561,073	339,930	131,913

Miscellaneous	Total
$ 4,640	$7,047,117
14,462	4,829,815
52,212	5,044,036
72,502	5,465,167
50,490	5,482,903
187,304	6,154,230
35,461	6,620,578
10,266	7,223,535
34,103	8,033,083
17,308	7,671,508

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CITY OF LAKE DALLAS, TEXAS
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	(1) Property	Sales	Franchise	Hotel Occupancy	Mixed Beverage	Total
2014	$2,363,878	$ 701,241	$386,766	$ 69,982	$ 18,018	$3,539,885
2015	2,510,163	774,987	401,826	72,014	19,294	3,778,284
2016	2,528,297	880,781	393,831	73,259	19,675	3,895,843
2017	2,703,316	1,170,140	402,736	71,902	21,180	4,369,274
2018	2,926,281	1,016,232	424,586	84,978	20,517	4,472,594
2019	3,149,729	1,135,016	429,563	32,321	23,997	4,770,626
2020	3,337,939	1,261,783	449,816	3,611	23,363	5,076,512
2021	3,456,922	1,283,352	422,987	17,110	28,708	5,209,079
2022	3,539,846	1,468,356	429,126	228,466	33,602	5,699,396
2023	3,821,632	1,633,536	472,547	75,617	34,771	6,038,103

(1) Includes penalties and interest.

CITY OF LAKE DALLAS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Levy	Current Tax Collections	Percentage Of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Ratio Of Total Collections To Levy
2014	$2,341,912	$2,323,470	9921.00%	$ 15,981	$2,339,451	9989.00%
2015	2,494,907	2,469,998	99.00	14,017	2,484,015	99.56
2016	2,531,786	2,503,074	98.87	12,260	2,515,334	99.35
2017	2,692,296	2,662,593	98.90	5,597	2,668,190	99.10
2018	2,897,846	2,868,579	98.99	34,860	2,903,439	100.19
2019	3,130,174	3,103,355	99.14	28,107	3,131,462	100.04
2020	3,339,760	3,316,915	99.32	12,398	3,329,313	99.69
2021	3,438,390	3,408,789	99.14	8,057	3,416,846	99.37
2022	3,540,310	3,505,507	99.02	24,052	3,529,559	99.70
2023	3,785,949	3,749,010	99.02	45,175	3,794,185	101.20

Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Levy
$ 70,349	3.00%
79,858	3.20
95,117	3.76
97,628	3.63
89,274	3.08
83,205	2.66
89,143	2.67
99,369	2.89
111,111	3.14
119,586	3.16

CITY OF LAKE DALLAS, TEXAS
RATIO TO ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL LONG-TERM DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Principal	Interest and Fees	Total Debt Service	Total (1) Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures
2014	$315,000	$ 186,995	$501,995	$ 6,586,874	7.62%
2015	325,000	175,482	500,482	4,954,196	10.10
2016	280,000	166,428	446,428	5,221,831	8.55
2017	500,000	157,921	657,921	5,848,306	11.25
2018	561,372	119,738	681,110	5,770,566	11.80
2019	454,011	114,144	568,155	5,542,099	10.25
2020	606,330	155,128	761,458	6,121,275	12.44
2021	641,303	104,308	745,611	6,511,614	11.45
2022	646,867	92,860	739,727	6,288,817	11.76
2023	449,369	172,180	671,549	6,490,702	10.35

(1) Excludes Capital Projects Fund.

AGENDA ITEM _____

CITY COUNTIL
AGENDA MEMO

Prepared By: Codi Delcambre, City Secretary **Date: March 14, 2024**

Community Room Flooring

DESCRIPTION:

Consider and take appropriate action regarding a Resolution authorizing the Interim City Manager to negotiate and execute a contract with Smitty's Floor Covering for the replacement of floor in the Community Room.

BACKGROUND INFORMATION:

The Community Room ceiling was damaged in February 2023 due to a condensation line pipe that broke. The flooring in the Community Room started popping loose shortly after the ceiling collapsed. The city contacted three companies for bids on the replacement of flooring. The city received two bids:

Smitty's Floor Covering	$37,231.35
643 Construction	$39,335.00

FINANCIAL CONSIDERATION:

$37,231.035

RECOMMENDED MOTIONS:

I make a motion to approve/deny approving a a Resolution authorizing the Interim City Manager to negotiate and execute a contract with Smitty's Floor Covering for the replacement of floor in the Community Room.

ATTACHMENT(S):
Resolution
Contract
Bids

CITY OF LAKE DALLAS, TEXAS
RESOLUTION NO. 2024-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE DALLAS, TEXAS, AUTHORIZING NEGOTIATION AND EXECUTION OF A CONTRACT FOR FLOORING REPAIR WITH SMITTY'S FLOOR COVERING; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, having solicited, received, and reviewed bids for floor repair and replacement for the Community Room ("the Project"), City Administration has determined that Smitty's Flooring has submitted the a bid, and recommends negotiation and execution of a contract with Smitty's Floor Covering, for performance of the Project; and

WHEREAS, the City Council of the City of Lake Dallas, Texas, finds it to be in the public interest to approve the recommendation of the City Administration.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE DALLAS, TEXAS ,THAT:

SECTION 1. The City Manager is hereby authorized to negotiate and sign on behalf of the City a contract with Smitty's Floor Covering to perform the Project for a contract price of $37,231.35. The City Manager is further authorized to execute such change orders as may be necessary to perform additional services based on unanticipated conditions in accordance with applicable state law, city policies, and the availability of current funds for such purpose.

SECTION 2. This Resolution shall be effective immediately upon approval.

PASSED AND APPROVED THIS THE 14th DAY OF March 2024.

____
Andi Nolan, Mayor

ATTEST:

____
Codi Delcambre, TRMC, City Secretary

APPROVED AS TO FORM:

____
Joe Gorida, City Attorney

CONSTRUCTION SERVICES AGREEMENT
Pothole Services Agreement

This **CONSTRUCTION SERVICES AGREEMENT** ("**Agreement**") is made as of the Effective Date by and between **Smitty's Floor Covering**, a Texas corporation, hereinafter called "**Contractor**", and the **City of Lake Dallas, Texas**, hereinafter called "**City**". Contractor and City are hereafter collectively referred to as "**the Parties**" and individually as "**Party**".

RECITALS

WHEREAS, City desires to have the Community floor replaced with new flooring (the "**Project**"); and

WHEREAS, City desires Contractor to perform certain work and services set forth in Section 1, Scope of Services relating to performance of the Project; and

WHEREAS, Contractor has expressed a willingness to perform said work and services, hereinafter referred to only as "services", specified in said Scope of Services, and enumerated under Section 1, of this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and promises made one to the other herein, the Parties agree as follows:

Section 1. **Scope of Services**. Upon issuance of a written Notice to Proceed by Lake Dallas, Contractor agrees to provide to City the necessary professional construction services the Project as set forth in the proposal attached hereto as **Exhibit "A"** and incorporated herein by reference (the "**Scope of Services**").

Section 2. **Term of Agreement**. The term of this Agreement shall begin on the date it is signed by authorized representatives of all of the Parties (the "**Effective Date**") and shall continue until Contractor completes the services required herein to the reasonable satisfaction of City, unless sooner terminated as provided in Section 8, below.

Section 3. **Contractor Obligations**

A. Contractor shall devote such time as reasonably necessary for the satisfactory performance of the work under this Agreement. Should City require additional services not included under this Agreement, Contractor shall make reasonable effort to provide such additional services at mutually agreed charges or rates, and within the time schedule prescribed by City; and without decreasing the effectiveness of the performance of services required under this Agreement.

B. To the extent reasonably necessary for Contractor to perform the services under this Agreement, Contractor shall be authorized to engage the services of any agents, assistants, persons, or corporations that Contractor may deem proper to aid or assist in the performance of the services under this Agreement with the prior written approval of City. The cost of such personnel and assistance shall be a reimbursable expense to Contractor only if authorized in writing in advance by City.

C. Unless otherwise agreed, Contractor shall provide and pay for all materials, supplies, machinery, equipment, tools, superintendence, labor, insurance, and all water, light, power, fuel, transportation and all other facilities necessary for the execution and completion of the work covered by the Scope of Services. Unless otherwise specified, all materials shall be new and both workmanship and materials shall be of a good quality. Contractor shall, if required, furnish satisfactory evidence as to the kind and quality of materials. Materials or work described in words that so applied have well known, technical or trade meaning shall be held to refer to such recognized standards.

D. Contractor shall, at its expense, obtain all permits and licenses necessary for the performance of this Agreement and pay all fees required by law, and comply with all laws, ordinances, rules and regulations governing the Contractor's performance of this Agreement; provided, however, notwithstanding the foregoing, City shall be responsible for the costs of any permits for work that must be obtained from City.

E. All minor details of the work not specifically mentioned in the Scope of Services but obviously necessary for the proper completion of the work, such as the proper connection of new work to old, shall be considered as incidental to and a part of the work for which the prices are set forth in this Agreement. Contractor will not be entitled to any additional compensation therefor unless specifically stated otherwise. Otherwise, the term "extra work" as used in this Agreement shall be understood to mean and include all work that may be required by City to be done by Contractor to accomplish any alteration or addition to the work described in the Scope of Services. Contractor shall perform all extra work under the direction of City' Representative when presented with a written work order signed by City' Representative, subject, however, to the right of Contractor to require written confirmation of such extra work order by City. Payment for extra work shall be as agreed in the work order.

F. Prior to final payment for work performed under the Scope of Services, Contractor shall deliver to City a maintenance bond in a form acceptable to the City Attorney in the amount of this Agreement, in favor of City, and executed by a surety authorized to conduct business in the State of Texas warranting all materials and labor provided by Contractor pursuant to this Agreement for a period of one (1) year following completion and acceptance of the work performed by Contractor pursuant to this Agreement. Notwithstanding the foregoing to the contrary, the manufacturer’s warranty on parts shall be as provided in the Scope of Services. Said maintenance bond shall be in addition to any manufacturer warranties for materials and equipment installed on the Properties and provided to City.

G. **Contractor agrees to indemnify, defend, and save City harmless from all claims growing out of any demands of subcontractors, laborers, workmen, mechanics, materialmen, and suppliers of machinery and parts thereof, equipment, power tools, all supplies incurred in the furtherance of the performance of this Agreement. When City requests, Contractor shall furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived**.

Section 4. <u>Payment</u>

A. Contractor agrees to accept as payment from City the amount **THIRTY-SEVEN THOUSAND TWO HUNDER THIRTY-ONE AND 35/100 DOLLARS ($37,231.35)** for all services and work authorized in writing and properly performed by Contractor, subject to additions or deletions for changes or extras agreed upon in writing, upon completion, and based on the unit prices set forth in the Scope of Services. City agrees to pay Contractor the amount related to each street in the amounts set forth in the Scope of Services not later than thirty (30) days following completion and acceptance by City of the services with respect each street and receipt of final invoice from Contractor for the work related to such street.

B. City may deduct from any amounts due or to become due to Contractor from City's contract amount any sum or sums owing by Contractor to City. In the event of any breach by Contractor of any provision or obligation of this Agreement, or in the event of the assertion by other parties of any claim or lien against City, or the Property, arising out of Contractor's performance of this Agreement, City shall have the right to retain out of any payments due or to become due to Contractor an amount sufficient to completely protect City from any and all loss, damage or expense therefrom, until the breach, claim or lien has been satisfactorily remedied or adjusted by Contractor.

D. City may, on account of subsequently discovered evidence, withhold the whole or part of any payment to such extent as may be necessary to protect itself from loss on account of:

(1) Defective work not remedied.

(2) Claims filed or reasonable evidence indicating possible filing of claims.

(3) Failure of Contractor to make payments promptly to subcontractors or for material or labor which City may pay as an agent for the Contractor.

(4) Damages to another Contractor or subcontractor.

When the above grounds are removed, or Contractor provides a surety bond satisfactory to City which will protect City in the amount withheld because of said grounds, City will release the amounts withheld.

Section 5. <u>Responsibilities</u>

A. Contractor shall be responsible for the professional quality, technical accuracy, and the coordination of all materials, construction, installation and other services furnished by Contractor under this Agreement. Contractor shall, without additional compensation, correct or revise any errors or deficiencies in the installation and construction of the Project components to conform as shown in the Project drawings and specifications, if any.

B. City's review, approval or acceptance of, or payment for any of the services required under this Agreement, shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement. Contractor shall be and remain liable to City in accordance with applicable law for all damages to City caused by Contractor's negligent performance of any of the services furnished under this Agreement.

C. The rights and remedies of City under this Agreement are as provided by law.

Section 6. Time For Performance

A. Contractor shall perform all services as provided for under this Agreement in a proper, efficient, timely, and professional manner in accordance with City's requirements.

B. If Contractor's performance of this Agreement is delayed or interfered with by acts of City or others, Contractor may request an extension of time for the performance of same as hereinafter provided but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays.

C. No allowance of any extension of time, for any cause whatever, shall be claimed or made to Contractor, unless Contractor shall have made written request upon City for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless City and Contractor have agreed in writing upon the allowance of additional time to be made.

Section 7. Ownership of Project; Bill of Sale

A. Contractor warrants that title to all work, including all equipment and materials incorporated into the Project, if any, will pass to City no later than the time of final payment. Contractor further warrants that upon payment by City, all Work for which payments have been received from City shall be free and clear of liens, claims, security interest or other encumbrances in favor of Contractor or any other person or entity whatsoever. Upon final payment by City to Contractor and at the request of City, Contractor shall sign a bill of sale conveying to Lake Dallas all of Contractor's right, title, and interest in and to all equipment and free and clear of all liens, security interests, and encumbrances, said bill of sale to be in a form reasonably acceptable to City's City Attorney.

B. Contractor agrees to assign to City at the time of final completion of the Scope of Services any and all manufacturer's warranties relating to equipment, materials and labor used in the Project and further agrees to perform the Project in such manner so as to preserve any and all manufacturer's warranties. If necessary, as a matter of law, Contractor may retain the right to enforce directly any such manufacturers' warranties during the one-year period following the date of acceptance of the Project by City.

Section 8. Termination

A. City may suspend or terminate this Agreement for cause or without cause at any time by giving written notice to Contractor. In the event suspension or termination is without cause, payment to Contractor, in accordance with the terms of this Agreement, will be made on the basis of services reasonably determined by City to be satisfactorily performed to the date of suspension or termination.

B. If City requires a modification of this Agreement with Contractor, and in the event City and Contractor fail to agree upon a modification to this Agreement, City shall have the option of terminating this Agreement and Contractor's services hereunder at no additional cost other than the payment to Contractor, in accordance with the terms of this Agreement, for the services reasonably determined by City to be properly performed by Contractor prior to such termination date.

Section 9. Insurance; Bonds

A**.** During the term of this Agreement, Contractor shall maintain in full force and effect the following insurance:

(i) A comprehensive general liability policy of insurance for bodily injury, death and property damage insuring against all claims, demands or actions relating to Contractor's performance of services pursuant to this Agreement with a minimum combined single limit of not less than $1,000,000.00 per occurrence for injury to persons (including death), and for property damage;

(ii) A policy of automobile liability insurance covering any vehicles owned and/or operated by Contractor, its officers, agents, and employees, and used in the performance of this Agreement with policy limits of not less than $1,000,000.00 combined single limit and aggregate for bodily injury and property damage;

(iii) Statutory Worker's Compensation Insurance at the statutory limits and Employers Liability covering all of Contractor's employees involved in the provision of services under this Agreement with policy limit of not less than $500,000.00.

B. All insurance and certificate(s) of insurance shall contain the following provisions: (1) name City, its officers, and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance; (2) provide for at least thirty (30) days prior written notice to City for cancellation or non-renewal of the insurance; and (3) provide for a waiver of subrogation against City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance. Contractor shall provide written notice to City of any material change of or to the insurance required herein.

C. All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service.

D. A certificate of insurance evidencing the required insurance and all endorsements shall be submitted to City prior to commencement of work.

Section 10. Indemnification. **City shall not be liable for any loss, damage, or injury of any kind or character to any person or property arising from the services of Contractor pursuant to this Agreement. Contractor hereby waives all claims against City, its officers, agents and employees (collectively referred to in this section as "City Parties") for damage to any property or injury to, or death of, any person arising at any time and from any cause other than the negligence or willful misconduct of City or breach of City's obligations hereunder.**

Contractor agrees to indemnify, defend, and save harmless the City Parties from and against any and all liabilities, damages, claims, suits, costs (including court costs, reasonable attorneys' fees, and costs of investigation) and actions of any kind by reason of injury to or death of any person or damage to or loss of property to the extent caused by Contractor's negligent performance of services under this Agreement or by reason of any negligent act or omission on the part of Contractor, its officers, directors, servants, employees, representatives, consultants, licensees, successors or permitted assigns (except when such liability, claims, suits, costs, injuries, deaths or damages arise from or are attributed to negligence of one or more City Parties, in whole or in part, in which case Contractor shall indemnify the City Parties only to the extent or proportion of negligence attributed to Contractor as determined by a court or other forum of competent jurisdiction). Contractor's obligations under this Section 10 shall not be limited to the limits of coverage of insurance maintained or required to be maintained by Contractor under this Agreement. The provisions of this Section 10 shall survive the termination of this Agreement.

Section 11. **Assignment**. Contractor shall not assign or sublet this Agreement, or any part thereof, without the prior written consent of City.

Section 12. **Applicable Laws**. Contractor shall comply with all Federal, State, County and Municipal laws, ordinances, regulations, safety orders, resolutions and building codes relating or applicable to services to be performed under this Agreement. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the State District Court of Denton County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

Section 13. **Default of Contractor.** If Contractor fails to comply or becomes disabled and unable to comply with the provisions of this Agreement as to the quality or character of the service or time of performance, and the failure is not corrected within ten (10) days after written notice by City to Contractor, City may, at their sole discretion without prejudice to any other right or remedy:

A. Terminate this Agreement and be relieved of the payment of any further consideration to Contractor except for all work determined by City to be satisfactorily completed prior to termination. Payment for work satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Contractor to and from meetings called by City at which Contractor is required to attend, but shall not include any loss of profit of Contractor. In the event, of such termination, City may proceed to complete the services in any manner deemed proper by City, either by the use of its own forces or by resubletting to others.

B. City may, without terminating this Agreement or taking over the services, furnish the necessary materials, equipment, supplies and/or help necessary to remedy the situation, at the expense of Contractor.

Section 14. **Adjustments in Services**. No claims for extra services, additional services or changes in the services will be made by Contractor without a written agreement with City prior to the performance of such services.

Section 15. **Execution Becomes Effective**. This Agreement will be effective upon signing of the Agreement by authorized representatives of Contractor and City.

Section 16. **Agreement Amendments**. This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and there are no oral understandings, statements or stipulations bearing upon the meaning or effect of this Agreement which have not been incorporated herein. This Agreement may only be modified, amended, supplemented or waived by a written instrument executed by the parties except as may be otherwise provided therein.

Section 17. **Severability**. 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 any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

Section 18. **Independent Contractor**. It is understood and agreed by and between the Parties that Contractor, in satisfying the conditions of this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with Contractor's actions. All services to be performed by Contractor pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of City. Contractor shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. There is no intended third-party beneficiary to this Agreement.

