Monday, June 3, 2024
City Council Meeting

Council Chambers
3815 Sachse Road, Building B
6:30 PM

City Council meetings are streamed live online and available on-demand (https://sachsetx.swagit.com/live).

The City of Sachse reserves the right to reconvene, recess, or realign the meeting, called Executive Session, or order of business at any time prior to adjournment.

As authorized by Section 551.071(2) of the Texas Government Code, these meetings may be convened into closed Executive Session at any time during the meeting for the purpose of seeking confidential legal advice from the City Attorney on any agenda item listed herein.

A. Meeting Opening

1. Call to Order: The City Council of the City of Sachse will hold a Regular Meeting on Monday, June 3, 2024, at 6:30 PM to consider the following items of business:
2. Invocation and Pledges of Allegiance.
3. Consider approving the May 15, 2024, special meeting minutes.
4. Administer Oaths of Office for recently re-elected officials.
5. Consider electing the Mayor Pro Tem for 2024-2025.

B. Recognition

1. Present a proclamation recognizing June 1 through July 27, 2024, as Summer Reading 2024 in the City of Sachse.

C. Public Comment

1. The public is invited to address Council regarding any topic not already on the regular agenda. Comments regarding the Consent Agenda may be addressed during Public Comment. The time limit is 3 minutes per speaker. A Public Comment Card should be presented to the City Secretary prior to the meeting. According to the Texas Open Meetings Act, Council is prohibited from discussing any item not posted on the agenda but will take comments under advisement.

D. Council/Staff Reports and Updates

1. Mayor and City Council announcements regarding special events, current activities, and local achievements.

E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember so requests.

1. Approve the May 20, 2024, regular meeting minutes.

2. Accept the monthly revenue and expenditure report for the period ending April 30, 2024.

3. Accept the Quarterly Budget and Investment Reports for the quarter ending March 31, 2024.

F. Regular Agenda Items

1. Consider authorizing the City Manager to execute an agreement with Pattillo, Brown & Hill, L.L.P. (PB&H) to provide auditing services for the fiscal year ending September 30, 2024.

2. Receive early resident and stakeholder input regarding the fiscal year 2024-2025 budget.

3. Consider appointments of Council liaisons to the City's boards and commissions.

G. Executive Session

1. The City will convene into Executive Session pursuant to Section §551.074, Personnel Matters, to deliberate the appointment, employment, evaluation and duties of the municipal court prosecutor.

2. The City Council shall convene into Executive Session pursuant to Texas Government Code Section §551.087: Economic Development Deliberations: Deliberate the offer of a financial or other incentive relating to the development of Project Ruby.

3. The City Council shall convene into Executive Session pursuant to Texas Government Code Section §551.087: Economic Development Deliberations: Update regarding the mixed-use development of the 5th Street District project and consideration of a Master Development Agreement for the 5th Street District project.

4. The City Council shall convene into Executive Session pursuant to the Texas Government Code, Section §551.074 Personnel Matters: Regarding the mid-year review of the City Manager.

H. Regular Agenda Items / Meeting Closing

1. Take any action as a result of Executive Session regarding personnel matters related to the municipal court prosecutor.

2. Take any action as a result of Executive Session - deliberate the offer of a financial or other incentive relating to the development of Project Ruby.

3. Take any action as a result of Executive Session: Consider authorizing the City Manager to negotiate and execute a Master Developer Agreement on behalf of the City of Sachse for the development of the 5th Street District project, and any amendments and instruments related thereto.

4. Take any action as a result of Executive Session regarding the mid-year review of the City Manager.

5. Adjournment.

I, the undersigned authority, do hereby certify that this notice of a public meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall.

Leah K Granger

Leah K Granger, City Secretary

Posted: 05/30/2024 by 5 p.m. | Removed: ____________

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Logan Thatcher, ADA Coordinator, via phone at 972-495-1212, via email at lthatcher@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.

A. Meeting Opening

Subject:	**3. Consider approving the May 15, 2024, special meeting minutes.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action, Discussion
Fiscal Impact	None
Recommended Action	Approve the minutes as presented.
Goals	Provide excellent government services to Sachse citizens.

BACKGROUND
Minutes from the May 15, 2024, Council special meeting in which the May 4, 2024, General Election was canvassed and the results declared official.

POLICY CONSIDERATIONS
There are no policy considerations affiliated with this item.

RECOMMENDATION
Approve the minutes as presented.

File Attachments
1. CityCouncil_Special_Minutes_05.15.2024

CITY COUNCIL OF THE CITY OF SACHSE
MAY 15, 2024, MEETING MINUTES

The City Council of the City of Sachse held a special meeting on Wednesday, May 15, 2024, at 6:00 PM at Sachse City Hall, 3815-B Sachse Road. Those present were: Councilmember Frank Millsap, Mayor Jeff Bickerstaff, Councilmember Lindsay Buhler, Councilmember Chance Lindsey, Mayor Pro Tem Brett Franks, Councilmember Michelle Howarth.

Those absent were: Councilmember Matt Prestenberg.