Section 19. **Right-Of-Access.** City will obtain and/or furnish right-of-access on any project site for Contractor to perform any required studies, surveys, tests or other necessary investigations in relation to the Scope of Services. Contractor will take reasonable precautions to minimize damage to the personal or real property in the performance of such surveys, tests, studies and investigations.

Section 20. **Notice**. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier, e-mail, or by confirmed telefax or facsimile to the address specified below, or to such other party or address as either party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If to Lake Dallas:	Interim City Manager City of Lake Dallas 212 Main Street Lake Dallas, Texas 75065
With copies to:	Joe Gorida Nichols, Jackson, Dillard, Hager & Smith, L.L.P. 500 North Akard, Suite 1800 Dallas, Texas 75201
If to Contractor:	Smitty's Floor Covering 1815 N Elm Street Denton Texas 76201

Section 21. Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all Parties.

Section 22. Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof for all purposes. To the extent of any conflict between any exhibit and the main body of this Agreement, including, but not limited to the terms of payment, the main body of this Agreement shall control.

Section 23. Survival of Obligations. Any of the representations 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.

Section 24. Sales and Use Taxes. Contractor understands and acknowledges that City is a governmental entity and exempt from the payment of sales and use taxes for certain materials and equipment conveyed to City as part of this Project or otherwise incorporated into the Project. City agrees to provide Contractor such documentation as may otherwise be required by state law to allow Contractor to avoid payment of sales and uses taxes for materials and equipment with respect to the Project to the extent allowed by law.

Section 25. Prohibition on Boycotting Israel and Energy Companies; Prohibition of Discrimination against Firearm Entities and Firearm Trade Associations.

A. Contractor verifies that it does not Boycott Israel and agrees that during the term of the Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.

B. Contractor verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended.

C. Contractor verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

D. This section does not apply if Contractor is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Contractor has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement.

Section 26. **Completion of Form 1295**. Notwithstanding anything to the contrary herein, this Agreement shall not be effective until Contractor has filed Form 1295 – Statement of Interested Parties with the Texas Ethics Commission in accordance with Texas Government Code §2232.908 and City has acknowledged the receipt and filing of said form.

Signatures

SIGNED AND AGREED this ____ day of March 2024.

CITY OF LAKE DALLAS, TEXAS

By: ______________________________________
Tom Muehlenbeck, Interim City Manager

APPROVED AS TO FORM:

____
Joe Gorida, City Attorney

SIGNED AND AGREED this ____ day of March 2024.

SMITTY'S FLOOR COVERING

By: _______________________________________

Name: _____________________________________

Title: _____________________________________

EXHIBIT "A"
SCOPE OF SERVICES

Quote Number
1846-6

Lewisville City Hall

Smitty's Floor Covering
1815 N Elm Street
DENTON, TX 76201
Phone: (940) 382-3232
Fax: (940) 387-0692
www.smittysfloorcovering.com

Type: Material and Labor
Date: 02/20/2024
Expires on: 5/20/2024

Customer Information

Company Name: City of Lake Dallas
Addresss: Denton, TX
Email: cdelcambre@lakedallas.com
Cell Phone: (214) 850-8180
Spouse Name: Codi Delcambre

Service Site Details

Contact Name: City of Lake Dallas
Address: 212 Main Street, Lake Dallas, TX 75065-2720
Email: cdelcambre@lakedallas.com
Cell Phone: (214) 850-8180

Item	Description/Area	Quantity	Unit Price	Amount
General Service				
Karndean	Loose Lay 88 cartons Swan Bay Ash LLP 361	2,915.40	$5.50	$16,034.70
Roppe	Covebase 6 inch	240.00	$1.75	$420.00
Roppe	Transitions	18.00	$3.50	$63.00
Labor	Demo all ceramic and base, floor prep, install loose lay, cove base and transitions	1.00	$20,713.65	$20,713.65
Large room only No Kitchen				
This includes tile for the kitchen and 5 extra boxes.... Dose not include labor for kitchen				
			Total	**$37,231.35**
			Sales Tax	**$1,362.71**
			Grand Total	**$38,594.06**

Customer Agreement

Quote Number
1846-6

Lewisville City Hall

Type: Material and Labor

Date: 02/20/2024

Expires on: 5/20/2024

Smitty's Floor Covering
1815 N Elm Street
DENTON, TX 76201
Phone: (940) 382-3232
Fax: (940) 387-0692
www.smittysfloorcovering.com

Customer Information

Company Name: City of Lake Dallas
Addresss: Denton, TX
Email: cdelcambre@lakedallas.com
Cell Phone: (214) 850-8180
Spouse Name: Codi Delcambre

Service Site Details

Contact Name: City of Lake Dallas
Address: 212 Main Street, Lake Dallas, TX 75065-2720
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			Sales Tax	**$1,362.71**
			Grand Total	**$38,594.06**

Customer Agreement

6-4-3
Construction Solutions, LLC
Design Build | General Contractor | QA/QC | Consulting

P.O. Box 840 | 100 E. Foreline Street | Gainesville, Texas 76241
Dale: 940.284.1460 | Shane: 682.465.8675

City of Lake Dallas Municipal Complex / Police Department
ATTN: Codi Delcambre

RE: Lake Dallas Flooring Removal and Replacement

Mrs. Delcambre,

It is ***6-4-3 Construction Solutions'*** pleasure to provide you with the following *Scope-Of-Work* and *Pricing* for the *Removal of Existing Ceramic Tile* and *Replacement* with *J&J Industries, Inc., Timeless or Legend LVT,* located at *City of Lake Dallas Municipal Complex, 275 N. Main Street, Lake Dallas, 75065*. Our *Pricing* is based upon discussions between the City of Lake Dallas and 6-4-3 Construction Solutions, LLC.

SCOPE-OF-WORK

- Demolition of Existing Cermic Tile and Scraping of Thinset;
- Approximately 3,000 SF J&J Industries, Inc. LVT – 5mm with 20mil wear layer full spread installation – based on Timeless or Legend – TBD LVT -Budgetary;
- Approximately 480 LF Roppe Corporation Base – (700) – Cove – Roll – 4" – TBD;
- LVT Adhesive;
- Base Adhesive;
- LVT Floor Prep – 1 Bag per 300 SF installed flooring – Not-To-Exceed 9 Bags;
- Resilient Transitions to Dissimilar Surfaces.

TOTAL COST OF CONSTRUCTION $39,335.00

ADDITIONS / EXCLUSIONS

Permit Fees to be Added to Cost after Assessed and Determined by the City of Lake Dallas
All furnishings and equipment to be removed by the City of Lake Dallas before demolition

AGENDA ITEM _____

CITY COUNTIL
AGENDA MEMO

Prepared By: Codi Delcambre, City Secretary **Date: March 14, 2024**

ATMOS Steering Committee

DESCRIPTION:

Consider approval of a Resolution authorizing membership in the ATMOS Cities Steering Committee and authorizing the payment of five cents per capita to the ATMOS Cities Steering Committee to fund regulatory and related activities related to ATMOS Energy Corporation.

BACKGROUND INFORMATION:

Most municipalities have retained original jurisdiction over gas utility rates and services within municipal limits. The Atmos Cities Steering Committee ("ACSC") is composed of 185 municipalities in the service area of Atmos Energy Corporation, Mid-Tex Division that have retained original jurisdiction. Atmos is a monopoly provider of natural gas. Because Atmos has no competitors, regulation of the rates that it charges its customers is the only way that cities can ensure that natural gas rates are fair. Working as a coalition to review the rates charged by Atmos allows cities to accomplish more collectively than each city could do acting alone. Cities have more than 100 years experience in regulating natural gas rates in Texas.

ACSC is the largest coalition of cities served by Atmos Mid-Tex. There are 185 ACSC member cities, which represent more than 60 percent of the total load served by Atmos-Mid Tex. ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of residential and small commercial customers within the cities. Although many of the activities undertaken by ACSC are connected to rate cases (and therefore expenses are reimbursed by the utility), ACSC also undertakes additional activities on behalf of municipalities for which it needs funding support from its members.

The ACSC Membership Assessment Supports Important Activities:

ACSC is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Atmos within the City. These activities will continue throughout the calendar year. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that ACSC be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of Resolution Paragraphs:

I. This paragraph authorizes the continuation of the City's membership in ACSC.

II. This paragraph authorizes payment of the City's assessment to the ACSC in the amount of five cents ($0.05) per capita.

III. This paragraph requires notification that the City has adopted the Resolution.

FINANCIAL CONSIDERATION:

The cost to the city is $406.20.

RECOMMENDED MOTIONS:

I make a motion to approve/deny approving a Resolution authorizing membership in the ATMOS Cities Steering Committee and authorizing the payment of five cents per capita to the ATMOS Cities Steering Committee to fund regulatory and related activities related to ATMOS Energy Corporation.

ATTACHMENT(S):
Agreement

CITY OF LAKE DALLAS, TEXAS
RESOLUTION NO. 2024-___

A RESOLUTION AUTHORIZING MEMBERSHIP IN THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF FIVE CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION

WHEREAS, the City of Lake Dallas is a regulatory authority under the Gas Utility Regulatory Act (GURA) and has exclusive original jurisdiction over the rates and services of Atmos Energy Corporation, Mid-Tex Division (Atmos) within the municipal boundaries of the city; and

WHEREAS, the Atmos Cities Steering Committee (ACSC) has historically intervened in Atmos rate proceedings and gas utility related rulemakings to protect the interests of municipalities and gas customers residing within municipal boundaries; and

WHEREAS, ACSC is participating in Railroad Commission dockets and projects, as well as court proceedings and legislative activities, affecting gas utility rates; and

WHEREAS, the City would like to become a member of ACSC; and

WHEREAS, in order for ACSC to continue its participation in these activities which affects the provision of gas utility service and the rates to be charged, it must assess its members for such costs; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE DALLAS, TEXAS:

I.

That the City is authorized to become a member in the Atmos Cities Steering Committee to protect the interests of the City of Lake Dallas and protect the interests of the customers of Atmos Energy Corporation, Mid-Tex Division residing and conducting business within the City limits.

II.

The City is further authorized to pay its 2024 assessment to the ACSC in the amount of five cents ($0.05) per capita.

III.

A copy of this Resolution and approved assessment fee payable to "*Atmos Cities Steering Committee*" shall be sent to:

Brandi Stigler
Atmos Cities Steering Committee
c/o Arlington City Attorney's Office, Mail Stop 63-0300
101 S. Mesquite St., Suite 300
Arlington, Texas 76010

PRESENTED AND PASSED on this the 14th day of March, 2024, by a vote of ______ ayes and ______ nays at a regular meeting of the City Council of the City of Lake Dallas, Texas.

____
Andi Nolan
Mayor

ATTEST:

____
Codi Delcambre
City Secretary

APPROVED AS TO FORM:

____
Joe Gorida
City Attorney

MEMORANDUM

TO: Atmos Cities Steering Committee
FROM: Jennifer Richie, Chair, Atmos Cities Steering Committee
DATE: January 8, 2024
RE: **Action Needed - 2024 Atmos Cities Steering Committee Membership Assessment Invoice**

On December 7, 2023, the Atmos Cities Steering Committee ("ACSC") held a quarterly meeting with representatives from Atmos Energy. During the meeting, the group held a discussion of upcoming natural gas issues and approved the assessment for ACSC membership. Using the population-based assessment protocol previously adopted by ACSC, the assessment for 2024 is a per capita fee of $0.05. This is the same amount as was adopted for 2019-2023.

ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of the residential and small commercial customers within the cities. Cities are the only consumer advocates that work to keep natural gas rates reasonable. The work undertaken by ACSC has saved ratepayers millions of dollars in unreasonable charges. In order to continue to be an effective voice at the Railroad Commission, at the Legislature, and in the courts, ACSC must have your support. Please take action to pay the membership assessment as soon as possible. Payment of the membership assessment fee shall be deemed to be in agreement with the terms of the ACSC participation agreement.

Although ACSC does not require that your city take action by resolution to approve the assessment, some members have requested a model resolution authorizing payment of the 2024 membership assessment. To assist you in the assessment process, we have provided the following documents for your use:

- ACSC 2023 Year in Review
- Model resolution approving the 2024 assessment (optional, provided for those cities that have requested a resolution to authorize payment)
- Model staff report supporting the resolution
- List of Atmos Cities Steering Committee members
- 2024 Assessment invoice
- 2023 Assessment invoice and statement (only included if not yet paid)
- Blank member contact form to update the distribution lists

Please forward the membership assessment fee and, if applicable, the signed resolution to Brandi Stigler, Atmos Cities Steering Committee, c/o City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010. Checks should be made payable to: *Atmos Cities Steering Committee*.

If you have any questions, please contact ACSC Chair Person, Jennifer Richie (254/750-5688). ACSC's counsel, Thomas Brocato (tbrocato@lglawfirm.com) at 512/322-5857 is also available to assist you.

City of Arlington, c/o Atmos Cities Steering Committee
Attn: Brandi Stigler
101 S. Mesquite St., Ste 300
MS #63-0300
Arlington, TX 76010

Invoice

Date	Invoice #
2/7/2024	24-97

Bill To
City of Lake Dallas

Item	Population	Per Capita	Amount
2024 Membership Assessment	8,124	0.05	406.20

Please make check payable to: Atmos Cities Steering Committee and mail to Atmos Cities Steering Committee, Attn: Brandi Stigler, Arlington City Attorney's Office, 101 S. Mesquite St., Ste 300, MS #63-0300, Arlington, Texas 76010	**Total** $406.20

2023 ACSC Newsletter

ACSC
Atmos Cities Steering Committee

2023 YEAR IN REVIEW ISSUE

This past year was a busy one for ACSC. This annual review highlights the significant events of 2023 that impacted ACSC and what's on the horizon next year.

Atmos 2023 Rate Case Round-Up

Atmos Pipeline-Texas will increase the amount it collects on its system for transporting gas by $12 million annually — or by 1.66 percent — under a settlement agreement approved in December 2023 by state regulators.

This change to the company's "transportation revenue requirement" will affect home rates, albeit indirectly. The company's previous transportation revenue requirement was $723 million annually. Under the settlement, it now goes to $735 million. However, even with the increase, the company has accepted $105 million less under the settlement than the $839,982,742 it initially sought.

Various intervenors, including the Atmos Cities Steering Committee and other city representatives, reached a unanimous settlement with Atmos in the case during October 2023. The Railroad Commission approved the settlement on December 13 without discussion.

Background of the Case

- On May 19, 2023, Atmos Pipeline-Texas, a Division of Atmos Energy Corporation, filed paperwork at the Railroad Commission to change its rates. ACSC intervened in the rate case, engaged consultants, conducted discovery, and identified aspects of the Atmos request that it found unreasonable.
- The company's overall revenue requirement (which includes extraneous pass-through costs to third parties) will be $841,924,105 under the settlement, which is $109 less than the $951.1 million the company originally sought.
- The adopted changes will result in a capacity charge of $18.80038 per million British thermal units of MDQ (where MDQ is defined as the maximum daily quantity of gas over the pipeline system). This represents a $.30614 increase over the current capacity charge of $18.49424 — or an increase of 1.66 percent.
- The new capacity charge under the approved settlement agreement remains less than the $21.25 initially requested by APT.
- The company will operate under an approved cost of equity of 11.45 percent under the approved settlement — as opposed to the company's initial request of 13.5 percent.
- This is the company's first full rate case since 2016. More information can be found on the Railroad Commission website, under Case No. 00013758.

OTHER 2023 RATE MATTERS

- On February 24, 2023, Atmos Energy filed for a GRIP rate adjustment for customers within the unincorporated areas of its Mid-Tex Division. Under the adjustment, the monthly customer charge would increase from $34.29 per month to $38.38 per month — an increase of $5.09. More information can be found on the Railroad Commission website, at Case No. 00012759.
- On February 24, 2023, Atmos Energy filed for a GRIP adjustment for customers within the unincorporated areas of its West Texas Division. Under the adjustment, the customer charge would increase from $27.99 per month to $31.49 per month — an increase of $3.50. More information can be found on the Railroad Commission website, at Case No. 00012760.
- On March 31, 2023 Atmos Energy filed for a rate increase for its Mid-Tex service areas under an interim ratemaking process known as the Rate Review Mechanism. In its filing, the company requested a rate increase of $165.9 million on a system-wide basis. This was reduced to $156.1 million due to limitations in the RRM tariff. After ACSC consultants prepared a report detailing various adjustments, the company agreed to settle the case for $142 million. This amounts to a $23.9 million reduction from the company's initial request. It includes payment of an additional $19.5 million for the securitization regulatory assert expenses related to Winter Storm Uri. For residential customers, the agreement will result in a 70-cent increase in the customer charge, from $21.55 per month to $22.25. The settlement was approved by all parties in September, and the rates went into effect in October.
- On March 31, 2023, Atmos Energy filed for a rate increase for its West Texas service areas under the Rate Review Mechanism process. In its filing, the company requested a $12.1 million increase for WTX Cities. This was reduced to $11.4 million due to limitations in the RRM tariff. After ACSC consultants prepared a report detailing various adjustments, the company agreed to settle the case for $8.4 million. This amounts to a reduction of $3.7 million to the company's initial request. It includes $2.7 million for the securitization regulatory assert expenses related to Winter Storm Uri. Under the settlement, the customer charge will increase by .70 cents per month from $18.27 to $18.97. The settlement was approved by all parties in September, and the rates went into effect in October.

About GRIP and RRM Like the separate Gas Reliability Infrastructure process, the RRM process allows for annual rate increases to reflect capital investments by the utility over the preceding 12 months. Various cities and city coalitions have objected to GRIP as piecemeal ratemaking because GRIP does not allow for an evaluation of rising revenues or declining expenses that may offset the need for rate increases. Additionally, under the GRIP process, cities cannot challenge any portion of the rate filing as unreasonable.

For those reasons the Atmos Cities Steering Committee negotiated the Rate Review Mechanism with Atmos as a substitute for GRIP. The RRM has no existence in statute, but rather exists only pursuant to city ordinances. Environs (areas outside municipal limits) are subject to GRIP, and some non-ACSC member cities have chosen to remain under GRIP.

Atmos Customers Face 16 Years of Winter Storm Charges

Texas gas utility customers can expect to pay at least $4 more each month for the next 16 years because of a few days of high-cost gas, according to bond financing information released in 2023.

The natural gas was consumed during Winter Storm Uri in 2021 and reached prices as high as $100 per million British thermal units — or more than 33 times higher than average. Utility customers needed the gas to heat their homes during the crisis and rather than engaging in their customary practice of charging customers promptly for it, utilities instead deferred the costs for later recovery through a bond-financing arrangement.

In 2021 adopted House Bill 1520 that authorized the bond financing arrangement, which is known as securitization. In October 2023, the Texas Railroad Commission issued a press release providing more details of the resulting charges. According to the agency, securitization charges of $1.10 per thousand cubic feet (mcf) for residential customers began going onto bills of nine participating utilities.

The billing charges may be adjusted periodically as financial conditions warrant. For a typical residential utility consuming using 3.9 mcf of gas each month, the “Customer Rate Relief Charge” will add $4.29 to bills.