A. Special Meeting

1. Call to Order: The City Council of the City of Sachse will hold a special meeting on Wednesday, May 15, 2024, at 6:00 PM to consider the following items of business:

Mayor Bickerstaff called the meeting to order at 6:00 PM

2. Consider an ordinance canvassing the returns and declaring the results of the General Election held on Saturday, May 4, 2024, for the purpose of electing a Councilmember Place 1 and Councilmember Place 2.

City Secretary Leah Granger read the voting results of the May 4, 2024, General Election into the record.

Councilmember Place 1

	Early Voting In-Person	Early Voting by Mail	Election Day In-Person	Early Voting Provisional	Total	Vote %
Atif Ahmed	217	10	141	0	368	28.86%
Brett Franks	**491**	**71**	**345**	**0**	**907**	**71.14%**
TOTALS	**708**	**81**	**486**	**0**	**1,275**	**100.00%**
Overvotes	0	0	0	0	0	
Undervotes	12	0	3	0	15	

Councilmember Place 2

	Early Voting In-Person	Early Voting by Mail	Election Day In-Person	Early Voting Provisional	Total	Vote %
Nisar Razvi	178	6	123	0	307	24.35%
Beau Hooten	72	19	58	0	149	11.82%
Michelle Howarth	**453**	**56**	**296**	**0**	**805**	**63.84%**
TOTALS	**703**	**81**	**477**	**0**	**1,261**	**100.00%**
Overvotes	0	0	0	0	0	
Undervotes	17	0	12	0	29	

Councilmember Lindsey made a motion to approve item as presented. Councilmember Buhler seconded the motion, and it carried 6 - 0. None voted against.

3. Adjournment.

Mayor Bickerstaff adjourned the meeting at 6:03 p.m.

____
Jeff Bickerstaff, Mayor

ATTEST:

____
Leah K Granger, City Secretary

A. Meeting Opening

Subject:	**4. Administer Oaths of Office for recently re-elected officials.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Procedural
Fiscal Impact	None
Recommended Action	Administer the Oaths of Office to recently re-elected Councilmembers.
Goals	Provide excellent government services to Sachse citizens.

BACKGROUND

The City held a General Election on Saturday, May 4, 2024, to elect a Councilmember Place 1 and Councilmember Place 2. The results were canvassed at the May 15 Council meeting. The Oath of Office is to be administered to those duly elected: Councilmember Place 1, Brett Franks, and Councilmember Place 2, Michelle Howarth.

POLICY CONSIDERATIONS

Per the City Charter and Election Code, newly elected officials shall be inducted into office at the first regular or specially called City Council meeting following the meeting in which the election is canvassed and certified.

RECOMMENDATION

Administer the Oaths of Office to recently re-elected Councilmembers.

File Attachments None

A. Meeting Opening

Subject:	**5. Consider electing the Mayor Pro Tem for 2024-2025.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action, Discussion
Fiscal Impact	None
Recommended Action	Elect _____________ as Mayor Pro Tem for 2024-2025.
Goals	Provide excellent government services to Sachse citizens.

BACKGROUND

Previous Mayor Pro Tems for the last ten years are as follows:

Brett Franks 2022/2024
Jeff Bickerstaff 2021/2022
Brett Franks December 2020 to June 2021
Michelle Howarth October 2019 to December 2020
Bill Adams June 2019 to October 2019
Cullen King 2018/2019
Paul Watkins 2017/2018
Charlie Ross 2016/2017
Brett Franks 2015/2016
Jeff Bickerstaff 2014/2015

POLICY CONSIDERATIONS

Sachse Home Rule Charter 3.05 (2) states:
"The mayor pro tem shall be a city council member elected by the city council at the first regular meeting after each regular election of the city council members and/or mayor. The mayor pro tem shall temporarily act as mayor during the disability or absence of the mayor, and in this capacity shall have the rights conferred upon the mayor."

RECOMMENDATION

Elect _____________ as Mayor Pro Tem for 2024-2025.

File Attachments
None

B. Recognition

Subject:	**1. Present a proclamation recognizing June 1 through July 27, 2024, as Summer Reading 2024 in the City of Sachse.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Recognition
Fiscal Impact	None
Recommended Action	Present a proclamation recognizing Summer Reading 2024.
Goals	Provide a high quality of life environment for families; individuals; businesses; and other organizations in Sachse.

BACKGROUND

Each year, the Sachse Public Library encourages literacy, education, and lifelong learning by hosting an annual Summer Reading Challenge for children, teens, and adults. The theme for Summer Reading 2024 is "Adventure Begins at Your Library," and the Sachse Public Library invites residents and readers of all ages to participate from June 1 through July 27, 2024.

Library Services Manager Daniel Laney will accept the proclamation.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Present a proclamation recognizing Summer Reading 2024.

File Attachments

1. Summer Reading Proclamation 2024

Proclamation

WHEREAS, the mission of the Sachse Public Library is to link people to the world by enriching lives, creating community, and inspiring curiosity; and

WHEREAS, the Sachse Public Library provides an annual Summer Reading Program with a variety of special activities featuring music, science, animals, crafts, games, and much more for residents and readers of all ages; and

WHEREAS, the theme for the 2024 Summer Reading Program is "Adventure Begins at Your Library;" whether you're diving into a thrilling novel, exploring new worlds, or embarking on a literary journey, your local library is the gateway to exciting adventures; and

WHEREAS, kids, teens, and adults are invited to participate in age-appropriate reading challenges and can earn prizes and entries into grand prize drawings after completing the Summer Reading Challenge; and

NOW, THEREFORE, I, Jeff Bickerstaff, Mayor of the City of Sachse, do hereby proclaim June 1 through July 27, 2024, as

Summer Reading 2024

in Sachse and encourage all residents to participate in the Summer Reading Challenge.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas, to be affixed on this 3rd day of June 2024.

Gold
Seal

Jeff Bickerstaff, Mayor

E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember so requests.

Subject:	**1. Approve the May 20, 2024, regular meeting minutes.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action (Consent), Minutes
Fiscal Impact	None
Recommended Action	Approve the minutes as presented.
Goals	

BACKGROUND
Minutes from the May 20, 2024, Council regular meeting.

POLICY CONSIDERATIONS
There are no policy considerations affiliated with this item.

RECOMMENDATION
Approve the minutes as presented.

File Attachments
1. CityCouncil_Regular_Minutes_05.20.2024

CITY COUNCIL OF THE CITY OF SACHSE
MAY 20, 2024, MEETING MINUTES

The City Council of the City of Sachse held a regular meeting on Monday, May 20, 2024, at 6:30 PM at Sachse City Hall, 3815-B Sachse Road. Those present were: Councilmember Frank Millsap, Councilmember Lindsay Buhler, Councilmember Chance Lindsey, Mayor Pro Tem Brett Franks, Mayor Jeff Bickerstaff, Councilmember Michelle Howarth, Councilmember Matt Prestenberg.

Those absent were: *Councilmember Matt Prestenberg arrived at 6:32 p.m.*

A. Meeting Opening

1. Call to Order: The City Council of the City of Sachse will hold a Regular Meeting on Monday, May 20, at 6:30 p.m. to consider the following items of business:

Mayor Bickerstaff called the meeting to order at 6:30 PM

2. Invocation and Pledges of Allegiance.

Mayor Pro Tem Franks offered the invocation and Councilmember Millsap led the pledges.

B. Recognition

1. Recognize Margaret Bryant, recipient of the 2024 City of Sachse Scholarship.

Councilmember Matt Prestenberg entered the meeting at 6:32 p.m.

Mayor Bickerstaff presented the 2024 Sachse Scholarship to Margaret Bryant, a high school senior and Sachse resident. This scholarship is made possible by CWD.

2. Present a proclamation recognizing Emergency Medical Services (EMS) Week.

Mayor Bickerstaff presented a proclamation to the administration staff of the Sachse Fire-Rescue to recognize EMS Week.

C. Public Comment

1. The public is invited to address Council regarding any topic not already on the regular agenda. Comments regarding the Consent Agenda may be addressed during Public Comment. The time limit is 3 minutes per speaker. A Public Comment Card should be presented to the City Secretary prior to the meeting. According to the Texas Open Meetings Act, Council is prohibited from discussing any item not posted on the agenda but will take comments under advisement.

The following Sachse residents addressed Council:

Name	**Regarding**
Dee Dewitt	the status of the Blackburn/Ingram Road widening project.

	- Ms. Nash noted that the project was considered during the 2021 Bond package preparation but was not selected to be voted on. Staff is looking into options, but there is no timeline at this time.
Candice Jannise	benefits for disabled caregivers.
Michael Jones	thanking Public Works for the work on his alley.

D. Council/Staff Reports and Updates

1. Mayor and City Council announcements regarding special events, current activities, and local achievements.

Mayor Pro Tem Franks invited the public to attend the Memorial Day ceremony on Monday, May 27. He also announced the pickle ball family luau night on May 29 and the next summer concert at J.K. Sachse Park on June 7 at 7 p.m. featuring 80's Mixtape. Councilmember Millsap encouraged everyone to check out activities at the Library through the City website or Facebook. Councilmember Buhler recognized the end of school and wished all families good luck and have fun for the summer.

Ms. Nash commented on Item D2, referencing the previous Council meeting at which several residents of The Station asked for stop signs at an intersection. She and Police Chief Sylvester will be meeting with interested residents of that neighborhood to discuss their concerns. Ms. Nash recalled a traffic study that was completed in 2022, and though staff stands behind that study, there may be other traffic-calming options that can be explored.

Mayor Bickerstaff's announcements:

- The first Farmers Market in Sachse, which supports local businesses, was a great success. The next market is on June 8, from 9 a.m. to 1 p.m., and will be hosted on the second Saturday of each month through October.
- The last pop-up park of the season will be on May 25 from noon until 2 p.m. at Joe & Patricia Stone Park. No registration is required. More information is on the City website.
- The Memorial Day Flag Ceremony on May 27 includes Jackie Eichelberger as the featured guest speaker.
- Safewise.com ranked Sachse as the eighth safest city in Texas. Thank you to the Sachse Police Department for all they do to protect the community.
- Early Voting for the Primary Runoff Election runs through May 24, and Election Day is May 28. Please contact your residing county or Leah Granger at the City with any questions.