Participating Utilities

Under the bond financing arrangement, Atmos Energy has securitized approximately $2 billion in fuel costs, CenterPoint approximately $1.1 billion and Texas Gas Service about $197.3 million. Other utilities to receive recovery through securitized debt include Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; Rockin’ M Gas; SiEnergy, LP; Summit Utilities Arkansas; Texas Gas Service Company, a Division of ONE Gas, Inc. (excluding the West Texas Service Area); and Universal Natural Gas, LLC.

Under a settlement with Atmos Cities Steering Committee and others, Atmos agreed to reduce its recovery by more than $9 million. Similarly, CenterPoint agreed to reduce its recovery by $39.7 million under a settlement with a separate city group.

By law, gas distribution utilities such as Atmos, CenterPoint and TGS cannot profit from the sale of the gas commodity, but instead pass those costs directly to end users without markups. However, some gas suppliers made massive profits from the price surge, according to reports.

More information about the Texas Natural Gas Securitization Finance Corporation at their website, can be found here. The Texas Railroad Commission also has released information about the gas charges, that can be found here.

Railroad Commission Penalizes Atmos for Service Quality

On February 7, 2023, the Texas Railroad Commission closed its investigation into Atmos Energy service disruptions during a cold weather event that occurred in late December of 2022.

In its investigation, the agency’s Oversight and Safety Division (“OCD”) determined that the gas utility’s extensive, localized service interruptions from December 22 through December 26 constituted violations of the Railroad Commission’s Quality of Service rules. Atmos’ cold weather contingency planning fell short, and the utility lacked sufficient staffing at its call centers to adequately respond to customer concerns, according to OCD.

The Railroad Commission referred the alleged rule violations to the Enforcement Section of its Office of General Counsel, according to filings at the agency.

The Texas Railroad Commission began examining Atmos after more than 2,300 customers lost service or had their service curtailed during the winter storm late last year. Both Gov. Greg Abbott and local city officials complained about what they described as the company’s lack of planning before the event and called for the inquiry.

In a January 13 filing with the agency, Atmos Energy said the service interruptions were not due to an inability to obtain natural gas supplies — as occurred during Winter Storm Uri in 2021 — but “primarily due to instances of capacity constraints where demand exceeded our contingency plans in localized areas.” The company highlighted its emergency planning efforts, but noted that “going forward, we recognize the need to have even more robust contingency planning and to enhance our redundant capabilities.”

More about the Railroad Commission inquiry can be found on the agency’s website, under Case No. 00012215.

ACSC Welcomes New Member

In 2023, the Atmos Cities Steering Committee welcomed New Fairview, a city of 14,000 residents in Wise County, as its newest member. Located along US 81/ SH 287 and FM 407 in the DFW Metroplex, the city is nearly 16 square miles in size — which makes it the largest in Wise County by land area. New Fairview joined ACSC in May, 2023.

Growing from a settlement called Illinois Community, the city was called Fairview until 1999, when it changed its name to distinguish it from several other “Fairviews” in Texas. To maintain a quieter, more rural atmosphere, residential lots are legally limited to a minimum size of 1 acre. Welcome New Fairview!

Atmos Billing Errors

Some Atmos customers received unwelcomed surprises in their natural gas bills during the summer of 2023 — unexpected past due amounts.

The charges, however, were in error. Atmos, in comments to its local NBC affiliate, acknowledged that it delivered erroneous bills in July to some of its customers, and that in some cases the mistakes were substantial. For instance, one Atmos customer reported to the media that he received a bill incorrectly showing a $2,000 past-due amount, when he owed only $45.

Atmos said that fewer than 3 percent of its outgoing bills were in error. However — given that Atmos serves more than 2 million customers statewide — that means that tens of thousands of people may have been affected.

Atmos says that after becoming aware of the errors it began notifying customers via email, when possible. The company also told the NBC affiliate in Dallas that corrected bills are being sent out, and that customers will not be charged late fees because of the errors.

88th Texas Legislature Recap: Gas Legislation

Approximately 300 bills relating to electric and gas utilities, their customers and energy markets were filed during the 88th Texas Legislature, which adjourned *sine die* on May 29, 2023. However, most bills pertained to electric issues — as opposed to gas issues — and only about 40 of them overall made it to the finish line. An even fewer number of gas-related bills won passage.

Below is a final status summary of several bills of significance relating to gas utility issues.

- **PASSED: HB 2263,** by Rep. Drew Darby, relating to the authority of a natural gas local distribution company to offer energy conservation programs," adds a new subsection to the Gas Utility Regulatory Act that would allow retail gas distribution systems to create energy conservation programs while also creating rules for rate recovery outside a typical ratemaking proceeding. The legislation passed out of both chambers and was sent to the governor on May 30. Sen. Bryan Hughes authored the Senate companion, **SB 1050.**
- **FAILED: House Bill 2128,** by Rep. Ernest Bailes, is intended to limit price gouging on natural gas sales during declared disasters. This is another bill that arose from legislative concerns over high natural gas prices charged by suppliers during Winter Sorm Uri. The House Business and Industry Committee conducted a hearing on HB 2128 on April 17, but the legislation proceeded no further.
- **FAILED: House Bill 2262,** by Rep. Drew Darby, "relating to gas utility alternative gas expenses and infrastructure investments," would have allowed gas utilities to include "alternative gas" in their portfolios and recover the costs of purchasing it. HB 2262 also provides for a presumption that alternative gas costs included in rates are prudent, reasonable, and necessary. The bill defines "alternative gas" as fuel with a lower carbon content than natural gas. HB 2262 made it through most of the legislative process before dying in the Senate. The Senate companion, SB

1049 by Sen. Bryan Hughes, never received a hearing.

- **FAILED: SB 1701 and HB 4788**, by Sen. Nathan Johnson and Rep. Rafael Anchia respectively, would have mandated changing the agency name of the Railroad Commission of Texas. Neither bill received any traction during the 88th Texas Legislature.
- **FAILED: SB 1291, Sen. King,** "relating to the reimbursement of a municipality's expenses in a ratemaking proceeding for electric or gas utilities." This legislation would have restricted city participation in electric and gas utility rate-making by restricting municipal reimbursement in such matters. It was referred to the Senate Business and Commerce committee in early March but proceeded no further.
- **FAILED: SB 1501 and HB 4099,** by Sen. Joan Huffman and Rep. Greg Bonnen respectively, would have allocated tax dollars to pay off securitization borrowing costs assessed by gas utilities to pay for fuel charges from Winter Storm Uri. A similar provision in a supplemental budget bill, **Senate Bill 30**, also failed to win approval.

Railroad Commission Agency Recap 2023

Texas Railroad Commission Considers Rules Pertaining to Energy Conservation Programs

On September 19, 2023, staff at the Texas Railroad Commission proposed new rules to implement House Bill 2263, legislation from the 2021 session pertaining to the creation of energy conservation programs by gas utilities.

The rules, if given final approval, would modify 16 Texas Administrative Code §7.480, relating to Energy Conservation Programs. **The Atmos Cities Steering Committee is participating in this rulemaking matter.**

The proposed changes include the following:

- A proposed new subsection (a) that states the Railroad Commission has exclusive original jurisdiction over energy conservation programs implemented by gas distribution utilities, and that political subdivisions shall not limit, restrict, or otherwise prevent an eligible customer from participating in such programs based on the type or source of energy delivered through it.
- A proposed new subsection (c) that lists the general requirements for a gas utility to recover the costs it incurs for the implementation of an Energy Conservation Program. A gas distribution utility must apply for each service area in which it seeks to implement an Energy Conservation Program to recover those costs.
- A proposed subsection (d)(1) that lists the items to be included in initial applications and a proposed subsection (d)(2) that lists the items to be included in subsequent applications, and that details timing requirements for subsequent applications.
- A proposed new subsection (f) that describes what the Energy Conservation Program portfolio must accomplish, including that it be designed to overcome barriers to the adoption of energy-efficient equipment, technologies, and processes, and to change customer behavior as necessary. The portfolio may also include measures such as direct financial incentives, technical assistance, discounts or rebates, and weatherization for low-income customers.
- A proposed new subsection (j) requires gas utilities to file an annual Energy Conservation Program report each year such a portfolio is implemented. The report shall be filed no later than 45 days following the end of the utility's program year.

The Commission accepted comments on the rulemaking through late October and is expected to issue final approval in February or March 2024.

The status of Commission rulemakings in progress is available at www.rrc.texas.gov/general-counsel/rules/proposed-rules.

Railroad Commission Sets Emergency Disconnection Fines

On November 15, 2023, the Texas Railroad Commission adopted new rules pertaining to improper gas utility service disconnections during extreme weather emergencies.

The new rules, which correspond to provisions of Senate Bill 3 adopted in 2021 after Winter Storm Uri, include a classification system for fines that can be assessed for improper disconnections, as well as new prohibitions against demanding full payment of utility bills during weather emergencies.

The rules modify 16 Texas Administrative Code §7.460. Among the highlights:

- The new rules contemplate four categories of disconnection violations — Class A, Class B, Class C and Class D — with fines ranging from $3,000 to more than $5,000 per violation.
- Under the new classification matrix for fines, a utility that improperly disconnects a customer for 24 hours or more during a weather emergency and with temperatures lower than 10 degrees would be subject to a Class B violation fine of $5,000. If the same company had a history of repeated violations, then it would become a Class A violation of more than $5,000.
- Under the new rules, any demand by a utility for full payment of a bill during a weather emergency could increase the severity of fines. Any good faith effort to remedy a violation could decrease the severity of fines.

The new rules can be found online, here.

Railroad Commission Conducts more than 7000 Weatherization Inspections

In November 2023, the Texas Railroad Commission reported that it conducted more than 7,200 weatherization inspections of critical natural gas infrastructure during the winter and summer seasons.

It also reported that the inspection process began again on December 1, 2024 when operators faced a deadline to submit attestations summarizing what weatherization methods they utilized at their facilities. The agency says that RRC inspections by its Infrastructure Division will begin again right after that deadline.

"The RRC has been in contact with operators as we get ready for the next winter inspection season," the agency reported in November. Agency officials said it had conducted two webinars in November to walk operators through reporting requirements and the inspection process.

As per Senate Bill 3, adopted in 2021, the Railroad Commission implemented weatherization and critical designation rules that includes an inspection process of critical facilities.

2024 ACSC Meetings
March 5
June 6 - Virtual
September 12
December 12 – Virtual

2024 Officers
Chair—Jennifer Richie (Waco)
Vice Chair—Meg Jakubik (Bedford)
Secretary—Lupe Orozco (Keller)
Treasurer—David Johnson (Arlington)

For more questions or concerns regarding any ACSC matter or communication, please contact the following representative, who will be happy to provide assistance:

Lloyd Gosselink
ATTORNEYS AT LAW

Thomas L. Brocato
(512) 322-5857
tbrocato@lglawfirm.com

Jamie Mauldin
(512) 322-5890
jmauldin@lglawfirm.com

ACSC Master List of Members (185 Total)

1. Abilene
2. Addison
3. Albany
4. Allen
5. Alvarado
6. Angus
7. Anna
8. Archer City
9. Argyle
10. Arlington
11. Aubrey
12. Azle
13. Bedford
14. Bellmead
15. Belton
16. Benbrook
17. Beverly Hills
18. Blossom
19. Blue Ridge
20. Bowie
21. Boyd
22. Bridgeport
23. Brownwood
24. Bryan
25. Buffalo
26. Burkburnett
27. Burleson
28. Caddo Mills
29. Canton
30. Carrollton
31. Cedar Hill
32. Celeste
33. Celina
34. Centerville
35. Cisco
36. Clarksville
37. Cleburne
38. Clyde
39. College Station
40. Colleyville
41. Colorado City
42. Comanche
43. Commerce
44. Coolidge
45. Coppell
46. Corinth
47. Crandall
48. Cross Roads
49. Crowley
50. Dalworthington Gardens
51. Denison
52. Denton
53. DeSoto
54. Draper
55. Duncanville
56. Early
57. Eastland
58. Edgecliff Village
59. Emory
60. Ennis
61. Euless
62. Everman
63. Fairview
64. Farmers Branch
65. Farmersville
66. Fate
67. Flower Mound
68. Forest Hill
69. Forney
70. Fort Worth
71. Frisco
72. Frost
73. Gainesville
74. Garland
75. Garrett
76. Georgetown
77. Glenn Heights
78. Grand Prairie
79. Grapevine
80. Groesbeck
81. Gunter
82. Haltom City
83. Harker Heights
84. Haskell
85. Haslet
86. Hewitt
87. Highland Park
88. Highland Village
89. Honey Grove
90. Hurst
91. Hutchison
92. Hutto
93. Iowa Park
94. Irving
95. Justin
96. Kaufman
97. Keene
98. Keller
99. Kemp
100. Kennedale
101. Kerens
102. Kerrville
103. Killeen
104. Krum
105. Lake Dallas
106. Lakeside
107. Lake Worth
108. Lancaster
109. Lavon
110. Lewisville
111. Little Elm
112. Little River Academy
113. Lorena
114. Madisonville
115. Malakoff
116. Mansfield
117. McKinney
118. Melissa
119. Mesquite
120. Midlothian
121. Murphy
122. Newark
123. New Fairview
124. Nocona
125. North Richland Hills
126. Northlake
127. Oak Leaf
128. Ovilla
129. Palestine
130. Pantego
131. Paris
132. Parker
133. Pecan Hill
134. Petrolia
135. Plano
136. Ponder
137. Pottsboro
138. Prosper
139. Quitman
140. Red Oak
141. Reno (Parker County)
142. Rhome
143. Richardson
144. Richland
145. Richland Hills
146. River Oaks
147. Roanoke
148. Robinson
149. Rockwall
150. Roscoe
151. Rowlett
152. Royce City

ACSC Master List of Members (185 Total)

153. Sachse
154. Saginaw
155. Sansom Park
156. Seagoville
157. Seymour
158. Sherman
159. Snyder
160. Southlake
161. Springtown
162. Stamford
163. Stephenville
164. Sulphur Springs
165. Sweetwater
166. Temple
167. Terrell
168. The Colony
169. Trophy Club
170. Tyler
171. University Park
172. Venus
173. Vernon
174. Waco
175. Watauga
176. Waxahachie
177. Westlake
178. Westover Hills
179. Westworth Village
180. Whitesboro
181. White Settlement
182. Wichita Falls
183. Wilmer
184. Woodway
185. Wylie

STATE OF TEXAS §
§ AGREEMENT FOR PROFESSIONAL SERVICES
COUNTY OF DENTON §

This **Agreement for Professional Services** ("**Agreement**") is made by and between the **City of Lake Dallas, Texas** ("**City**") and **The John R. McAdams Company, Inc**., a Texas foreign professional corporation ("**Professional**") (each a "**Party**" and collectively the "**Parties**"), acting by and through their authorized representatives.

RECITALS:

WHEREAS, City desires to engage the services of Professional as an independent contractor, and not as an employee, to provide the architectural services described in Exhibit "A" (the "**Scope of Services**") in connection with the Hundley Drive Reconstruction (the "**Project**"); and

WHEREAS, Professional desires to render services for City on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in exchange for the mutual covenants set forth herein, and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

Article I
Term

1.1 **Effective Date; Term**. This Agreement shall commence on the last date it has been signed by authorized representatives of the Parties, whether on the same document or in duplicate counterparts ("**Effective Date**") and continue until completion of the services. a proper, efficient, timely, and professional manner in accordance with City's requirements.

1.2 **Early Termination**. Either Party may terminate this Agreement providing written notice to the other Party not later than thirty (30) days prior to the termination date. In the event of such termination, Professional shall deliver to City all finished and unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs, or other items prepared by Professional in connection with this Agreement. Professional shall be entitled to compensation for any services completed to the reasonable satisfaction of City in accordance with this Agreement prior to such termination.

Article II
Scope of Service

2.1 **Standard of Care**. Professional shall perform the services in connection with the Project as set forth in the Scope of Services. Professional shall perform the services with: (i) the professional skill and care ordinarily provided by competent architects or engineers, as the case may be, practicing in the same or similar locality and under the same or similar circumstances and professional license; and (ii) as expeditiously as is prudent considering the ordinary professional skill and care of a competent architect or engineer, as the case may be.

2.2 **City Information**. Prior to commencement of services, City shall provide Professional with the information set forth in the Scope of Services, if any.

2.3 **Licenses**. Professional represents to City that Professional possesses any and all licenses which may be required by the State of Texas or any other governmental entity having jurisdiction as may be necessary for the performance of Professional's services pursuant to this Agreement. To the extent Professional does not possess any necessary licenses, pursuant to Section 5.2, Professional will engage such other professionals to perform the services that require such additional licenses.

2.4 **Information/Confidentiality**. City will furnish to Professional such information with respect to the Project as Professional may reasonably request in order to render Professional's services effectively. Professional will hold in strict confidence all information with respect to the Project which is furnished to Professional by City in confidence and which is not otherwise publicly available and/or not required, as a matter of law or proper business practice, to be disclosed to a third party in connection with the consulting services for the Project.

2.5 **Deliverables**. All files, documents, data, and other information generated under this Agreement, of any nature whatsoever furnished by, or developed by Professional, shall be and remain the property of City, and shall be returned to City upon expiration or termination of this Agreement.

2.6 **Project Documents**.

(a) All surveys, studies, proposals, applications, drawings, plans, specifications and other documents, including those in electronic form, prepared by Professional and its subcontractors, agents, representatives, and/or employee (including other architects and/or professional engineers engaged by Professional) in connection with this Agreement ("**Project Documents**") are intended for the use and benefit of City. Professional and its consultants, subcontractors, agents, representatives, and/or employees shall be deemed the authors of their respective part of the Project Documents. Notwithstanding, upon payment by City as required by this Agreement, City shall own, have, keep, and retain all rights, title, and interest in and to all Project Documents, including all ownership, common law, statutory, and other reserved rights, including copyrights (except copyrights previously held by Professional) in and to all Project Documents, whether in draft form or final form, which are produced at City's request and in furtherance of this Agreement. City shall have full authority to authorize contractor(s), subcontractors, sub-subcontractors, City consultants, and material or equipment suppliers to reproduce applicable portions of the Project Documents to and for use in their execution of the work or for any other purpose. All materials and reports prepared by Professional in connection with this Agreement are "works for hire" and shall be the property of City upon payment of Professional as provided in this Agreement. City shall have the right to publish, disclose, distribute, and otherwise use Project Documents in accordance with the Engineering Practice Act of the State of Texas (Texas Occupation Code, Chapter 1001, as amended) and/or Texas Occupations Code, Chapter 1051, as amended. Professional shall, upon completion of the services and full payment for the Professional's services by City, or earlier termination and appropriate compensation as provided by this Agreement, provide City with reproductions of all materials, reports, and exhibits prepared by Professional pursuant to this Agreement in a TIFF, JPEG or PDF format, and a DXF format in current version of AutoCAD with NAD-83 coordinate format of all such instruments of service to the City. The transfer of copyright interest or ownership of documents shall not extend to the Professional's standard details, designs, specifications, or other previously developed materials.

(b) All instruments of service (including plans, specifications, drawings, reports, designs, computations, computer programs, estimates, surveys, other data or work items, etc.) prepared under this Agreement shall be submitted for approval by City. All instruments of service shall be professionally sealed as may be required by law or by City.