2. Report on Public Comment from the May 6, 2024, City Council meeting.

Ms. Nash addressed item D2 during item D1.

E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember so requests.

1. Approve the May 6, 2024, meeting minutes.

2. Authorize the City Manager or their designee to approve an amended agreement for live-streaming services with Granicus Productions, LLC. to increase the annual amount from $56,795 to $59,635 using The Interlocal Purchasing System (TIPS) purchasing cooperative.

Councilmember Buhler made a motion to approve the Consent Agenda as presented. Councilmember Prestenberg seconded the motion, and it carried 7 - 0.

F. Regular Agenda Items

1. Consider rejecting all bids for the construction of the Bailey Road Reconstruction Project, BP-21-B01.

Ms. Nash noted that Bailey-Hooper Road was the first major roadway to be undertaken in association with the 2021 Bond. The City received eight sealed bids in April. All bidders were rejected due to poor referrals, failure to follow instructions, or overall incomplete bids. Staff recommends rebidding the project with revised contract language and clearer directions to bidders. Ms. Nash noted that the process would be turned around quickly in order to keep it as close to schedule as possible.

Matthew Holboke, Sachse resident, addressed the Council regarding the timing of the revised bid opening and details of the bids received. Ms. Nash reiterated that staff will work with the City Attorney and the rebid will be turned around as soon as possible, roughly a month. This could lead to a month or two delay from the original schedule. She noted that the bids were not of the quality that would be desired for a project of this nature.

Councilmember Howarth made a motion to approve the item as presented. Councilmember Millsap seconded the motion, and it carried 7 - 0.

2. Receive an update from the Neighborhood Services division.

Ray Mendez, Neighborhood Services Manager, provided a review of the department's activities and services for the current fiscal year. He emphasized the top five code violations, with bulk trash and vegetation topping the list. The number of bulk trash violations is approximately 54% less than it was at the same time last year. Major accomplishments for the year include the X-treme Green recycling event and successful testing of the Solid Waste Education and Enforcement Program in the Westgate neighborhood to address improper placement of bulk trash.

G. Executive Session

1. The City Council shall convene into Executive Session pursuant to the Texas Government Code, Section §551.071(2) to consult with legal counsel on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code; wholesale water rates imposed by North Texas Municipal Water District (NTMWD) paid by Sachse as a customer city.

Mayor Bickerstaff adjourned the Council to Executive Session at 7:15 p.m.

The Council returned to Regular Session at 7:56 p.m.

H. Regular Agenda Items / Meeting Closing

1. Take action as a result of Executive Session pursuant to the Texas Government Code, Section §551.071(2) consultation with legal counsel.

No action was taken.

2. Adjournment.

Mayor Bickerstaff adjourned the meeting at 7:56 p.m.

____
Jeff Bickerstaff, Mayor

ATTEST:

____
Leah K Granger, City Secretary

E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember so requests.

Subject:	**2. Accept the monthly revenue and expenditure report for the period ending April 30, 2024.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action (Consent)
Fiscal Impact	None
Recommended Action	Accept the monthly revenue and expenditure report for the period ending April 30, 2024.
Goals	Be a model of financial stewardship through growth management; responsible investment; and financial transparency.

BACKGROUND

The Finance Department prepares a report each month to update the City Council regarding revenues and expenditures for the City. Included in the report are unaudited summaries for the General Fund, Utility Fund, Debt Service Fund, Sachse Economic Development Corporation, and the Sachse Municipal Development District, as well as a report of the year-to-date sales tax revenue.

POLICY CONSIDERATIONS

City Charter section 7.16(4) says the City Manager shall submit to the City Council each month a report covering revenues and expenditures of the City in such a form as requested by the City Council.

RECOMMENDATION

Accept the monthly revenue and expenditure report for the period ending April 30, 2024.

File Attachments

1. All Funds April 2024
2. Sales Tax Report May 2024

City of Sachse

Monthly Revenue and Expenditure Report

April 30, 2024 (Unaudited)

GENERAL FUND

	Annual Budget	Current Month Actual	YTD Actuals	58% of Year Completed YTD Actuals % of Budget	Note
Revenue Summary					
Property Tax	$ 16,716,996	$ (1,439,913)	$ 16,339,215	98%	**A**
Sales Tax	2,875,000	201,135	1,714,032	60%	
Franchise Fees	2,211,000	187,163	1,192,811	54%	
Licenses and Permits	1,076,000	` 25,281	308,256	29%	**B**
Service Fees	1,590,300	217,093	817,460	51%	**C**
Fines	250,000	38,935	164,871	66%	
Interest Income	420,000	80,352	572,036	136%	**D**
Miscellaneous Income	561,443	51,754	377,859	67%	**E**
Intergovernmental Revenue	1,543,687	128,640	900,480	58%	
Total Revenue	**$ 27,244,426**	**$ (509,561)**	**$ 22,387,020**	**82%**	
Expenditure Summary					
Animal Services	$ 306,808	$ 26,627	$ 191,973	63%	**F**
City Manager	963,828	80,961	519,679	54%	
City Secretary	268,759	17,573	135,099	50%	**G**
Combined Services	528,778	8,596	349,418	66%	**H**
Development Services	1,205,277	93,537	539,218	45%	**I**
Engineering	391,816	35,862	190,211	49%	**J**
Facilities Maintenance	697,806	49,582	466,182	67%	**K**
Finance	901,786	46,696	576,464	64%	**L**
Fire-Rescue	7,048,888	561,688	4,336,693	62%	
Human Resources	578,457	40,472	301,663	52%	**M**
Information Technology	1,127,676	170,726	708,154	63%	
Library	886,420	53,277	446,883	50%	**N**
Municipal Court	296,512	24,927	169,424	57%	
Neighborhood Services	1,173,903	94,817	675,884	58%	
Parks	4,229,298	344,916	2,422,179	57%	
Police	7,288,534	587,405	4,372,741	60%	
Recreation	815,225	75,404	485,640	60%	
Senior Activity Center	219,318	14,785	112,901	51%	**O**
Streets	5,593,827	442,680	3,227,714	58%	
Total Expenditures	**$ 34,522,916**	**$ 2,770,530**	**$ 20,228,121**	**59%**	
Revenue Over/(Under) Expenses	**$ (7,278,490)**	**$ (3,280,091)**	**$ 2,158,900**		**P**
Beginning Fund Balance October 1, 2023			**$ 16,236,684**		

*Includes City Council-approved budget amendment - Ord. 4128, November 6, 2023.

See following page for explanation of major variances

Explanation of General Fund Major Variances:

A Property Tax receipts peak in December and January. Current month collection decreases with transfer to TIRZ

B Building permit activity trending lower due to timing of anticipated residential and commercial construction

C Developer and Plan review activity trending slightly lower due to timing of anticipated residential and commercial construction

D Interest revenue trending strong due to favorable interest rates

E Revenue collections include TML Insurance recoveries exceeding budget

F Veterinarian Services expense timing increases YTD % of Budget spent trend

G Election expense timing decreases YTD % of Budget spent trend

H Insurance and attorney expense timing increases YTD % of Budget spent trend

I Professional Services timing decreases YTD % of Budget spent trend

J Maintenance and Support Contract and Vehicle expense timing decreases YTD % of Budget spent trend

K Expenses exceed "YTD Actuals % of Budget" spend primarily due to Building Repairs and Maintenance expense timing

L Expenses exceed "YTD Actuals % of Budget" spend primarily due to Software Licensing, Professional Services and Appraisal Services expense timing

M Software Licensing and Recruitment and Retention timing decreases YTD % of Budget spent trend

N Library Materials expense timing decreases YTD % of Budget spent trend

O Expenses below "YTD Actuals % of Budget" spend primarily due to Employee Training expense timing

P Current Month Actual variance due to timing of revenue collections and expenses

City of Sachse

Monthly Revenue and Expenditure Report

April 30, 2024 (Unaudited)

UTILITY FUND

58% of Year Completed

		Annual Budget		Current Month Actual		YTD Actuals	YTD Actuals % of Budget	Note
Revenue Summary								
Water Revenue	$	9,575,500	$	635,234	$	4,384,826	46%	**A**
Sewer Revenue		6,500,000		581,892		3,955,873	61%	
Drainage Revenue		230,000		19,587		137,068	60%	
Fees		206,000		13,545		96,365	47%	**B**
Interest Income		290,000		92,056		660,089	228%	**C**
Intergovernmental Revenue		2,000,000		166,667		1,166,669	58%	
Miscellaneous Revenue		25,000		150,098		163,626	655%	**D**
Total Revenue	**$**	**18,826,500**	**$**	**1,659,079**	**$**	**10,564,516**	**56%**	
Expenditure Summary								
Utility Administration	$	572,725	$	36,207	$	394,642	69%	**E**
Water Operations		11,298,506		1,054,830		6,489,685	57%	
Sewer Operations		17,990,613		750,239		5,858,631	33%	**F**
Stormwater Projects		700,000		49,371		305,460	44%	**G**
Total Expenditures	**$**	**30,561,844**	**$**	**1,890,646**	**$**	**13,048,418**	**43%**	
Beginning Fund Balance October 1, 2023					**$**	**23,612,908**		
Revenue Over/(Under) Expenses	**$**	**(11,735,344)**	**$**	**(231,568)**	**$**	**(2,483,902)**		**H**

Explanation of Major Variances:

A Water Revenue collections variance at current point in the year is due to seasonality

B Fee revenue trending low primarily due to solid waste activity reconciliation

C Interest revenue trending strong due to favorable interest rates

D Miscellaneous Revenue trending high due to unanticipated one-time developer contributions

E Expenses exceed "YTD Actuals % of Budget" spend due to timing of Professional Services, Software Licensing, Credit Card Processing Fees, and Banking Charges and Fees