(c) Acceptance and approval of the Project Documents by City shall not constitute nor be deemed a release of the responsibility and liability of Professional, its employees, associates, or agents for the accuracy or competency of their designs, working drawings and specifications, or other documents and work; nor shall such approval be deemed to be an assumption of such responsibility by City for any defect in the designs, working drawings and specifications, or other documents prepared by Professional, its employees, contractor, agents, and engineers.

2.7 <u>Conflict of Interest</u>. Professional agrees to notify City and seek City's approval prior to Professional's retention by any other individuals or entities, which either directly or indirectly may create a conflict of interest in Professional's services under this Agreement. City may deny any such approval for Professional's retention set forth above, in the event City, in City's sole and absolute discretion, should conclude that such retention would have an adverse effect on Professional's services under this Agreement.

Article III
Time For Performance

3.1 <u>Generally</u>. Professional shall perform all services as provided for under this Agreement in a proper, efficient, timely, and professional manner in accordance with City's requirements.

3.2 <u>Delay Caused by Others</u>. If Professional's performance of this Agreement is delayed or interfered with by acts of City or others, Professional may request an extension of time for the performance of same as hereinafter provided but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays.

3.3 <u>Requests to extend Time</u>. No allowance of any extension of time, for any cause whatever, shall be claimed or made to Professional, unless Professional shall have made written request upon City for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless the Parties have agreed in writing upon the allowance of additional time to be made.

Article IV
Compensation and Method of Payment

4.1 Invoices; Payment. Professional will be compensated as set forth in the Scope of Services for the lump sum amount of **ONE MILLION FIVE HUNDRED AND THIRTY-FIVE THOUSAND NO/100 DOLLARS ($1,535,000.00)**. Unless otherwise provided herein, payment to Professional shall be monthly based on Professional's monthly progress report and shall include the total amount of fee earned to date and the amount due and payable as of the current statement, in a form reasonably acceptable to City. Monthly statements shall include authorized non-salary expenses with supporting itemized invoices and documentation. City shall pay such monthly statements not later than thirty (30) days after receipt and City verification of the services and expenses unless otherwise provided herein. Notwithstanding the forgoing, City shall not be required to pay more than 90% of the total fee to be paid to Professional until all deliverables set forth in the Scope of Services have been completed and delivered to City.

4.2 Expenses. Unless otherwise provided in the Scope of Services, Professional shall be responsible for all expenses related to the services provided pursuant to this Agreement including, but not limited to, travel, copying and facsimile charges, telephone, internet, and email charges.

4.3 Rate Schedule. The hourly rates set forth in the Scope of Services, if any, shall remain in effect during the term of this Agreement. Any changes to established hourly rates shall require the prior written consent of City.

4.4 Late Payments. City shall be required to pay interest in the amount of 12% per annum or the maximum rate allowed by law, whichever is less, on amounts set forth in invoices that are not in dispute and remain unpaid for more than 30 days after City's receipt of the invoice for such services.

Article V
Devotion of Time; Personnel; and Equipment

5.1 Devotion of Time and Personnel. Professional shall devote such time as reasonably necessary for the satisfactory performance of the services under this Agreement. Should City require additional services not included under this Agreement, Professional shall make reasonable effort to provide such additional services within the time schedule without decreasing the effectiveness of the performance of services required under this Agreement and shall be compensated for such additional services in accordance with Professional's standard hourly rate schedule as set forth in the Scope of Services or as otherwise agreed between the Parties.

5.2 Engagement of Third Parties. To the extent reasonably necessary for Professional to perform the services under this Agreement, Professional shall be authorized to engage the services of any agents, assistants, persons, or corporations that Professional may deem proper to aid or assist in the performance of the services under this Agreement. Professional shall provide written notice to and obtain written approval from City prior to engaging services not referenced in the Scope of Services. The cost of such personnel and assistance shall be included as part of the total compensation to be paid Professional pursuant to this Agreement and shall not otherwise be reimbursed by City unless otherwise provided herein. Notwithstanding City's approval of any third party to provide services to Professional pursuant to this Section 5.2, Professional understands, acknowledges, and agrees that City has no contractual relationship with such third parties, that Professional shall be solely responsible for compliance with any agreement between Professional and such third party engaged by Professional, and agrees to indemnify, defend, and hold City harmless from and against any claims for breach of contract or other claims arising from or related to any agreements between Professional and such third parties.

5.3 Professional's Facilities and Equipment. Professional shall furnish the facilities, equipment, and personnel necessary to perform the services required under this Agreement unless otherwise provided herein.

Article VI
Miscellaneous

6.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

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

6.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and assigns.

6.4 Governing Law. The laws of the State of Texas shall govern this Agreement without regard to any conflict of law rules; and venue for any action concerning this Agreement shall be in the State District Court of Denton County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.5 Amendments. This Agreement may be amended only by written agreement signed by all the Parties.

6.6 Severability. 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 any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

6.7 **Independent Contractor**. It is understood and agreed by and between the Parties that Professional, in satisfying the conditions of this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by Professional pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of City. Professional shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement.

6.8 **Right-of-Access**. Professional shall not enter onto private property without lawful right-of-access to perform the required surveys, or other necessary investigations. Professional will take reasonable precautions to minimize damage to the private and public property in the performance of such surveys and investigations. Any right-of-access to public or private property shall be obtained in accordance with the Scope of Services.

6.9 **Notice**. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for City:	With a copy to:
Attn: Tom Muehlenbeck, Interim City Manager City of Lake Dallas, Texas 212 Main Street Lake Dallas, Texas 75065	Joe Gorfida Jr. Nichols | Jackson L.L.P. 500 N. Akard Street, Suite 1800 Dallas, Texas 75201

If intended for Professional:

The John R. McAdams Company, Inc.
Attn: Bobby Dollak, Vice President
4400 State Highway 121, Suite 800
Lewisville, Texas 75056

6.10 Insurance.

(a) During the term of this Agreement, Professional shall maintain in full force and effect the following insurance:

(i) Commercial general liability policy of insurance for bodily injury, death and property damage including the property of City, its officers, contractors, agents and employees (collectively referred to as the "City") insuring against all claims, demands, or actions relating to the work and services provided by Professional pursuant to this Agreement with a minimum combined single limit of not less than $1,000,000.00 per occurrence for injury to persons (including death), and for property damage and $2,000,000.00 aggregate including products and completed operations coverage of $1,000,000.00. This policy shall be primary to any policy or policies carried by or available to City;

(ii) Automobile liability insurance policy covering any vehicles owned, non-owned and hired and/or operated by Professional, its officers, agents, and employees, and used in the performance of this Agreement with policy limits of not less than $1,000,000.00 combined single limit for bodily injury, death and property damage;

(iii) Statutory Worker's Compensation Insurance at the statutory limits and Employers Liability covering all of Professional's employees involved in the provision of services under this Agreement with policy limit of not less than $1,000,000.00; and

(iv) Professional Liability with policy limit of not less than $1,000,000.00 per claim and $1,000,000.00 in the aggregate, covering negligent acts, errors and omissions by Professional, its contractors, sub-contractors, consultants and employees in the performance of services pursuant to this Agreement.

(b) All insurance shall be endorsed to provide the following provisions:

(i) Except for the Workers Compensation Insurance and Professional Liability policy, name City, its officers, and employees as additional insureds as to all applicable coverage;

(ii) Except for the Professional Liability policy, provide for a waiver of subrogation against City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance;

(iii) A specific endorsement needs to be added to all policies, with a copy of the endorsement provided to City that indicates the insurance company will provide to City at least a thirty (30) day prior written notice for cancellation, non-renewal, and/or material changes of the policy. In the event the companies providing the required insurance are prohibited by law to provide any such specific endorsements, Professional shall provide at least thirty (30) days prior written notice to City of any cancellation, non-renewal, and/or material changes to any of the policies of insurance.

(c) All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service. All policies must be written on a primary basis, non-contributory with any other insurance coverage and/or self-insurance maintained by City.

(d) A certificate of insurance and copies of policy endorsements evidencing the required insurance shall be submitted to City prior to commencement of services. On every date of renewal of the required insurance policies, Professional shall cause a certificate of insurance and policy endorsements to be issued evidencing the required insurance herein and delivered to City. In addition, Professional shall within ten (10) business days after written request provide City with certificates of insurance and policy endorsements for the insurance required herein. The delivery of the certificates of insurance and policy endorsements to City is a condition precedent to the payment of any amounts due to Professional by City. The failure to provide valid certificates of insurance and policy endorsements shall be deemed a default and/or breach of this Agreement.

(e) Professional shall require any person or entity engaged by Professional to perform parts of the word set forth in the Scope of Services pursuant to Section 5.2, including any architects or professional engineers performing work pursuant to this Agreement, to provide the insurance required of Professional pursuant to this Section 6.9, inclusive of all required endorsements, and deliver to City a certificate of insurance evidencing that such insurance as endorsed is full force and effect.

6.11 Debarment and Suspension.

(a) In accordance with 2 CFR Section 180.300, the principal of this Agreement as described in 2 CFR Section 180.995 being duly sworn or under penalty of perjury under the laws of the United States, certifies that neither Professional nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, the State of Texas or any of its departments or agencies.

(b) If, during the term of this Agreement, Professional becomes debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation, Professional shall immediately inform City.

(c) If this Agreement is financed in whole or in part by Federal and/or State grants, Professional agrees that this section will be enforced on each of its subcontractors and will inform City of any violations of this section by subcontractors to the Agreement.

(d) The certification in this Section 6.11 is a material representation of fact relied upon by City in entering into this Agreement.

6.12 Indemnification. CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF PROFESSIONAL PURSUANT TO THIS AGREEMENT. PROFESSIONAL HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE NEGLIGENCE OR WILLFUL MISCONDUCT OF CITY OR BREACH OF CITY'S OBLIGATIONS HEREUNDER. PROFESSIONAL AGREES TO INDEMNIFY AND HOLD HARMLESS CITY FROM AND AGAINST LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION), AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY PROFESSIONAL'S NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY NEGLIGENT ACT OR OMISSION ON THE PART OF PROFESSIONAL, ITS OFFICERS, DIRECTORS, SERVANTS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS (INCLUDING ANY THIRD PARTIES ENGAGED BY PROFESSIONAL PURSUANT TO SECTION 5.2), LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (COLLECTIVELY, THE "INDEMNIFYING PARTIES") (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO NEGLIGENCE OF CITY, IN WHOLE OR IN PART, IN WHICH CASE PROFESSIONAL SHALL INDEMNIFY CITY ONLY TO THE EXTENT OR PROPORTION OF NEGLIGENCE ATTRIBUTED TO ANY ONE OR MORE OF THE INDEMNIFYING PARTIES AS DETERMINED BY A COURT OR OTHER FORUM OF COMPETENT JURISDICTION). THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

6.13 Counterparts. This Agreement may be signed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

6.14 Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

6.15 Prohibition on Boycotting Israel and Energy Companies; Prohibition of Discrimination against Firearm Entities and Firearm Trade Associations.

(a) Professional verifies that it does not Boycott Israel and agrees that during the term of the Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.

(b) Professional verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended.

(c) Professional verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

(d) This Section 6.15 does not apply if Professional is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Professional has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement

(Signature Page to Follow)

SIGNED AND AGREED on ______________________, 2024.

City of Lake Dallas, Texas

By:____
Tom Muehlenbeck, Interim City Manager

Attest:

____
Codi Delcambre, City Secretary

Approved as to Form and Legality:

____
Joe Gorfida Jr., City Attorney

SIGNED AND AGREED on _____________________, 2024.

The John R. McAdams Company, Inc.

By:____
Bobby Dollak, Vice President

EXHIBIT "A"
Scope of Services

McADAMS CLD24002

HUNDLEY DRIVE RECONSTRUCTION FROM LAKE DALLAS DRIVE
CITY OF LAKE DALLAS TO NEAR WILLOW GROVE PARK/LAKEVIEW MARINA

SCOPE OF WORK:

- **Pre-Design Phase**
  - **Due Diligence** (Gathering existing plats, surveys, and deeds for adjoining properties)
  - **Public Meetings** with adjoining landowners and tenants
  - **Planning** work with City to define rights-of-way and typical street cross sections
  - **Utility Meetings & Coordination** (Closely work with DART, LCMUA, and private utility companies)
  - **Geomatics**
    - Level B Subsurface Utility Engineering (Locate and identify all existing utilities)
    - Topographical Survey within project boundaries and set survey control
    - Assist City in defining project rights-of-way
  - **Permitting**
    - Gain DART approval for work within their ROW, providing necessary documents
  - **Coordination** with Outside Agencies/Utility Companies
    - Design phase meeting(s) with DART, LCMUA, and other utility companies and prepare written responses
    - Coordinate with any "conflict" utility companies regarding utility adjustments
- **Design Phase**
  - **30% Schematic** Engineering Design Deliverables
    - Cover Sheet and Overall Project Area Map
    - Right-Of-Way Plan Sheets
    - Overall Project Area Map
    - Schematic Alignment of Street Improvements
    - Schematic Alignment of Drainage Facilities
    - Schematic Opinion of Probable Construction Costs (OPCC)
  - **60% Preliminary** Engineering Design Deliverables
    - Cover Sheet and Overall Project Area Map
    - Project Location Map
    - Right-Of-Way Plan Sheets
    - Overall Project Area Map
    - Demo and Relocation Plan
    - Overall Street Plan
    - Overall Sidewalk Plan
    - Overall Stormwater Drainage Plan
    - Overall Street Lighting Plan
    - Preliminary OPCC
  - **90% Pre-Final** Engineering Design Deliverables
    - Cover Sheet and Overall Project Area Map
    - General Notes and Special Project Notes
    - Right-Of-Way Plan Sheets
    - Overall Project Area Map
    - Construction Sequencing Plan
    - Demo and Relocation Plan
    - Street Plan and Profiles
    - Sidewalk and Barrier-Free Ramp Plan
    - Stormwater Drainage Plan and Profiles
    - Utility Adjustment Plan

EXHIBIT "A"
Scope of Services

- Street Lighting Plan
- Erosion Control Plan
- Traffic Control Plan
- Construction Details
- Technical Specifications
- Pre-Final OPCC

- **100% Final** Engineering Design Deliverables
  - Cover Sheet and Overall Project Area Map
  - General Notes and Special Project Notes
  - Right-Of-Way Plan Sheets
  - Overall Project Area Map
  - Construction Sequencing Plan
  - Demo and Relocation Plan
  - Street Plan and Profiles
  - Sidewalk and Barrier-Free Ramp Plan
  - Stormwater Drainage Plan and Profiles
  - Utility Adjustment Plan
  - Pavement Markings, Signage, and Street Lighting Plan
  - Erosion Control Plan
  - Traffic Control Plan
  - Construction Details
  - Technical Specifications and Special Specifications
  - Final OPCC
  - Timeline from Notice To Proceed to completion of construction contract

- **Bidding Phase**
  - Bid Proposal Form
  - Oversee Pre-Bid meeting, answer questions and prepare addenda
  - Review Bids for accuracy and completeness
  - Tabulate Bids
  - Provide a letter of recommendation for lowest, responsible bidder
  - Assist with securing contractor bonds and executed construction contract
- **Construction Phase**
  - **Project Management**
    - Monthly invoicing
    - Preconstruction meeting
    - Progress meetings with stakeholders
    - Progress reports
    - Project review meetings
    - Project meeting summaries
    - Internal coordination meetings
    - Project closeout
  - **Construction Administration**
    - Provide construction observation, keep project diary, and review pay requests
    - Review Project Submittals, Respond to RFIs, and Review Material Testing Results
    - Review and make recommendations on change orders
    - Perform final walkthrough and prepare record drawings
  - **Construction Staking**

EXHIBIT "A"
Scope of Services

- Due to the uniqueness of the redesign of Hundley Drive, it may be necessary to vary from certain design and construction standards. For any design or construction deviations, McAdams will notify the City in advance for discussion and resolution.
- With the exception of adjusting water valve risers and manhole rings and covers, all non-street and non-stormwater utilities will be adjusted by the utility infrastructure owners.
- McAdams will coordinate with all affected utility companies who may have infrastructure that conflicts with the proposed design of Hundley Drive, assisting them to ensure that all exiting utilities are adjusted and/or relocated in a manner that will compliment the proposed street reconstruction.
- Geotechnical engineering services will be provided by Alpha Testing, a McAdams geotechnical subconsultant. A geotechnical report will be produced for the purposes of pavement, subbase, and subgrade design. Additionally, construction testing services for subgrades, subbases, and concrete will be provided throughout the construction phase.
- It is not anticipated that any Environmental reports will be required for this project. However, if it is determined later that any environmental work is required, the City will provide a contract change order for this additional work.
- Wetland delineation and concurrence by federal, state, and local authorities is not required and existing concurrence documents, if required, will be provided by Groundwater & Environmental Services (GES), a McAdams subconsultant, once the City has provided a contract change order for this additional work.
- A traffic impact analysis (TIA) will not be required.
- If off-site and/or out-of-scope street, sidewalk, and stormwater drainage improvements are required, such work will be quoted once additional scope of work is defined.
- McAdams anticipates that there will only be one round of reviews for each deliverable provided.
- The entire project plans, specifications, and project documents will be created and provided to the city in one phase of construction.
- McAdams will obtain TDLR project registration and schedule TDLR inspections. The City will pay TDLR directly for project registration and inspection fees.

PROPOSED SERVICES + FEES

We propose the following services (Alphanumeric task numbers are for internal coding purposes):

BASIC SERVICES

A13.01 Project Planning and Due Diligence (Engineering):

FEE: $30,000 *(billed percent complete, based on progress)*

Work with the City to determine exact design and layout of Hundley Drive, including placement of sidewalk and type and placement of streetlights. Assist City in defining rights-of-way boundaries for Hundley Drive.

A13.02 Project Advocacy:

FEE: $35,000 *(billed percent complete, based on progress)*

Provide Project Advocacy for project, including individual meetings with Town Council and/or other elected/appointed officials as necessary to obtain project input, prior to the beginning of design. In the event that this lump sum amount is exceeded, McAdams will then, at the City's option, either begin billing for this work at the listed billing rates or execute a change order for additional task work.

A13.10 Preliminary Engineering Services:

FEE: $55,000 *(billed percent complete, based on progress)*

Provide due diligence and preliminary engineering input on the proposed street design and layout. Task includes research on existing public water, sanitary sewer, and storm sewer locations, as well as coordination with the City and team on revisions to the proposed street design that may be required. Task does not include street plans, utility plans, preliminary opinion of probable construction cost, offsite utility investigation nor related models.

A13.14 Preliminary Opinion of Probable Construction Cost:

FEE: $5,000 *(billed percent complete, based on progress)*

Prepare Preliminary Opinion of Probable Construction Cost (OPCC). Said OPCC will include all proposed city-owned improvements depicted within the plan set. Unit costs will be derived from an average of unit costs obtained by McAdams for similar projects. McAdams has no control over the fluctuation in unit costs due to market conditions. Task includes one iteration of OPCC. Additional preliminary OPCC revisions will be considered additional services and be billed at hourly rates.