F Expenses below "YTD Actuals % of Budget" spend due to timing of capital project expenses

G Expenses below "YTD Actuals % of Budget" spend due to timing of stormwater utility rate study expenses

H Current Month Actual variance due to timing of revenue collections and expenses

City of Sachse

Monthly Revenue and Expenditure Report

April 30, 2024 (Unaudited)

SACHSE ECONOMIC DEVELOPMENT CORPORATION

58% of Year Completed

	Annual Budget	Current Month Actual	YTD Actuals	YTD Actuals % of Budget	Note
Revenue Summary					
Sales Tax	$ 1,430,000	$ 97,103	$ 837,783	59%	
Other Income	10,000	-	-	0%	**A**
Interest Income	100,000	25,536	157,183	157%	**B**
Total Revenue	**$ 1,540,000**	**$ 122,638**	**$ 994,967**	**65%**	
Expenditure Summary					
Expenditures	$ 909,632	$ 53,954	$ 484,332	53%	
Total Expenditures	**$ 909,632**	**$ 53,954**	**$ 484,332**	**53%**	
Revenue Over/(Under) Expenses	**$ 630,368**	**$ 68,685**	**$ 510,635**		
Beginning Fund Balance October 1, 2023			**$ 5,604,432**		

Explanation of Major Variances:

A Garland ISD grant for Fiscal Year 2022-2023 received in November and applied to prior fiscal year

B Interest revenue trending strong due to favorable interest rates

City of Sachse

Monthly Revenue and Expenditure Report

April 30, 2024 (Unaudited)

DEBT SERVICE FUND

58% of Year Completed

		Annual Budget		Current Month Actual		YTD Actuals	YTD Actuals % of Budget	Note
Revenue Summary								
Property Tax	$	7,111,584	$	(613,603)	$	6,953,462	98%	**A**
Interest Income		50,000		12,257		109,240	218%	**B**
Total Revenue	**$**	**7,161,584**	**$**	**(601,346)**	**$**	**7,062,702**	**99%**	
Expenditure Summary								
Fees	$	548,016	$	450	$	2,430	0%	**C**
Principal		4,740,000		-		4,740,000	100%	**D**
Interest		1,744,018		-		918,622	53%	**E**
Total Expenditures	**$**	**7,032,034**	**$**	**450**	**$**	**5,661,052**	**81%**	
Revenue Over/(Under) Expenses	**$**	**129,550**	**$**	**(601,796)**	**$**	**1,401,650**		
Beginning Fund Balance October 1, 2023					**$**	**1,415,879**		

Explanation of Major Variances:

A Property Tax receipts peak in December and January. Current month collection decreases with transfer to TIRZ

B Interest revenue trending strong due to favorable interest rates

C Expenses below "YTD Actuals % of Budget" spend due to timing of Agent Fees and Financing Costs

D Principal payments are primarily due in February

E Interest payments are primarily due in February and August

City of Sachse

Monthly Revenue and Expenditure Report

April 30, 2024 (Unaudited)

MUNICIPAL DEVELOPMENT DISTRICT

58% of Year Completed

	Annual Budget	Current Month Actual	YTD Actuals	YTD Actuals % of Budget	Note
Revenue Summary					
Sales Tax	$ 750,000	$ 47,518	$ 411,101	55%	
Interest Income	1,000	2,043	11,234	1123%	**A**
Total Revenue	**$ 751,000**	**$ 49,561**	**$ 422,335**	**56%**	
Expenditure Summary					
Expenditures	$ 886,500	$ 230,333	$ 335,332	38%	**B**
Total Expenditures	**$ 886,500**	**$ 230,333**	**$ 335,332**	**38%**	
Revenue Over/(Under) Expenses	**$ (135,500)**	**$ (180,772)**	**$ 87,003**		
Beginning Fund Balance October 1, 2023			**$ 270,140**		

Explanation of Major Variances:

A Interest revenue trending strong due to favorable interest rates

B Reflects J.K. Sachse Park construction expenditures in current reporting period

CITY OF SACHSE
2023/2024 SALES TAX REPORT

	FY 2024								FY 2023	
	Economic Dev. Corp.	Municipal Dev. Dist.	Street Maint.	General Fund				Total[1]	General Fund	Total[1]
					Year-To-Date (YTD)	YTD % of Budget	YTD Growth Over Prior Yr			
Month	*0.50%*	*0.25%*	*0.25%*	*1.00%*				*2.00%*	**Year-To-Date**	*2.00%*
October	$110,567	$53,734	$55,283	$221,133	$221,133	8%	-2%	$440,717	$224,603	$447,710
November	137,846	66,508	68,923	275,692	496,825	18%	2%	548,968	486,894	522,100
December	113,465	55,754	56,733	226,931	723,756	26%	1%	452,883	713,752	452,381
January	116,901	57,430	58,451	233,803	957,558	34%	0%	466,585	961,683	494,146
February	159,640	77,520	79,820	319,281	1,276,839	45%	0%	636,261	1,275,400	624,980
March	102,261	52,637	51,130	204,521	1,481,361	52%	0%	410,549	1,477,638	402,980
April	97,103	47,518	48,551	194,206	1,675,566	59%	0%	387,379	1,668,624	380,762
May	165,055	81,273	82,528	330,110	2,005,676	71%	4%	658,966	1,924,897	510,577
June									2,136,770	422,369
July									2,369,100	462,992
August									2,662,303	584,425
September									2,914,309	502,377
TOTAL	$1,002,838	$492,374	$501,419	$2,005,676				$4,002,308		$5,807,801
BUDGET	**$1,430,000**	**$750,000**	**$725,000**	**$2,825,000**				**$5,730,000**	**$2,630,000**	**$5,355,000**

Notes

[1]- Includes General Fund, Economic Development, Municipal Development District, Street Maintenance, and General Fund

- Sales tax displayed as cash-basis, reflecting distributions from Texas Comptroller for month revenue was received
- Cash receipts are received two months after month of activity (i.e. October sales tax transaction revenue received in December)
- Excludes 380 Agreement grants
- Excludes mixed beverage sales tax

E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember so requests.

Subject:	**3. Accept the Quarterly Budget and Investment Reports for the quarter ending March 31, 2024.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action (Consent)
Fiscal Impact	None
Recommended Action	Accept the Quarterly Budget and Investment Reports for the quarter ending March 31, 2024.
Goals	Be a model of financial stewardship through growth management; responsible investment; and financial transparency.

BACKGROUND

The Finance Department provides budget and investment reports on a quarterly basis to provide the Council with an update on the City's finances. The budget report includes revenues and expenditures for the General and Utility Funds, Debt Service, Impact Fee, Special Revenue, Streets Maintenance Tax, Health Insurance, and Municipal Development District, as well as a summary of capital project expenditures. The investment report provides an overview of investment activity details for the Checking, Money Market, Investment Pool, and Certificate of Deposit accounts.

Quarterly Budget and Investment Reports are provided for the quarter ending March 31, 2024. Beginning with this quarter, the Quarterly Budget Report is reported in a new format to better match the City's Budget Document.

POLICY CONSIDERATIONS

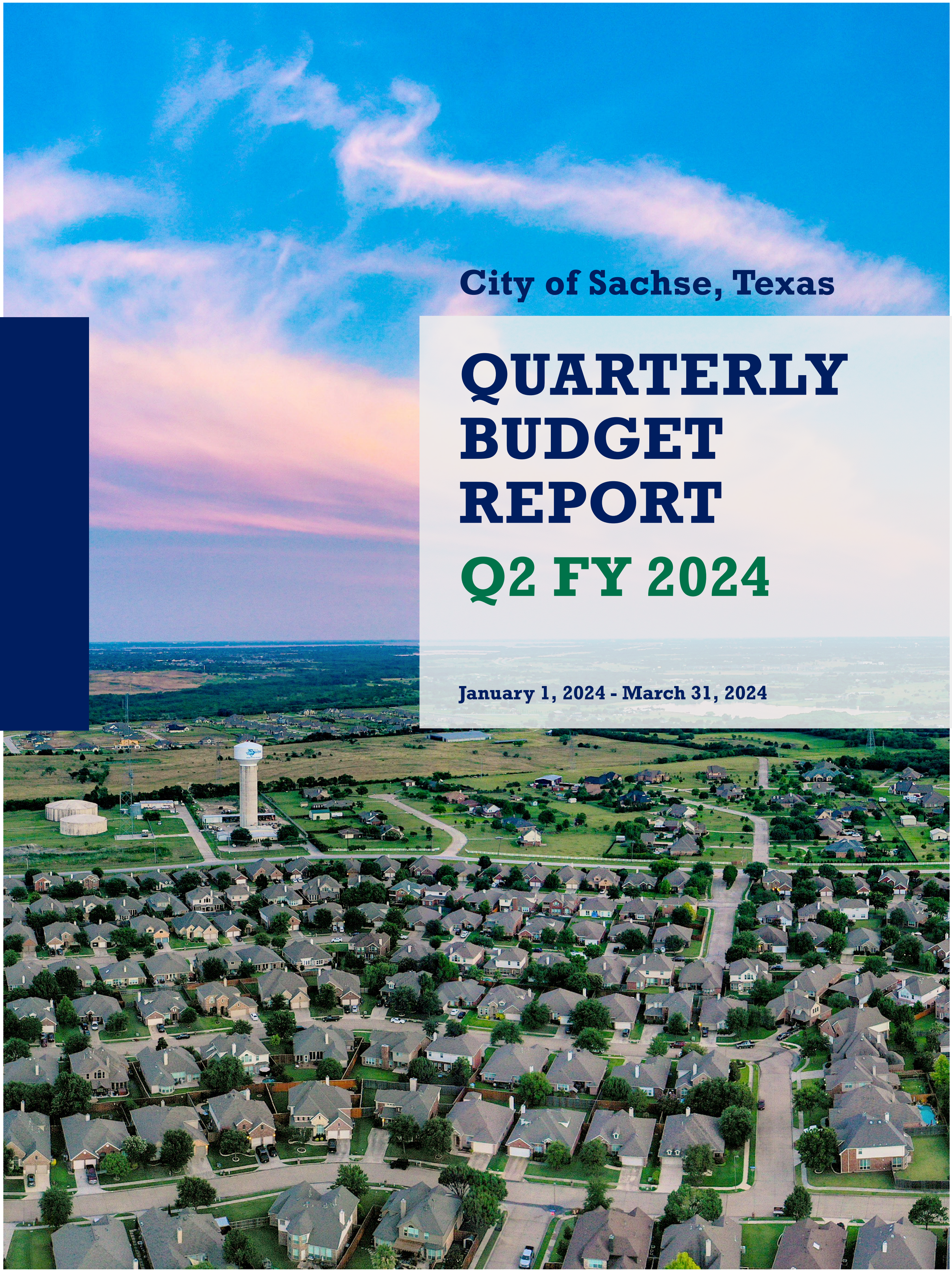
Sachse Comprehensive Financial Management Policy Section VI.E. Capital Improvements/Project Reporting requires not less than quarterly, the investment officer prepare and submit a written report of investment transactions for all funds conveyed by the Investment Policy. The City's Investment Policy is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of Sachse and conforming to the PFIA, and other state and local statutes governing the investment of public funds.