A13.50 Meeting Representation During Planning:

FEE: $40,000 *(billed percent complete, based on progress)*

Provide Meeting Representation and presentation preparation for project including bi-weekly project coordination meetings with the City, select stakeholders, and subconsultants during the design phase.

D13.10 Civil Construction Plan and Specifications:

FEE: $275,000 *(billed percent complete, based on progress)*

Prepare Civil Construction Drawings and Specifications, in accordance with the Scope of Work, included with this Proposal as an attachment. This Task work will be prepared and submitted to the City for review at the 30% Schematic, 60% Preliminary, 90% Pre-Final, and 100% Final stages. This task does not include, stormwater mitigation design, multi staged erosion control plan, franchise utility plan, offsite utility and road work, structural design, retaining wall design (if necessary), nor submittal to State for accessibility compliance.

D13.30 Opinions of Probable Construction Cost During Design:

FEE: $15,000 *(billed percent complete, based on progress)*

Prepare Opinions of Probable Construction Cost (OPCC) at the 30%, 60%, 90%, and 100% design stages. Said OPCCs will include work identified at each design stage, as outlined in the Scope of Work. Unit costs will be derived from an average of unit costs obtained by McAdams for similar projects. McAdams has no control over the fluctuation in unit costs due to market conditions. Task includes one iteration of OPCC. Additional revisions at each milestone will be considered additional services and be billed at hourly rates.

D13.50 DCTA Permit Application:

FEE: $5,000 *(billed percent complete, based on progress)*

Prepare Denton County Transportation Authority (DCTA) Access Permit Application for One (1) access point location. Application will be prepared after municipal approval of the Civil Construction Drawings. Application will include Dimensional Control Plan, Grading Plan, Paving Plan, Pavement Cross Sections, Striping and Signage Plan, Drainage Area Maps, and DCTA Standard Details. Task does not include Traffic Impact Analysis, Traffic Control Plan, nor Traffic Signal Design.

D13.51 DCTA Permit Application Approval Process:

FEE: $5,000 *(billed percent complete, based on progress)*

Represent the DCTA Access Permit Application through the approval process, including:
- Modifications to the application and plans as may be required;
- Submittal of additional supporting information as may be required;
- Coordination with approval bodies to achieve approval;
- Representation at Municipal and DCTA coordination meetings; and
- Approval bodies include the Municipality and DCTA.

D13.90 Meeting Representation During Design:

FEE: $10,000 *(billed percent complete, based on progress)*

Provide Meeting Representation and presentation preparation for project including bi-weekly project coordination meetings with the City, select stakeholders, and subconsultants during the approval phase.

D13.98 Coordination with Franchise Utilities:

FEE: $60,000 *(billed percent complete, based on progress)*

Assist City in Coordination with Franchise Utilities for the adjustment and relocation of existing utilities (e.g. water, sanitary sewer, gas, electric, and communications). Task includes attending meetings, coordination meetings, providing insight to proposed plans, and coordinating easement requests. This task does not include easement preparation for filing as this will be quoted as a separate task, if needed.

L5.90 ADA/TDLR Review & Filing:

FEE: $5,000 *(billed percent complete, based on progress)*

Prepare ADA/TDLR Review and Filing of Project based upon construction documents and site footprint from Client. Said ADA/TDLR Review and Filing contains TDLR project registration, Proof of Submission filing, and coordination with Registered Accessibility Specialist (RAS) for all initial and final reviews along with initial and final inspections. This task also includes all required copies for registration required by TDLR and RAS for review and inspection purposes.

If Client does not accept agreement to use to McAdams for ADA/TDLR Review and Filing, the Client shall provide McAdams with Project TDLR registration number. The TDLR registration number shall be provided within 20 days of date issued for regulatory review. If the Client fails to provide McAdams with TDLR registration number, the Client shall be responsible for late registration fees, which are set by TDLR.

SPECIAL SERVICES

B2.10 Due Diligence (Surveying):

FEE: $10,000 *(billed percent complete, based on progress)*

Perform records research of public records to find deeds, plats, and other documents and/or maps that will aid in reconstructing and/or identifying the right-of-way of Hundley Drive and the properties that abut Hundley Drive.

B2.11 Boundary/ROW Verification + Parcel Map:

FEE: $60,000 *(billed percent complete, based on progress)*

Analyze boundary evidence and determine the right-of-way and/or boundaries of the tracts abutting Hundley Drive, in accordance with the General Rule and Procedures promulgated by the Texas Board of Professional engineers and Land Surveyors. Horizontal Control will be referenced to Texas Coordinate System, North Central Zone (4202), NAD '83. Prepare a Parcel Map showing all abutting properties to Hundley Drive.

B2.40 Topographic + Boundary Verification Survey:

FEE: $85,000 *(billed percent complete, based on progress)*

McAdams Geomatics team will perform necessary field work to collect boundary evidence and perform a UAS flight under FAA Part 107 regulations along with collecting topographic features using conventional surveying methods within the project area in accordance with the General Rule and Procedures promulgated by the Texas Board of Professional Engineers and Land Surveyors. Horizontal Control will be referenced to Texas Coordinate System, North Central Zone (4202), NAD '83. Vertical Control will be referenced to the NAVD '88. The survey data collected will be utilized to create one existing conditions exhibit and a digital terrain model to define the existing topography and grades for use in determining earthwork and property impacts, identify planimetric information, existing features and conditions within the survey limits. Planimetric information necessary for design includes, but is not limited to above ground improvements, drives, swales, ditches, and visible evidence of utilities.

B12.30 Utility Designation - Subsurface Utility Engineering (SUE) Level B:

FEE: $30,000 *(billed percent complete, based on progress)*

Conductive utilities will be marked utilizing Geophysical prospecting techniques in conjunction with radio, audio, and electromagnetic equipment. Multiple utility sweeps will be performed to identify any unknown conductive utilities. All non-conductive utilities will be marked utilizing above ground features utility plats and/or as-built, and recollections. Utilities will be marked utilizing standard marking paint and/or flags and whiskers in accordance with APWA standard code to ensure accuracy in the collection of the information. Basic Maintenance of Traffic (MOT) will be provided. Basic MOT includes the following: cones and signs as needed. Client will ensure that there is access to all areas inside and outside of the building so a thorough locate, and sweeps can be performed. Level A SUE services are not included within this Task but can be performed as directed by the City as an additional task and fee.

G7.10 Construction Staking:

FEE: $65,000 *(billed percent complete, based on progress)*

Provide a one-time Construction Staking for each of the following: erosion control / rough grading / storm sewer / sidewalk / drive approaches / and paving. This TASK does *not* include staking franchise utilities, and if requested, will be billed at McAdams standard hourly rates as additional services. Any additional construction staking, and/or restaking, as requested by the City, will also be billed at McAdams standard hourly rates as additional services.

L13.01 Geotechnical Services (Geotech Report):

FEE: $34,000 *(billed percent complete, based on progress)*

Alpha Testing, a McAdams' subconsultant, will prepare a geotechnical report for paving, subbase, and subgrade recommendations, in accordance with the City's Engineering Design Standards. Geotechnical Investigation will include soil sampling, laboratory testing, and a geotechnical engineering report completed in an estimated 8 weeks. Alpha Testing will make 10 bores, to a depth of 10 feet at each location. A McAdams coordination fee of 12.5% has been included in this task.

L13.02 Geotechnical Services (Materials Testing During Construction):

FEE: $91,000 *(billed percent complete, based on progress)*

Alpha Testing, a McAdams' subconsultant, will provide material testing for subgrades, subbases, and pavements during construction. Their work will consist of subgrade and subbase sampling to produce moisture density control data for field testing. Additionally, Alpha Testing will provide concrete quality testing in the field and laboratory concrete strength testing. A McAdams coordination fee of 12.5% has been included in this task.

ADDITIONAL SERVICES

H5.10 Civil Contract Administration:

FEE: $225,000 *(billed percent complete, based on progress)*

Perform Contract Administration for Project based upon aforementioned plans and specifications. Contract Administration will include reviewing contractor submittals and RFI's, accounting, attending Pre-Construction Meetings with Client, City and/or Contractor. Construction Administration will include periodic visits to site to observe progress of infrastructure construction and general conformance with construction documents, providing field interpretations and recommendations, as requested by Client. Task does not include an evaluation of the contractor's means and methods of construction.

H5.11 Civil Construction Observation:

FEE: $380,000 *(billed percent complete, based on progress)*

Provide Construction Observation during the construction phase of the Project. McAdams will provide one Project Representative for the duration of the construction phase to be onsite while the contractor and subcontractors perform work. This Task will include attending Pre-Construction Meetings, and daily onsite visits to site to observe progress of infrastructure construction and general conformance with construction documents as required. Any differences in work in the field versus approved plans will be sent in writing to the City and Contractor, within 24 hours of McAdams making observation, with instruction on how to correct situation provided within a reasonable amount of time. Task does not include an evaluation of the contractor's means and methods of construction. In the event that this lump sum amount is exceeded, McAdams will then, at the City's option, either begin billing for this work at the listed billing rates or execute a change order for additional task work.

I13.10 As-Built Record Drawings:

FEE: $15,000 *(billed percent complete, based on progress)*

Prepare "As-Built Record Drawings" of project plan set. Task does not include as-built surveying services nor as-built verifications.

EXTRA SERVICES

J. Additional Services

When directed by the City, McAdams shall perform additional services not including in this Agreement and the shall compensate the McAdams by hourly charges in accordance with the attached Rate Schedule.

EXHIBIT "A"
Scope of Services

FEES SUMMARY

BASIC SERVICES

A13.01	Project Planning and Engineering Due Diligence	$30,000
A13.02	Project Advocacy	$35,000
A13.10	Preliminary Engineering Services	$55,000
A13.14	Preliminary OPCC	$5,000
A13.50	Meeting Representation	$40,000
D13.10	Civil Construction Plans and Specifications	$275,000
D13.30	Design OPCCs	$15,000
D13.50	DCTA Permit Application	$5,000
D13.51	DCTA Permit Application Approval Process	$5,000
D13.90	Meeting Representation	$10,000
D13.98	Coordination with Franchise Utilities	$60,000
L5.90	ADA/TDLR Review and Filing	$5,000
	Total Basic Services	**$540,000**

SPECIAL SERVICES

B2.10	Survey Due Diligence	$10,000
B2.11	Boundary/ROW Verification + Parcel Map	$60,000
B2.40	Topographic + Boundary Verification Survey	$85,000
B12.30	Subsurface Utility Engineering (Level B)	$30,000
G7.10	Construction Staking	$65,000
L13.01	Geotechnical Services: Geotech Report	$34,000
L13.02	Geotechnical Services: Materials Testing	$91,000
	Total Special Services	**$375,000**

ADDITIONAL SERVICES

H5.10	Civil Contract Administration	$225,000
H5.11	Civil Construction Observation	$380,000
I13.10	As-Built Record Drawings	$15,000
	Total Additional Services	**$620,000**

Total Professional Services **$1,535,000**

March 6, 2024

Mr. Tom Muehlenbeck
Interim City Manager
City of Lake Dallas
212 Main Street
Lake Dallas, Texas 75065

RE: Hundley Drive Reconstruction for the City of Lake Dallas, Texas

Dear Mr. Muehlenbeck,

We are pleased to offer this proposal for due diligence, planning, project coordination, surveying, permitting, engineering, project management and construction phase services for the proposed reconstruction of Hundley Drive.

PROJECT UNDERSTANDING

PROJECT LIMITS

Hundley Drive, from Lake Dallas Drive to near Willow Grove Park, in Lake Dallas, Denton County, Texas.

PROJECT DESCRIPTION

Hundley Drive is presently an asphalt street without curbing and channels stormwater runoff along both street sides via earthen ditches, of varying size, all along its length. It is proposed to reconstruct Hundley Drive, making it a curbed, concrete street, with stormwater inlets and piping that would replace the parallel drainage ditches. Additionally, it is proposed that Hundley Drive will be widened from its existing, varying widths of 22 to 24 ft, to a 28 ft (two-lane) and 37 ft wide (three-lane) pavement sections. Proposed, typical cross sections are provided as an exhibit to this proposal. Final pavement section widths will be decided during the design phase. Sidewalk is also proposed to be installed along the North side of Hundley Drive for the length of the project. The approximate length of this project is 5,200 linear feet.

ASSUMPTIONS

This proposal is based on the following assumptions:

- Hundley Drive will be designed and constructed in accordance with the City of Lake Dallas Engineering Standards 2020 Edition.
- In the event that the City's Standards do not contain all necessary construction standards, then the North Central Texas Council of Governments (NCTCOG) Public Works Construction Standards North Central Texas Fifth Edition 2017 will first be used as a supplement to City Standards.
- The Texas Department of Transportation (TXDOT) Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges 2014 Edition will be used in the event that NCTCOG standards do not fully supplement City Standards.

- Due to the uniqueness of the redesign of Hundley Drive, it may be necessary to vary from certain design and construction standards. For any design or construction deviations, McAdams will notify the City in advance for discussion and resolution.
- With the exception of adjusting water valve risers and manhole rings and covers, all non-street and non-stormwater utilities will be adjusted by the utility infrastructure owners.
- McAdams will coordinate with all affected utility companies who may have infrastructure that conflicts with the proposed design of Hundley Drive, assisting them to ensure that all exiting utilities are adjusted and/or relocated in a manner that will compliment the proposed street reconstruction.
- Geotechnical engineering services will be provided by Alpha Testing, a McAdams geotechnical subconsultant. A geotechnical report will be produced for the purposes of pavement, subbase, and subgrade design. Additionally, construction testing services for subgrades, subbases, and concrete will be provided throughout the construction phase.
- It is not anticipated that any Environmental reports will be required for this project. However, if it is determined later that any environmental work is required, the City will provide a contract change order for this additional work.
- Wetland delineation and concurrence by federal, state, and local authorities is not required and existing concurrence documents, if required, will be provided by Groundwater & Environmental Services (GES), a McAdams subconsultant, once the City has provided a contract change order for this additional work.
- A traffic impact analysis (TIA) will not be required.
- If off-site and/or out-of-scope street, sidewalk, and stormwater drainage improvements are required, such work will be quoted once additional scope of work is defined.
- McAdams anticipates that there will only be one round of reviews for each deliverable provided.
- The entire project plans, specifications, and project documents will be created and provided to the city in one phase of construction.
- McAdams will obtain TDLR project registration and schedule TDLR inspections. The City will pay TDLR directly for project registration and inspection fees.

PROPOSED SERVICES + FEES

We propose the following services (Alphanumeric task numbers are for internal coding purposes):

BASIC SERVICES

A13.01 Project Planning and Due Diligence (Engineering):

FEE: $30,000 *(billed percent complete, based on progress)*

Work with the City to determine exact design and layout of Hundley Drive, including placement of sidewalk and type and placement of streetlights. Assist City in defining rights-of-way boundaries for Hundley Drive.

A13.02 Project Advocacy:

FEE: $35,000 *(billed percent complete, based on progress)*

Provide Project Advocacy for project, including individual meetings with Town Council and/or other elected/appointed officials as necessary to obtain project input, prior to the beginning of design. In the event that this lump sum amount is exceeded, McAdams will then, at the City's option, either begin billing for this work at the listed billing rates or execute a change order for additional task work.

A13.10 Preliminary Engineering Services:

FEE: $55,000 *(billed percent complete, based on progress)*

Provide due diligence and preliminary engineering input on the proposed street design and layout. Task includes research on existing public water, sanitary sewer, and storm sewer locations, as well as coordination with the City and team on revisions to the proposed street design that may be required. Task does not include street plans, utility plans, preliminary opinion of probable construction cost, offsite utility investigation nor related models.

A13.14 Preliminary Opinion of Probable Construction Cost:

FEE: $5,000 *(billed percent complete, based on progress)*

Prepare Preliminary Opinion of Probable Construction Cost (OPCC). Said OPCC will include all proposed city-owned improvements depicted within the plan set. Unit costs will be derived from an average of unit costs obtained by McAdams for similar projects. McAdams has no control over the fluctuation in unit costs due to market conditions. Task includes one iteration of OPCC. Additional preliminary OPCC revisions will be considered additional services and be billed at hourly rates.

A13.50 Meeting Representation During Planning:

FEE: $40,000 *(billed percent complete, based on progress)*

Provide Meeting Representation and presentation preparation for project including bi-weekly project coordination meetings with the City, select stakeholders, and subconsultants during the design phase.

D13.10 Civil Construction Plan and Specifications:

FEE: $275,000 *(billed percent complete, based on progress)*

Prepare Civil Construction Drawings and Specifications, in accordance with the Scope of Work, included with this Proposal as an attachment. This Task work will be prepared and submitted to the City for review at the 30% Schematic, 60% Preliminary, 90% Pre-Final, and 100% Final stages. This task does not include, stormwater mitigation design, multi staged erosion control plan, franchise utility plan, offsite utility and road work, structural design, retaining wall design (if necessary), nor submittal to State for accessibility compliance.

D13.30 Opinions of Probable Construction Cost During Design:

FEE: $15,000 *(billed percent complete, based on progress)*

Prepare Opinions of Probable Construction Cost (OPCC) at the 30%, 60%, 90%, and 100% design stages. Said OPCCs will include work identified at each design stage, as outlined in the Scope of Work. Unit costs will be derived from an average of unit costs obtained by McAdams for similar projects. McAdams has no control over the fluctuation in unit costs due to market conditions. Task includes one iteration of OPCC. Additional revisions at each milestone will be considered additional services and be billed at hourly rates.

D13.50 DCTA Permit Application:

FEE: $5,000 *(billed percent complete, based on progress)*

Prepare Denton County Transportation Authority (DCTA) Access Permit Application for One (1) access point location. Application will be prepared after municipal approval of the Civil Construction Drawings. Application will include Dimensional Control Plan, Grading Plan, Paving Plan, Pavement Cross Sections, Striping and Signage Plan, Drainage Area Maps, and DCTA Standard Details. Task does not include Traffic Impact Analysis, Traffic Control Plan, nor Traffic Signal Design.

D13.51 DCTA Permit Application Approval Process:

FEE: $5,000 *(billed percent complete, based on progress)*

Represent the DCTA Access Permit Application through the approval process, including:

> Modifications to the application and plans as may be required;
> Submittal of additional supporting information as may be required;
> Coordination with approval bodies to achieve approval;
> Representation at Municipal and DCTA coordination meetings; and
> Approval bodies include the Municipality and DCTA.

D13.90 Meeting Representation During Design:

FEE: $10,000 *(billed percent complete, based on progress)*

Provide Meeting Representation and presentation preparation for project including bi-weekly project coordination meetings with the City, select stakeholders, and subconsultants during the approval phase.

D13.98 Coordination with Franchise Utilities:

FEE: $60,000 *(billed percent complete, based on progress)*

Assist City in Coordination with Franchise Utilities for the adjustment and relocation of existing utilities (e.g. water, sanitary sewer, gas, electric, and communications). Task includes attending meetings, coordination meetings, providing insight to proposed plans, and coordinating easement requests. This task does not include easement preparation for filing as this will be quoted as a separate task, if needed.

L5.90 ADA/TDLR Review & Filing:

FEE: $5,000 *(billed percent complete, based on progress)*

Prepare ADA/TDLR Review and Filing of Project based upon construction documents and site footprint from Client. Said ADA/TDLR Review and Filing contains TDLR project registration, Proof of Submission filing, and coordination with Registered Accessibility Specialist (RAS) for all initial and final reviews along with initial and final inspections. This task also includes all required copies for registration required by TDLR and RAS for review and inspection purposes.

If Client does not accept agreement to use to McAdams for ADA/TDLR Review and Filing, the Client shall provide McAdams with Project TDLR registration number. The TDLR registration number shall be provided within 20 days of date issued for regulatory review. If the Client fails to provide McAdams with TDLR registration number, the Client shall be responsible for late registration fees, which are set by TDLR.

SPECIAL SERVICES

B2.10 Due Diligence (Surveying):

FEE: $10,000 *(billed percent complete, based on progress)*

Perform records research of public records to find deeds, plats, and other documents and/or maps that will aid in reconstructing and/or identifying the right-of-way of Hundley Drive and the properties that abut Hundley Drive.

B2.11 Boundary/ROW Verification + Parcel Map:

FEE: $60,000 *(billed percent complete, based on progress)*

Analyze boundary evidence and determine the right-of-way and/or boundaries of the tracts abutting Hundley Drive, in accordance with the General Rule and Procedures promulgated by the Texas Board of Professional engineers and Land Surveyors. Horizontal Control will be referenced to Texas Coordinate System, North Central Zone (4202), NAD '83. Prepare a Parcel Map showing all abutting properties to Hundley Drive.

B2.40 Topographic + Boundary Verification Survey:

FEE: $85,000 *(billed percent complete, based on progress)*

McAdams Geomatics team will perform necessary field work to collect boundary evidence and perform a UAS flight under FAA Part 107 regulations along with collecting topographic features using conventional surveying methods within the project area in accordance with the General Rule and Procedures promulgated by the Texas Board of Professional Engineers and Land Surveyors. Horizontal Control will be referenced to Texas Coordinate System, North Central Zone (4202), NAD '83. Vertical Control will be referenced to the NAVD ’88. The survey data collected will be utilized to create one existing conditions exhibit and a digital terrain model to define the existing topography and grades for use in determining earthwork and property impacts, identify planimetric information, existing features and conditions within the survey limits. Planimetric information necessary for design includes, but is not limited to above ground improvements, drives, swales, ditches, and visible evidence of utilities.

B12.30 Utility Designation - Subsurface Utility Engineering (SUE) Level B:

FEE: $30,000 *(billed percent complete, based on progress)*

Conductive utilities will be marked utilizing Geophysical prospecting techniques in conjunction with radio, audio, and electromagnetic equipment. Multiple utility sweeps will be performed to identify any unknown conductive utilities. All non-conductive utilities will be marked utilizing above ground features utility plats and/or as-built, and recollections. Utilities will be marked utilizing standard marking paint and/or flags and whiskers in accordance with APWA standard code to ensure accuracy in the collection of the information. Basic Maintenance of Traffic (MOT) will be provided. Basic MOT includes the following: cones and signs as needed. Client will ensure that there is access to all areas inside and outside of the building so a thorough locate, and sweeps can be performed. Level A SUE services are not included within this Task but can be performed as directed by the City as an additional task and fee.

G7.10 Construction Staking:

FEE: $65,000 *(billed percent complete, based on progress)*

Provide a one-time Construction Staking for each of the following: erosion control / rough grading / storm sewer / sidewalk / drive approaches / and paving. This TASK does *not* include staking franchise utilities, and if requested, will be billed at McAdams standard hourly rates as additional services. Any additional construction staking, and/or restaking, as requested by the City, will also be billed at McAdams standard hourly rates as additional services.

L13.01 Geotechnical Services (Geotech Report):

FEE: $34,000 *(billed percent complete, based on progress)*

Alpha Testing, a McAdams' subconsultant, will prepare a geotechnical report for paving, subbase, and subgrade recommendations, in accordance with the City's Engineering Design Standards. Geotechnical Investigation will include soil sampling, laboratory testing, and a geotechnical engineering report completed in an estimated 8 weeks. Alpha Testing will make 10 bores, to a depth of 10 feet at each location. A McAdams coordination fee of 12.5% has been included in this task.

L13.02 Geotechnical Services (Materials Testing During Construction):

FEE: $91,000 *(billed percent complete, based on progress)*

Alpha Testing, a McAdams' subconsultant, will provide material testing for subgrades, subbases, and pavements during construction. Their work will consist of subgrade and subbase sampling to produce moisture density control data for field testing. Additionally, Alpha Testing will provide concrete quality testing in the field and laboratory concrete strength testing. A McAdams coordination fee of 12.5% has been included in this task.

ADDITIONAL SERVICES

H5.10 Civil Contract Administration:

FEE: $225,000 *(billed percent complete, based on progress)*

Perform Contract Administration for Project based upon aforementioned plans and specifications. Contract Administration will include reviewing contractor submittals and RFI's, accounting, attending Pre-Construction Meetings with Client, City and/or Contractor. Construction Administration will include periodic visits to site to observe progress of infrastructure construction and general conformance with construction documents, providing field interpretations and recommendations, as requested by Client. Task does not include an evaluation of the contractor's means and methods of construction.

H5.11 Civil Construction Observation:

FEE: $380,000 *(billed percent complete, based on progress)*

Provide Construction Observation during the construction phase of the Project. McAdams will provide one Project Representative for the duration of the construction phase to be onsite while the contractor and subcontractors perform work. This Task will include attending Pre-Construction Meetings, and daily onsite visits to site to observe progress of infrastructure construction and general conformance with construction documents as required. Any differences in work in the field versus approved plans will be sent in writing to the City and Contractor, within 24 hours of McAdams making observation, with instruction on how to correct situation provided within a reasonable amount of time. Task does not include an evaluation of the contractor's means and methods of construction. In the event that this lump sum amount is exceeded, McAdams will then, at the City's option, either begin billing for this work at the listed billing rates or execute a change order for additional task work.

I13.10 As-Built Record Drawings:

FEE: $15,000 *(billed percent complete, based on progress)*

Prepare "As-Built Record Drawings" of project plan set. Task does not include as-built surveying services nor as-built verifications.

EXTRA SERVICES

J. Additional Services

When directed by the City, McAdams shall perform additional services not including in this Agreement and the shall compensate the McAdams by hourly charges in accordance with the attached Rate Schedule.

FEES SUMMARY

BASIC SERVICES

A13.01	Project Planning and Engineering Due Diligence	$30,000
A13.02	Project Advocacy	$35,000
A13.10	Preliminary Engineering Services	$55,000
A13.14	Preliminary OPCC	$5,000
A13.50	Meeting Representation	$40,000
D13.10	Civil Construction Plans and Specifications	$275,000
D13.30	Design OPCCs	$15,000
D13.50	DCTA Permit Application	$5,000
D13.51	DCTA Permit Application Approval Process	$5,000
D13.90	Meeting Representation	$10,000
D13.98	Coordination with Franchise Utilities	$60,000
L5.90	ADA/TDLR Review and Filing	$5,000
	Total Basic Services	**$540,000**

SPECIAL SERVICES

B2.10	Survey Due Diligence	$10,000
B2.11	Boundary/ROW Verification + Parcel Map	$60,000
B2.40	Topographic + Boundary Verification Survey	$85,000
B12.30	Subsurface Utility Engineering (Level B)	$30,000
G7.10	Construction Staking	$65,000
L13.01	Geotechnical Services: Geotech Report	$34,000
L13.02	Geotechnical Services: Materials Testing	$91,000
	Total Special Services	**$375,000**

ADDITIONAL SERVICES

H5.10	Civil Contract Administration	$225,000
H5.11	Civil Construction Observation	$380,000
I13.10	As-Built Record Drawings	$15,000
	Total Additional Services	**$620,000**

Total Professional Services	**$1,535,000**

PROJECT SCHEDULE

The McAdams services shall be performed as expeditiously as is consistent with professional skill and care and the orderly progress of the project. The following is the expected schedule for completion of project plans and specifications, in order to ready to proceed to the Bidding Phase. Note that this time schedule will begin once the Professional Services Contract is executed by both McAdams and the City. All days are to be considered calendar days.

- Pre-Design Phase:
  - Due Diligence, Planning, and Property Ownership Mapping — 30 Days
  - Utility Locations and Coordination, and Topography Survey — 60 Days

  Total Days for Pre-Design Phase — **90 Days** (estimated)

- Design Phase:
  - 30% Schematic Design Phase — 30 Days
  - 60% Preliminary Design Phase — 30 Days
  - 90% Pre-Final Design Phase — 30 Days
  - 100% Final Design Phase — 15 Days

  Total Days for Design Phase — **105 Days**

- Bidding Phase: — 45 Days

  Total Days for Bidding Phase — **45 Days** (estimated)

- Construction Phase: — 270 Days

  Total Days for Construction Phase — **270 Days** (estimated)

Final project schedule is to be mutually agreed upon between the City and McAdams. The final project schedule can be extended for (1) reasonable cause, or for (2) any delays associated with the McAdams work on the project that are not the sole responsibility of the McAdams.

OWNER RESPONSIBILITIES

The City shall be responsible for the following:

- Notification to proceed;
- Timely approval of sketches presented for the City approval;
- Payment of all application, permit and filing fees, as well as any other required fees incurred;
- Payment of invoices in accordance with Item 1 of Terms and Conditions; and
- Notification to McAdams of any problems, in accordance with Item 2 of Terms and Conditions.

Coordination with any subconsultants related to this Agreement will be provided by McAdams as additional services based on subconsultant fee(s) plus 12.5%.

If project is put on hold for a period longer than 1 month after design has commenced, McAdams reserves the right to revise fees and schedule.

EXCLUSIONS

The following services are not included in this Agreement:

- Water and Sanitary Sewer facilities design;
- Structural and Retaining Wall design;
- Landscape design, with the exception of sodding and/or seeding disturbed areas;
- Off-site utility extensions or roadway improvements (will be quoted if required);
- Off-site stormwater management facilities, revisions to the existing stormwater infrastructure or analysis of "downstream" stormwater system (will be quoted if required);
- Wetlands delineation and permitting (will be quoted if required);
- Traffic Impact Analyses;
- Permit application, plans review or re-review fees;
- Revised directives from the City after design has begun;
- Acquisition and preparation of any easements;
- Flood studies;
- Court appearances for litigation, or preparation for same;
- Legal advertisements for construction contracts;
- Environmental investigations, wetlands permitting, wetlands surveying; and
- Any costs incurred by the City or Contractor due to changes required by the approving authority or their inspectors after construction drawings have been approved.

GENERAL CONDITIONS

- The attached "Terms and Conditions" shall apply to this Agreement.
- This proposal is valid for 30 days from the above date.
- Reimbursable expenses will be billed in accordance with the attached Rate Schedule.
- The City is responsible for all permit fees associated with the Project's planning, design, and construction.

CONCLUSION

We appreciate this opportunity to propose our services. We are eager to pursue this project further and thank you for your consideration.

Sincerely,

MCADAMS

Michael Cox PE
Senior Technical Manager

MC/kr

ACCEPTANCE

By: ______________________________ Date: ________________

Name: ______________________________

Title: ______________________________

ACCOUNTING INFORMATION

Billing Contact: ______________________________

Billing Contact Email Address: ______________________________

Billing Contact Phone Number: ______________________________

Billing Address: ______________________________

____

HUNDLEY DRIVE RECONSTRUCTION FROM LAKE DALLAS DRIVE
CITY OF LAKE DALLAS TO NEAR WILLOW GROVE PARK/LAKEVIEW MARINA

SCOPE OF WORK:

- **Pre-Design Phase**
  - **Due Diligence** (Gathering existing plats, surveys, and deeds for adjoining properties)
  - **Public Meetings** with adjoining landowners and tenants
  - **Planning** work with City to define rights-of-way and typical street cross sections
  - **Utility Meetings & Coordination** (Closely work with DART, LCMUA, and private utility companies)
  - **Geomatics**
    - Level B Subsurface Utility Engineering (Locate and identify all existing utilities)
    - Topographical Survey within project boundaries and set survey control
    - Assist City in defining project rights-of-way
  - **Permitting**
    - Gain DART approval for work within their ROW, providing necessary documents
  - **Coordination** with Outside Agencies/Utility Companies
    - Design phase meeting(s) with DART, LCMUA, and other utility companies and prepare written responses
    - Coordinate with any "conflict" utility companies regarding utility adjustments
- **Design Phase**
  - **30% Schematic** Engineering Design Deliverables
    - Cover Sheet and Overall Project Area Map
    - Right-Of-Way Plan Sheets
    - Overall Project Area Map
    - Schematic Alignment of Street Improvements
    - Schematic Alignment of Drainage Facilities
    - Schematic Opinion of Probable Construction Costs (OPCC)
  - **60% Preliminary** Engineering Design Deliverables
    - Cover Sheet and Overall Project Area Map
    - Project Location Map
    - Right-Of-Way Plan Sheets
    - Overall Project Area Map
    - Demo and Relocation Plan
    - Overall Street Plan
    - Overall Sidewalk Plan
    - Overall Stormwater Drainage Plan
    - Overall Street Lighting Plan
    - Preliminary OPCC
  - **90% Pre-Final** Engineering Design Deliverables
    - Cover Sheet and Overall Project Area Map
    - General Notes and Special Project Notes
    - Right-Of-Way Plan Sheets
    - Overall Project Area Map
    - Construction Sequencing Plan
    - Demo and Relocation Plan
    - Street Plan and Profiles
    - Sidewalk and Barrier-Free Ramp Plan
    - Stormwater Drainage Plan and Profiles
    - Utility Adjustment Plan

        - Street Lighting Plan
        - Erosion Control Plan
        - Traffic Control Plan
        - Construction Details
        - Technical Specifications
        - Pre-Final OPCC
    - **100% Final** Engineering Design Deliverables
        - Cover Sheet and Overall Project Area Map
        - General Notes and Special Project Notes
        - Right-Of-Way Plan Sheets
        - Overall Project Area Map
        - Construction Sequencing Plan
        - Demo and Relocation Plan
        - Street Plan and Profiles
        - Sidewalk and Barrier-Free Ramp Plan
        - Stormwater Drainage Plan and Profiles
        - Utility Adjustment Plan
        - Pavement Markings, Signage, and Street Lighting Plan
        - Erosion Control Plan
        - Traffic Control Plan
        - Construction Details
        - Technical Specifications and Special Specifications
        - Final OPCC
        - Timeline from Notice To Proceed to completion of construction contract
- **Bidding Phase**
    - Bid Proposal Form
    - Oversee Pre-Bid meeting, answer questions and prepare addenda
    - Review Bids for accuracy and completeness
    - Tabulate Bids
    - Provide a letter of recommendation for lowest, responsible bidder
    - Assist with securing contractor bonds and executed construction contract
- **Construction Phase**
    - **Project Management**
        - Monthly invoicing
        - Preconstruction meeting
        - Progress meetings with stakeholders
        - Progress reports
        - Project review meetings
        - Project meeting summaries
        - Internal coordination meetings
        - Project closeout
    - **Construction Administration**
        - Provide construction observation, keep project diary, and review pay requests
        - Review Project Submittals, Respond to RFIs, and Review Material Testing Results
        - Review and make recommendations on change orders
        - Perform final walkthrough and prepare record drawings
    - **Construction Staking**

HUNDLEY DRIVE RECONSTRUCTION FROM LAKE DALLAS DRIVE
CITY OF LAKE DALLAS TO NEAR WILLOW GROVE PARK/LAKEVIEW MARINA

Stakeholders:

- City of Lake Dallas
- Denton County
- Adjoining property owners to the project site and their tenants
- Lake Cities Municipal Utility Authority
- Denton County Transportation Authority
- United States Postal Service
- Private utility companies with infrastructure located within or adjacent to project site

Sheets and Estimated Sheet Count

- Coversheet – 1/1
- General Notes – 1/2
- Special Project Notes – 1/3
- Overall Project Area Map – 1/4
- Right-of-way Plan – 6/10
- Construction Sequencing Plan – 6/16
- Traffic Control Plan – 6/22
- Demo and Relocation Plan – 6/28
- Utility Adjustment Plan – 6/34
- Erosion Control Plan – 6/40
- Street Plan/Profiles – 13/53
- Stormwater Plan/Profiles – 13/66
- Sidewalk & Barrier-Free Ramp Plan – 6/72
- Street Lighting Plan – 6/78
- Pavement Markings and Signage Plan – 6/84
- Details – 10/94

MCADAMS

111 HILLSIDE DRIVE
LEWISVILLE, TEXAS 75057
972-436-9712
TBPE FIRM #19762

201 COUNTRY VIEW DRIVE
ROANOKE, TEXAS 76262
940-240-1012
TBPLS FIRM #10194440

CITY OF LAKE DALLAS
HUNDLEY DRIVE RECONSTRUCTION
(FROM LAKE DALLAS DRIVE TO NEAR WILLOW GROVE PARK)
OPINION OF PROBABLE CONSTRUCTION COST

CLD24002

ITEM NO.	ITEM DESCRIPTION	UNIT	PLAN QUANTITY	UNIT PRICE	TOTAL COST
1	Mobilization	LS		$ 519,495	$ 519,495
2	Bonding & Insurance	LS		$ 129,874	$ 129,874
3	Stormwater Pollution Prevention Plan & Implementation	LS		$ 65,000	$ 65,000
4	Traffic Control Plan & Implementation	LS		$ 180,000	$ 180,000
5	Remove & Dispose of Existing Pavement & Drive Approaches	SY	16,990	$ 20	$ 339,800
6	Relocate/Replace Existing Mailboxes	EA	28	$ 750	$ 21,000
8	Relocate/Replace Existing Street Signs & School Signal Posts	EA	52	$ 750	$ 39,000
9	Remove & Dispose of Existing Culvert Piping & Appurtenaces	EA	57	$ 50	$ 2,850
8	Relocate/Replace Existing Fencing	LF	168	$ 95	$ 15,960
10	Curb and Area Inlets	EA	24	$ 10,000	$ 240,000
11	Reinforced Concrete Piping & Appurtenances	LF	5,560	$ 200	$ 1,112,000
12	Unclassified Excavation	CY	55	$ 30	$ 1,650
13	Treated Subgrade (6" Depth)	SY	19,539	$ 20	$ 390,770
14	Concrete Paving for Street (7" Depth)	SY	16,990	$ 90	$ 1,529,100
15	Concrete Paving for Drive Approaches (6" Depth)	SY	1,728	$ 90	$ 155,520
16	Concrete Curb (6" Height)	LF	7,950	$ 10	$ 79,500
17	Sidewalk (4" Depth)	SY	4,075	$ 80	$ 326,000
18	Barrier Free Ramps	EA	25	$ 3,000	$ 75,000
19	Adjust Existing Fire Hydrant Assemblies	EA	5	$ 6,000	$ 30,000
20	Adjust Existing Water Valves	EA	10	$ 1,000	$ 10,000
21	Adjust Existing Water Meter & Boxes	EA	30	$ 1,500	$ 45,000
22	Adjust Existing Manhole Rings & Lids	EA	8	$ 2,500	$ 20,000
23	Pavement Markings and Signage	STA	52	$ 1,000	$ 52,000
24	Street Lighting including Conduit, Wiring & Junction Boxes	EA	18	$ 20,000	$ 360,000
25	Topsoil & Seeding/Sodding including Watering	SY	6,550	$ 16	$ 104,800

Basic Services Include:
Due Diligence, ROW Delineation, Project Management, Utility Coordination, Surveying, Design and Bidding

Special Services Include:
Subsurface Utility Engineering (Level B), Geotechnical Investigation and Construction Staking

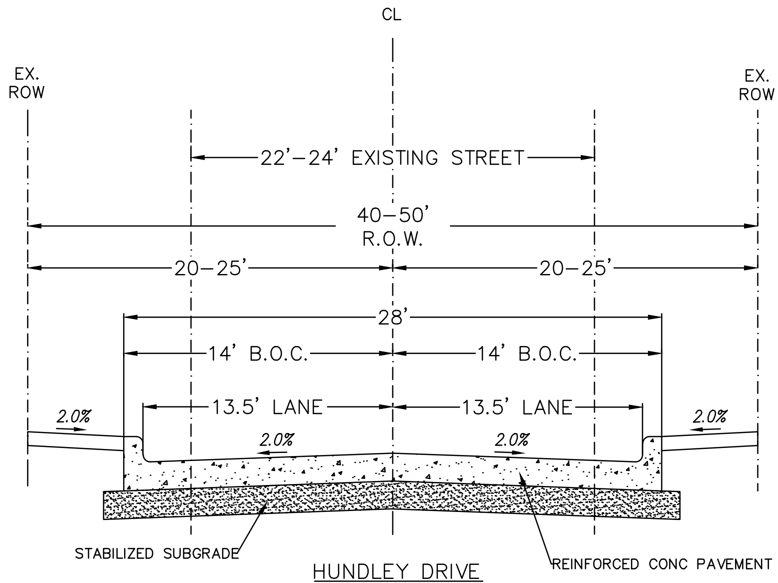
Additional Services Include:
Construction Engineering and Inspection

Date: March 6, 2024

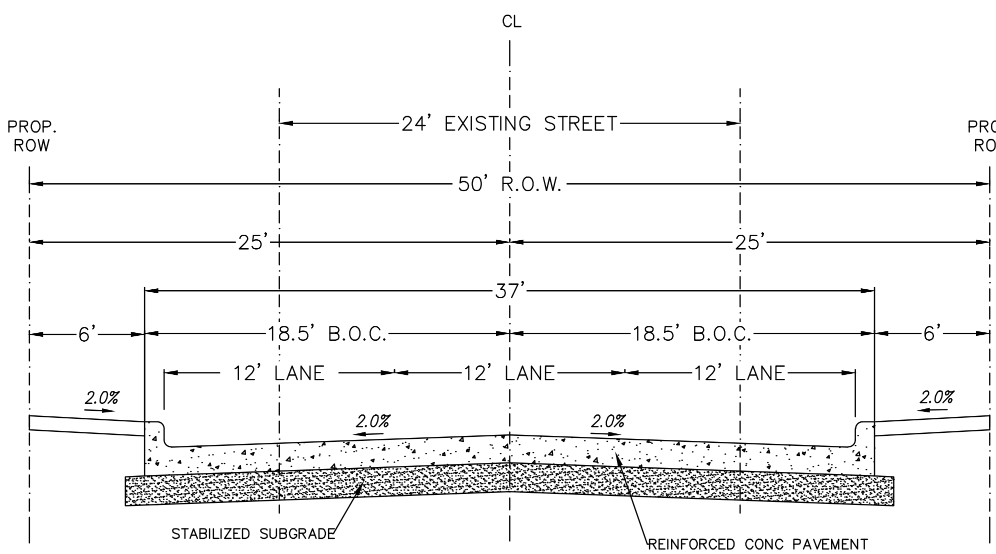
Prepared By: Michael W. Cox, PE

Reviewed By: Erin Storey, PE

SUBTOTAL:	$ 5,844,319
CONTINGENCY (10%):	$ 584,432
CONSTRUCTION TOTAL:	**$ 6,428,751**
Basic Services:	$ 540,000
Special Services:	$ 375,000
Additional Services:	$ 620,000
Right-of-Way Acquisition:	$ -
PROJECT TOTAL:	**$ 7,963,751**



HUNDLEY DRIVE
FROM LAKEVIEW TO
WILLOW GROVE PARK &
LAKE DALLAS TO SHADY
SHORES



HUNDLEY DRIVE
FROM SHADY SHORES
TO LAKEVIEW

CITY OF LAKE DALLAS
HUNDLEY DRIVE RECONSTRUCTION

McADAMS
The John R. McAdams Company, Inc.
4400 State Highway 121, Suite 800
Lewisville, Texas 75056
972. 436. 9712

201 Country View Drive
Roanoke, Texas 76262
940. 240. 1012
TBPE: 19762 TBPLS: 10194440
www.mcadamsco.com

DRAWN BY: RE   DATE: 2/8/2024   SCALE: H: 1"=10', V: N.T.S.

PROJECT ROLE: PROJECT MANGER

Michael W. Cox, PE
Sr. Project Manager/Sr. Technical Manager

Years in the industry: 37 years

Brief Bio: Michael began his career in 1987 with the Texas Department of Transportation prior to and while attending college. He has many years of experience working as a consultant and also has experience as a City Engineer and Public Works Director. Michael has been an on-call engineer for numerous municipalities and utility districts. As a consultant, he has worked for many Texas municipalities, utility districts, and educational systems. Michael has considerable municipal experience that encompasses the fields of water, wastewater, stormwater, roadways, solid waste, parks, and land development projects.

Registrations:
- **State**: TX
- **License Number:** 85424
- **Years Licensed:** 25

Education:
- **Degree**: BSCE
- **School:** University of Texas at Arlington
- **Year Graduated:** 1994

EXPERIENCE AS AN ON-CALL CONSULTANT & DESGINATED MUNICIPAL ENGINEER

- **Water**
  - Hydraulic system modeling
  - Design of pump stations, ground and elevated storage facilities, SCADA systems, water distribution systems, treatment facilities, and water wells
- **Wastewater**
  - Hydraulic system modeling
  - Design of collection systems, lift stations, treatment plant facilities, and effluent re-use distribution systems
- **Stormwater**
  - Hydrologic and hydraulic modeling
  - Design of collection and quality systems, detention and retention facilities, and pumping facilities
- **Roadways**
  - Reconstruction and rehabilitation of streets and alleys
  - Sidewalk and accessible route design

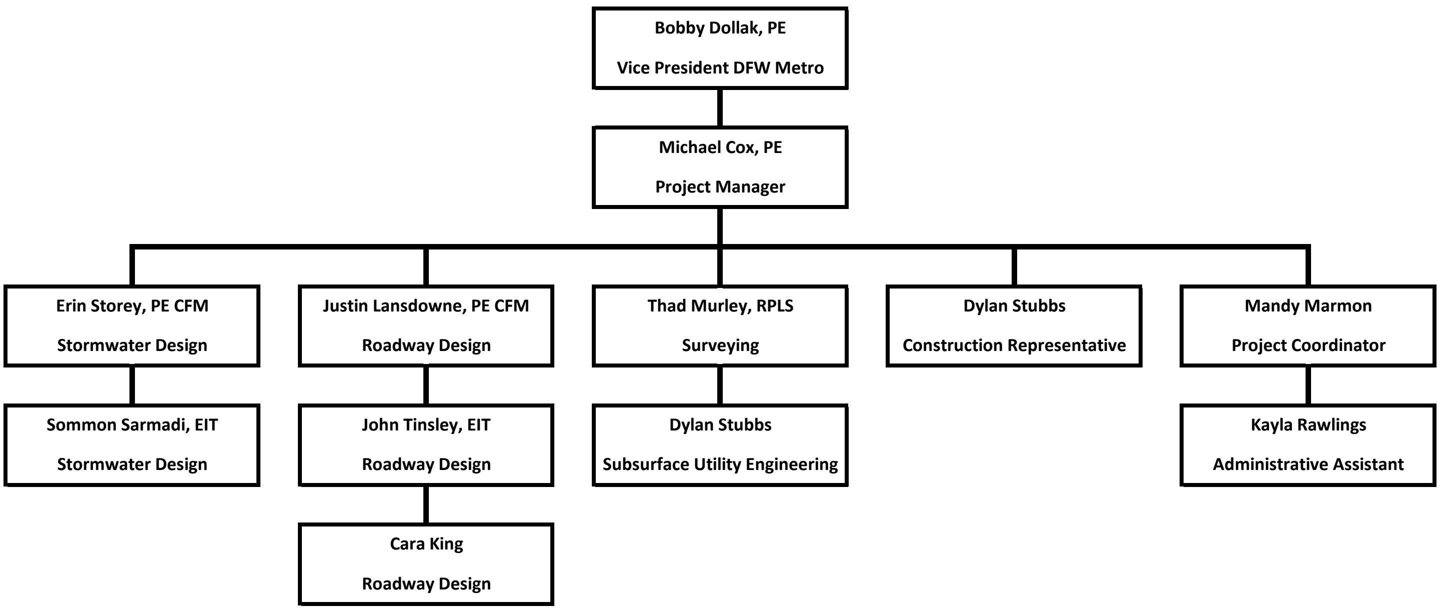
> **Solid Waste**
  - Landfill cell and leachate collection system design
> **Parks and Recreation**
  - Multi-use trails, pavilions and restroom facilities, parking lots and roadways, boat ramps, docks and piers, tennis courts, baseball and softball complexes, football fields, and gun ranges
> **Municipal Plan Review**
  - Residential, commercial, and industrial developments
  - Plats and easements
> **Regulatory Representation and Permitting**
  - Liaison between client and regulatory authorities (e.g., FEMA, TCEQ, TWDB, TXDOT, USACE)
> **Municipal Planning**
  - Capital improvement programs
  - Utility rate and impact fee studies
  - Master street, stormwater, water, and wastewater studies
> **Project Management**
  - Perform preliminary engineering services and create project budgeting
  - Prepare engineering contracts, oversee bid process, and manage construction projects

PARTIAL CLIENTS LISTING

- Barton WSC
- Friberg-Cooper WSC
- Harrold WSC
- Parker County SUD
- Parker WSC
- Santo WSC
- Wichita Valley WSC
- Windthorst WSC
- City of Azle
- City of Burkburnett
- City of Dublin
- City of Gordon
- City of Graford
- City of Graham
- City of Henrietta
- City of Holliday
- City of Iowa Park
- City of Newcastle
- City of Normangee
- City of Olney
- City of Petrolia
- City of Riesel
- City of Springtown
- City of Strawn
- City of Vernon
- City of Waco
- City of Wichita Falls
- City of Willow Park

HUNDLEY DRIVE RECONSTRUCTION PROJECT

PROJECT ORGANIZATION CHART



1. Specifications for contract by hourly charge, the following rates apply

ROLE	RATE
Chairman / President / Vice President	$290 - 400 /hour
Principal	$325 /hour
Director / Practice Lead	$145 - 265 /hour
Technical Manager	$135 - 240 /hour
Project Manager	$150 - 230 /hour
Assistant Project Manager	$120 - 175 /hour
Landscape Architect	$140 - 230 /hour
Planner	$110 - 190 /hour
Project Engineer	$130 - 240 /hour
Graphics + Visualization	$110 - 160 /hour
Designer / Analyst	$100 - 200 /hour
Intern	$55 - 100 /hour
Administrative Services	$80 - 110 /hour
Construction Administration	$100 - 155 /hour
2 Man Survey Crew	$155 - 175 /hour
3 Man Survey Crew	$185 - 200 /hour
UAS LiDAR Crew	$285 /hour
SUE Crew Member	$55 - 115 /hour

Hourly services are recorded and rounded to the nearest 1/4 hour.

2. The following charges apply on all contracts, for copies of plans and specifications sent out of the Engineer's office (to Owner, City regulatory agencies, bidders, contractor, other consultants, etc.):

ITEM	FEE	ITEM	FEE
Oversize + Color Rep.	$3.60 /each	Oversize Mylar Sepia	$24.00 /each
Paper Reproductions	$2.40 /each	Mylar Sepia	$18.00 /each
Specifications	$0.12 /each	Paper Sepia	$6.00 /each

3. The following rates are charged in addition to the above fees:

ITEM	FEE
Fees Paid for Permits and Applications	Cost Plus 10%
Outside Photocopying, Travel, Overnight Delivery, Postage for Mass Mailings	Cost Plus 10%
Subcontractor Invoices	Cost Plus 12.5%

4. Fees are subject to adjustment at the beginning of each calendar year.

5. Projects are billed on a monthly basis and invoices are due upon receipt. Invoices which have been not been paid within 30 days are past due and subject to finance charges of 1.5% per month.

OWNER'S INITIALS ____________ **DATE** ____________

COLLECTION SCHEDULE

> **Issuance** Client will be issued their invoice by McAdams within 30 days of the last day of the month in which the services were rendered.

> **Net 30 Days** Invoices are due in full within 30 days after issuance. Exceptions to this policy must be discussed with and agreed upon by a McAdams representative **prior** to the due date of any issued invoice. Exceptions must be made in writing and acknowledged by both parties.

> **Past 30 Days** Invoices that lapse 30 days without payment or notification are considered **past due**. McAdams will notify the client via email and confirm that invoices have been received, as well as advise that payment is due.

> **Past 45 Days** Invoices that lapse 45 days without payment or notification are considered **overtly past due**. McAdams will notify the client via email and as well as make contact via phone.

> **Past 60 Days** Invoices that lapse 60 days without payment or notification will have submittals for the project halted, and a formal letter issued to the client. This letter will:
- Outline the services rendered & state the client's past due balance.
- Notify a work hold for **all client projects** starting in 15-days (75 days from issuance).
- State the procedures for payment to remove halts and ratify current account status.

> **Past 75 Days** Invoices that lapse 75 days without payment or notification will result in the respective project AND all other projects placed on work hold on a case-by-case basis.

> **Past 90 Days** Invoices that lapse 90 days from issuance without payment or notification will be pursued by McAdams on a case-by-case basis with the potential for a lien to be placed on the property.

CLIENT

Initials: ___________________________________ Date: _______________________________

201 Country View Drive, Roanoke, TX 76262 / 940. 240. 1012

The proposal submitted by THE JOHN R. McADAMS COMPANY ("CONSULTANT") is subject to the following terms and conditions (collectively referred to as the "Agreement") and, by accepting the proposal or any part thereof, the CLIENT agrees and accepts the terms and conditions outlined below:

1. Payment

The CLIENT will pay CONSULTANT for services and expenses in accordance with periodic invoices to CLIENT and a final invoice upon completion of the services. Each invoice is due and payable in full upon presentation to CLIENT. Invoices are past due after 30 days. Past due amounts are subject to interest at a rate of one and one-half percent per month (18% per annum) on the outstanding balance from the date of the invoice.

In light of the obvious advantage of resolving questions and disputes regarding CONSULTANT's services and invoices quickly, CLIENT will notify CONSULTANT, in writing, of any questions or dissatisfaction which it may have regarding the cost, quality or appropriateness of services provided related to an invoice within ten (10) days of the invoice date. If CLIENT fails to provide such notice to CONSULTANT, CLIENT agrees that it waives its right to dispute the accuracy and appropriateness of all or part of the invoice. In no way shall Client's failure to dispute the accuracy or appropriateness of an invoice limit the Consultant's obligations to meet the Standard of Care.

If the CLIENT fails to make payment to the CONSULTANT within 30 days after the transmittal of an invoice, the CONSULTANT may, after giving 7 days written notice to the CLIENT, suspend services under this Agreement until all amounts due hereunder are paid in full. If an invoice remains unpaid after 60 days from invoice date, the CONSULTANT may terminate the Agreement and/or initiate legal proceedings to collect the fees owed, plus other reasonable expenses of collection including attorney's fees.

2. Notification of Breach or Default:

The CLIENT shall provide prompt written notice to the CONSULTANT if CLIENT becomes aware of any breach, error, omission or inconsistency arising out of CONSULTANT's work or any other alleged breach of contract by the CONSULTANT. The failure of CLIENT to provide such written notice within ten (10) days from the time CLIENT became aware of or should have become aware of the fault, defect, error, omission, inconsistency or breach, shall constitute a waiver by CLIENT of any and all claims against the CONSULTANT for damages arising out of such fault, defect, error, omission, inconsistency or breach to the extent that such damages could have been avoided or mitigated by CLIENT's having provided timely notice to CONSULTANT.

3. Representations of CLIENT:

CLIENT warrants and covenants that sufficient funds are available or will be available upon receipt of CONSULTANT's invoice to make payment in full for the services rendered by CONSULTANT.

4. Ownership of Instruments of Service:

All reports, plans, specifications, field data and notes and other documents, including all documents on electronic media, prepared by the CONSULTANT as instrument of service, shall remain the property of the CONSULTANT. The CONSULTANT shall retain all common law, statutory and other rights, including the copyright thereto. In the event of termination of this Agreement and upon full payment of fees owed to CONSULTANT, CONSULTANT shall make available to CLIENT copies of all plans and specifications.

5. Change Orders:

CONSULTANT will treat as a change order any written or oral order (including directions, instructions, interpretations or determinations) from CLIENT which request changes in the Agreement or CONSULTANT's scope of work. CONSULTANT will give CLIENT written notice within ten (10) days of a Change Order of any resulting increase in CONSULTANT's fees. CLIENT acknowledges and agrees that CONSULTANT shall have no obligation to take any action or perform any services in regards to a change order until CLIENT has provided written authorization to proceed (including CLIENT's agreement to pay CONSULTANT for the fees and costs associated therewith), and that CONSULTANT shall have no responsibility or liability for any damages or delays incurred by CLIENT as a result of CONSULTANT's not taking any action or performing any services until such written authorization is received.

6. Site Operations:

CLIENT will arrange for right-of-entry to the property for the purpose of performing studies, tests and evaluations pursuant to the agreed services. CLIENT represents that it possesses or will possess the necessary permits and licenses required for all ongoing activities at the site. If CONSULTANT is advised or given data in writing that shows the presence of underground or overground obstructions, such as utilities, CONSULTANT will give special instructions to our field personnel. However, CONSULTANT is not responsible for any damage or losses due to undisclosed or unknown surface or subsurface conditions, owned by CLIENT or third parties. CONSULTANT will take reasonable precautions to minimize damage to the property caused by our operations. CONSULTANT's fee does not include any cost of restoration due to any damage which may result and CONSULTANT is not responsible for any such repairs unless CONSULTANT fails to take reasonable precautions. If CLIENT desires CONSULTANT to repair such damage, CONSULTANT will comply and add the cost to our fee. Field tests or boring locations described in CLIENT's reports or shown on sketches prepared by CONSULTANT are based on specific information furnished by others or estimates made in the field by CONSULTANT's personnel. Such dimensions, depths or elevations should be considered as approximations unless otherwise stated in CONSULTANT's proposal or report. In no way does this section limit CONSULTANT'S obligation to meet the Standard of Care.

7. Hazardous Substances:

The CLIENT agrees to advise the CONSULTANT upon execution of this Agreement of any hazardous substances or any condition existing in, on or near the Project Site presenting a potential danger to human health, the environment or equipment. By virtue of entering into this Agreement or of providing Services hereunder, the CONSULTANT does not assume control of, or responsibility for, the Project Site or the person in charge of the Project Site or undertake responsibility for reporting to any federal, state or local public agencies, any conditions at the project site that may present a potential danger to the public, health, safety or environment except where required of the CONSULTANT by law. In the event CONSULTANT encounters hazardous or toxic substances or contamination significantly beyond that originally represented by CLIENT, CONSULTANT may suspend or terminate the Agreement. CLIENT acknowledges that CONSULTANT has no responsibility as a generator, treater, storer, or disposer of hazardous or toxic substances found or identified at a site and CLIENT agrees to defend, indemnify, and hold harmless CONSULTANT, from any claim or liability, arising out of CONSULTANT's performance of work under this Agreement and made or brought against CONSULTANT for any actual or threatened environmental pollution or contamination except to the extent that CONSULTANT has negligently caused such pollution or contamination.

8. Assignment and Third Parties:

Except as otherwise noted within this section, nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than the CLIENT and CONSULTANT, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of the CLIENT and the CONSULTANT and not for the benefit of any other party. Neither the CLIENT nor the CONSULTANT shall assign, sublet, or transfer any rights under or interests in this Agreement without the written consent of the other which shall not be unreasonably withheld; provided, however, that CLIENT may assign this Agreement without prior written consent of CONSULTANT to a single-purpose entity (SPE) formed by CLIENT for the purpose of undertaking the development of the project contemplated herein, with CLIENT remaining jointly responsible with the SPE for the payment of all sums due and owing to CONSULTANT under this Agreement (and any change order or additional work authorization issued in connection therewith), whether accruing before or after such assignment by CLIENT. However, nothing contained herein shall prevent or restrict the CONSULTANT from employing independent subconsultants as the CONSULTANT may deem appropriate to assist in the performance of services hereunder.

9. Project Site:

Should CLIENT not be owner of the project site, then CLIENT agrees to notify the OWNER(s) of the aforementioned possibility of unavoidable alteration and damage to the site. CLIENT further agrees to indemnify, defend and hold CONSULTANT harmless against any claims by the CLIENT or persons having possession of the site through the Owner which are related to such alteration or damage.

10. Survival:

All of CLIENT’s obligations and liabilities, including but not limited to, its indemnification obligations and limitations, and CONSULTANT’s rights and remedies with respect thereto, shall survive completion of the expiration or termination of this Agreement.

11. Unforeseen Occurrences:

If, during the performance of services hereunder, any unforeseen hazardous substance, material, element of constituent or other unforeseen conditions or occurrences are encountered which, affects or may affect the services, the risk involved in providing the service, or the recommended scope of services, CONSULTANT will promptly notify CLIENT thereof. Subsequent to that notification, CONSULTANT may: (a) if practicable, in CONSULTANT’s sole judgment and with approval of CLIENT, complete the original scope of services in accordance with the procedures originally intended in the Proposal; (b) Agree with CLIENT to modify the scope of services and the estimate of charges to include study of the previously unforeseen conditions or occurrences, such revision to be in writing and signed by the parties and incorporated herein; or (c) Terminate the services effective on the date of notification pursuant to the terms of the Agreement.

12. Force Majeure:

Should completion of any portion of the Agreement be delayed for causes beyond the control of or without the fault or negligence of CONSULTANT, including force majeure, the reasonable time for performance shall be extended for a period at least equal to the delay and the parties shall mutually agree on the terms and conditions upon which Agreement may be continued. Force majeure includes but is not restricted to acts of God, acts or failures of governmental authorities, acts of CLIENT’s contractors or agents, fire, floods, epidemics, riots, quarantine restrictions, strikes, civil insurrections, freight embargoes, and unusually severe weather.

13. Standard of Care:

CONSULTANT shall perform Agreement for CLIENT in a professional manner, using that degree of care and skill ordinarily exercised by and consistent with the standards of professionals providing the same services in the same or a similar locality as the project. There are no other warranties, expressed or implied, including warranties of merchantability or fitness for a particular purpose that will or can arise out of the services provided by CONSULTANT or this Agreement. CONSULTANT represents and warrants that it is duly licensed and/or legally authorized to perform the services contemplated by this Agreement. CONSULTANT agrees that any services performed hereunder failing to satisfy the Standard of will be promptly corrected or reperformed at no cost to CLIENT such that all services, once corrected or reperformed, satisfy the Standard of Care. If CONSULTANT is unable to carry out any such reperformance or correction, Client shall have the right to hire another professional to carry out such reperformance or correction and CONSULTANT shall reimburse CLIENT for the consultants fees specifically for the reperformance or correction by others.

14. Waiver of Consequential Damages/Limitation of Liability:

CLIENT agrees that CONSULTANT's aggregate liability for any and all claims that may be asserted by CLIENT is limited to the extent of the CONSULTANT'S insurance coverage. Both CLIENT and CONSULTANT hereby waive any right to pursue claims for consequential damages against one another, including any claims for lost profits.

15. Safety:

CONSULTANT is not responsible for site safety or compliance with the Occupational Safety and Health Act of 1970 ("OSHA"). Job site safety remains the sole exclusive responsibility of CLIENT or CLIENT's contractors, except with respect to CONSULTANT'S own employees. Likewise, CONSULTANT shall have no right to direct or stop the work of CLIENT's contractors, agents or employees.

16. Arbitration:

Any claim or other dispute arising out of or related to this Agreement shall be subject to Arbitration. Such claims and disputes shall first be subject to non- binding mediation, and if mediation is unsuccessful, shall be subject to Arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently ineffect. Any demand for Arbitration shall be filed in writing with the other party and with the American Arbitration Association.

17. Independent Contractor:

In carrying out its obligations, CONSULTANT shall be acting at all times as an independent contractor and not an employee, agent, partner or joint venturer of CLIENT. CONSULTANT's work does not include any supervision or direction of the work of other contractors, their employees or agents, and CONSULTANT's presence shall in no way create any liability on behalf of CONSULTANT for failure of other contractors, their employees or agents to properly or correctly perform their work.

18. Termination:

CLIENT may terminate the Agreement with or without cause and the CONSULTANT may terminate the Agreement with cause upon ten (10) days advance written notice, if the other party has not cured or taken reasonable steps to cure the breach giving rise to termination within the ten (10) day notice period. If CONSULTANT terminates for cause, CLIENT will pay CONSULTANT for all costs incurred, non- cancelable commitments, and fees earned to the date of termination and through demobilization, including any cancellation charges of vendors and subcontractors, as well as demobilization costs.

19. Severability:

If any provision of this Agreement, or application thereof to any person or circumstance, is found to be invalid then such provision shall be modified if possible, to fulfill the intent of the parties as reflected in the original provision, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by the law.

20. No Waiver:

No waiver by either party of any default by the other party in the performance of any provision of this Agreement shall operate as or be construed as a waiver of any future default, whether like or difference in character.

21. Merger, Amendment:

This Agreement constitutes the entire Agreement between the CONSULTANT and the CLIENT and negotiations, written and oral understandings between the parties are merged herein. This Agreement can be supplemented and/or amended only by a written document executed by both the CONSULTANT and the CLIENT.

22. Choice of Law:

The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the law of the State of Texas, excluding only its conflicts of laws principles.

23. Indemnity:

To the fullest extent permitted by law, CLIENT shall indemnify and hold harmless CONSULTANT from all claims for bodily injury and property damage (other than to the Project itself and other property insured by CLIENT or CONSULTANT), including reasonable attorneys' fees, costs, and expenses, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of CLIENT or anyone employed directly or indirectly by CLIENT.

To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless CLIENT from all claims for bodily injury and property damage (other than to the Project itself and other property insured by CLIENT or CONSULTANT), including reasonable attorneys' fees, costs, and expenses, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of CONSULTANT or anyone employed directly or indirectly by CONSULTANT.

24. Insurance:

Professional Liability Insurance with limits of no less than One Million Dollars ($1,000,000), issued by an insurance carrier licensed to provide such coverage in the state where the Project is located for all negligent acts, errors, and omissions by CONSULTANT and its employees, that arise out of this Agreement.

Commercial General Liability covering bodily injury and property damage (including the property of the CLIENT and Indemnitees) with minimum limits of One Million Dollars ($1,000,000) per occurrence, and Two Million Dollars ($2,000,000) aggregate. This policy shall be primary to any policy or policies carried by or available to the CLIENT and/or any Indemnitee(s).

Workers' Compensation/Employer's Liability Insurance in full accordance with the statutory requirements of the state or states where the services are to be performed and shall include bodily injury, occupational illness or disease coverage.

Automobile Liability Insurance covering all operations of CONSULTANT pursuant to this Agreement involving the use of motor vehicles, including all owned, non-owned and hired vehicles with minimum limits of not less than One Million Dollars ($1,000,000) combined single limit for bodily injury, death and property damage liability.

Excess Liability Insurance. CONSULTANT shall maintain excess liability insurance with a limit of not less than Two Million Dollars ($2,000,000). Such insurance shall be excess of the Commercial General Liability insurance, Business Auto Liability insurance and Employers Liability insurance. This insurance will apply as primary insurance with respect to any other insurance or self-insurance programs maintained by CLIENT and shall be provided on a "following form basis". Continuing commercial excess coverage, if any, shall include liability coverage for damage to the insured's completed work equivalent to that provided under ISO form CG 00 01.

Upon execution of this Agreement and at every date of renewal of that policy, CONSULTANT shall cause a Certificate of Insurance to be issued. Provision of a valid Certificate of Insurance that meets the requirements of this Agreement is a condition precedent to the payment of any amounts due to CONSULTANT by the CLIENT.

STATE OF TEXAS §
§ **Consultant Services Agreement**
COUNTY OF DENTON §

This Consultant Services Agreement ("Agreement") is made and entered into by and between the City of Lake Dallas, a Texas home rule municipality ("City") and Russ Kerbow ("Consultant"), acting for themselves or by and through their authorized representatives. (City and Consultant sometimes referred to hereafter collectively as "Parties" and individually as "Party.")

RECITALS

WHEREAS, City desires to engage the services of Consultant as an independent contractor and not as an employee in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, Consultant desires to provide consulting and advisory services to the Lake Dallas Chief of Police ("Chief") on an "as needed" basis, and in accordance with the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration the receipt and sufficiency of which are hereby acknowledged the parties agree as follows:

Article I
Term

1.1 The Initial Term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and shall continue for a period of one (1) year, unless sooner terminated as provided herein.

1.2 The City shall have the option to extend the Term of this Agreement for an additional one (1) year term ("Renewal Term") by providing written notice thirty (30) days prior to the expiration of the Initial Term.

1.3 Either Party may terminate this Agreement by giving thirty (30) days prior written notice to the other Party. In the event of such termination, Consultant shall be entitled to compensation for any services completed to the reasonable satisfaction of the City in accordance with this Agreement prior to such termination.

Article II
Scope of Services

2.1 Consultant shall provide consulting services and act as an advisor/mentor to the Chief of Police at the request of the Chief or City Manager on an "as needed basis".

2.2 Consultant shall, during normal work weeks, be available and engaged in City activities 20 hours or less per week. Consultant may perform the services required under this Agreement from Consultant's home when the performance of such services can be performed successfully without being present at City offices or at City offices.

2.3 Consultant shall be responsible for performing such tasks as may be assigned by the Chief. The Chief or City Manager shall be Consultant's primary points of contact under this Agreement.

Article III
Schedule of Work

Consultant agrees to commence work under this Agreement upon written direction from the City and shall complete the required services in accordance with a work schedule mutually established by the City and Consultant (the "Work Schedule"). Any work performed or expenses incurred by Consultant prior to Consultant's receipt of a Notice to Proceed from the City shall be entirely at Consultant's own risk.

Article IV
Compensation

4.1 Basic Compensation. Consultant shall be paid the sum of One Hundred Dollars ($100.00) per hour, and in an amount not to exceed Five Thousand Dollars ($5,000.00) for the term of this Agreement.

4.2 Vehicle Usage. Consultant shall use his personal vehicle for travel related to City business. City shall reimburse Consultant for use of his personal vehicle in City business based on the Internal Revenue Service per mile reimbursement rate in effect at the time the travel occurred. Consultant shall not be reimbursed for travel between Consultant's home and City Offices.

4.3 City Business Expenses. Consultant shall be reimbursed for expenses incurred on behalf of City provided the City Manager has approved the expense prior to the expense being incurred.

4.4 Other Travel Costs. Costs related to travel by Consultant on City-related business beyond 75 miles from the City Office must be approved in advance by the City Manager if Consultant desires to obtain reimbursement for any or all of such travel expenses. The type and amount of the expenses to be reimbursed shall be determined at the time of such approval.

4.5 Reimbursement of Expenses. All expenses that are reimbursable to Consultant shall be paid to Consultant within ten (10) business days after City's receipt of an invoice for payment and the supporting receipts or records.

Article V
Suspension of Work

The City shall have the right to immediately suspend work by Consultant if the City determines in its sole discretion that Consultant has, or will fail to perform, in accordance with this Agreement. In such event, any payments due Consultant shall be suspended until Consultant has taken satisfactory corrective action.

Article VI
Devotion of Time; Personnel; and Equipment

6.1 Devotion of Time, etc. Consultant shall devote such time as reasonably necessary for the satisfactory performance of the services under this Agreement. Should City require additional services not included under this Agreement, Consultant shall make reasonable effort to provide such additional services at mutually agreed charges or rates, and within the time schedule prescribed by City; and without decreasing the effectiveness of the performance of services required under this Agreement.

6.2 Supplies and Equipment. Other than the use of City equipment, supplies, and facilities when present at the City Office, Consultant shall furnish the facilities, equipment, and telephones necessary to perform the services required under this Agreement unless otherwise provided herein. City will provide Consultant with a City-owned laptop to be used solely for City business purposes.

Article VII
Relationship of Parties

It is understood and agreed by and between the Parties that in satisfying the conditions of this Agreement, Consultant is acting independently, and that the City assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by Consultant pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of the City. Consultant shall supervise the performance of his services and shall be entitled to control the manner and means by which his services are to be performed, subject to the terms of this Agreement. As such, the City shall not: train Consultant, require Consultant to devote his full-time services to the City, or dictate Consultant's sequence of work or location at which Consultant performs his work.

Article VIII
Availability of Funds

If monies are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, this Agreement shall be canceled and Consultant may only be compensated for the reasonable value of any non-recurring costs incurred but not amortized in the price of services delivered under this Agreement or which are otherwise not recoverable. The cost of cancellation may be paid from any appropriations for such purposes.

Article IX
Indemnification

CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF CONSULTANT PURSUANT TO THIS AGREEMENT. CONSULTANT HEREBY WAIVES ALL CLAIMS AGAINST THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS “CITY”) FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE COTY. CONSULTANT AGREES TO INDEMNIFY AND SAVE HARMLESS THE CITY FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, ATTORNEYS’ FEES AND COSTS OF INVESTIGATION) AND ACTIONS BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY THE CONSULTANT’S NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY ACT OR OMISSION ON THE PART OF CONSULTANT, ITS OFFICERS, DIRECTORS, SERVANTS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, SUBCONTRACTORS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO SOLE NEGLIGENCE OF THE CITY). IF ANY ACTION OR PROCEEDING SHALL BE BROUGHT BY OR AGAINST THE CITY IN CONNECTION WITH ANY SUCH LIABILITY OR CLAIM, CONSULTANT, ON NOTICE FROM THE CITY, SHALL DEFEND SUCH ACTION OR PROCEEDINGS AT CONSULTANT’S EXPENSE, BY OR THROUGH ATTORNEYS REASONABLY SATISFACTORY TO THE CITY. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

Article X
Confidentiality

10.1 City recognizes that Consultant has and will have access to the following information:

- Police Department policies and procedures; and
- Personnel information.

and other proprietary information (collectively, "Information") which are valuable, special, and unique assets of the City and its Police Department and need to be protected from improper disclosure. In consideration for the disclosure of the Information, Consultant agrees that Consultant will not at any time or in any manner, either directly or indirectly, use any Information for Consultant's own benefit, or divulge, disclose, or communicate in any manner any Information to any third party without the prior written consent of City. Consultant will protect the Information and treat it as strictly confidential. A violation of this paragraph shall be a material violation of this Agreement.

10.2 If it appears that Consultant has disclosed (or has threatened to disclose) Information in violation of this Agreement, City shall be entitled to an injunction to restrain Consultant from disclosing, in whole or in part, such Information, or from providing any services to any party to whom such Information has been disclosed or may be disclosed. City shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.

10.3 The confidentiality provisions of this Agreement shall remain in full force and effect after the termination of this Agreement.

10.4 Upon termination of this Agreement, Consultant shall deliver all records, notes, data, memoranda, models, and equipment of any nature that are in Consultant's possession or under Consultant's control and that are City's property or relate to City's business.

Article XI
Miscellaneous

11.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

11.2 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations granted and assumed under this Agreement.

11.3 Assignment. Consultant may not assign this Agreement in whole or in part without the prior written consent of the City Manager.

11.4 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

11.5 Governing Law. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the State District Court of Denton County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

11.6 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

11.7 Severability. 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 any other provisions, and the

Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

11.8 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.

11.9 Recitals. The recitals to this Agreement are incorporated herein.

11.10 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other party or address as either party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for City:

City of Lake Dallas
Attn: Interim City Manager
212 Main Street
Lake Dallas, Texas 75065

With Copy to:

City Attorney
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
500 North Akard, Suite 1800
Dallas, Texas 75201

If intended for Consultant:

Russ Kerbow
____
____
____
____

11.11 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties hereto.

11.12 Insurance. Consultant shall during the term hereof maintain in full force and affect a policy of automobile liability insurance covering any vehicles owned and/or operated by Consultant, its officers, agents, and employees, and used in the performance of this Agreement.

11.13 Conflicts of Interests. Consultant represents that no official or employee of the City has any direct or indirect pecuniary interest in this Agreement.

11.14 Compliance with Federal, State & Local Laws. Consultant shall comply in performance of services under the terms of this Agreement with all applicable laws, ordinances and regulations, judicial decrees or administrative orders, ordinances, and codes of federal, state and local governments, including all applicable federal clauses.

11.15 Force Majeure. No Party will be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, riots, civil disorders, acts of terrorism or any similar cause beyond the reasonable control of such Party, provided that the non-performing Party is without fault in causing such default or delay. The non-performing Party agrees to use commercially reasonable efforts to recommence performance as soon as possible.

11.16 Boycott Israel, Boycott Energy Companies, and Prohibition of Discrimination Against Firearm Entities and Firearm Trade Associations.

(a) Consultant verifies that it does not Boycott Israel and agrees that during the term of the Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.

(b) Consultant verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended.

(c) Consultant verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

(d) This section does not apply if Consultant is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Consultant has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement.

Signatures on Following Page

SIGNED AND AGREED on this _______ day of ________________, 2024.

City of Lake Dallas, Texas

By: ____________________________________
Tom Muehlenbeck, Interim City Manager

Approved as to Form:

By: ________________________________
Joe Gorfida Jr., City Attorney
(03-08-2024: FINAL 4863-5043-4219, v. 1)

SIGNED AND AGREED on this _______ day of ________________, 2024.

Consultant

____
Russ Kerbow

4863-5043-4219, v. 1