RECOMMENDATION

Accept the Quarterly Budget and Investment Reports for the quarter ending March 31, 2024.

File Attachments

1. Quarterly Budget Report FY 2024 Q2 2024.03.31
2. Quarterly Investment Report FY 2024 Q2 2024.03.31



City of Sachse, Texas

QUARTERLY BUDGET REPORT

Q2 FY 2024

January 1, 2024 - March 31, 2024

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FINANCE DEPARTMENT MEMO

Finance Department Memo

TO: Gina Nash, City Manager

FROM: David Baldwin, Finance Director

SUBJ: Quarterly Budget Report For 2nd Quarter Ending March 31st, 2024

DATE: June 3, 2024

CC: Mayor and City Council

Attached is the unaudited 2nd Quarter Budget Report for the 2024 fiscal year. The fiscal year for the City of Sachse is October 1st through September 30th. 50% of the fiscal year was complete as of the end of March 2024.

Overall, the City has received $40.8 million through the 2nd quarter, representing 73.6% of budgeted revenues.

City-Wide Revenues

Fund	Budget	YTD	% Collected
General Fund	$ 27,244,426	$ 22,896,581	84.0%
Utility Fund	18,826,500	8,876,583	47.2%
Debt Service Fund	7,161,584	7,664,049	107.0%
Special Revenue Fund	225,475	69,418	30.8%
Impact Fee Fund	1,225,000	860,252	70.2%
Street Maintenance Tax Fund	750,000	419,967	56.0%
Health Insurance	40,000	26,987	67.5%
Total	**$ 55,472,985**	**$ 40,813,837**	**73.6%**

Year-to-date expenditures totaled $35.4 million for the 2nd quarter, representing 46.6% of budgeted expenditures.

City-Wide Operating Expenditures

Fund	Budget	YTD	% Collected
General Fund	$ 34,522,916	$ 17,515,306	50.7%
Utility Fund	30,561,844	11,100,067	36.3%
Debt Service Fund	7,032,034	5,660,602	80.5%
Special Revenue Fund	174,000	17,808	10.2%
Impact Fee Fund	2,120,000	1,060,002	50.0%
Street Maintenance Tax Fund	1,450,000	-	0.0%
Health Insurance	80,000	50,482	63.1%
Total	**$ 75,940,794**	**$ 35,404,267**	**46.6%**

Revenue

- Total General Fund revenues are $22,896,581 or 84.0% of expected collections. Total revenues increased $2,312,270 compared to the same period last fiscal year.
- Sales tax revenues are 52.3% of expected collections, at $1,477,225 collected.
- Franchise fees are at $1,005,647 , or 45.5% of budget; a decrease of $15,970 from last year through the same period.
- General Fund current property tax revenues are 106.4% collected at $17,779,128; a $2,284,365 increase over last fiscal year through the same period.
- Collections for Licenses & Permits are a total of $282,975 , or 26.3% of expected collections, an increase of $66,602 from last year through the same period.
- Fees are $595,910 , or 37.5% of budget; a decrease of $68,132 compared to the same period last fiscal year.
- Court fine revenues are $127,375 or 51.0% of anticipated collections.
- Utility Fund revenues are $8,876,583 or 47.2% of budget.
- Special Revenue Fund revenues are $69,418 or 30.8% of budget.
- Impact Fee Fund revenues are $860,252 or 70.2% of the year's budget.
- Sales tax revenue in the Street Maintenance Tax Fund is $370,340 or 51.1% of budgeted collections for the current fiscal year.

Expenditures

- Total General Fund expenditures are $17,515,306 or 50.7% expended.
- Utility Fund expenditures are $11,100,067, or 36.3% of budget; an increase of $3,179,759 from the prior fiscal year.
- Capital Project expenditures across all funds total $9,325,548 year-to-date. This includes $2,017,073 of project expenditures in the Utility Fund.

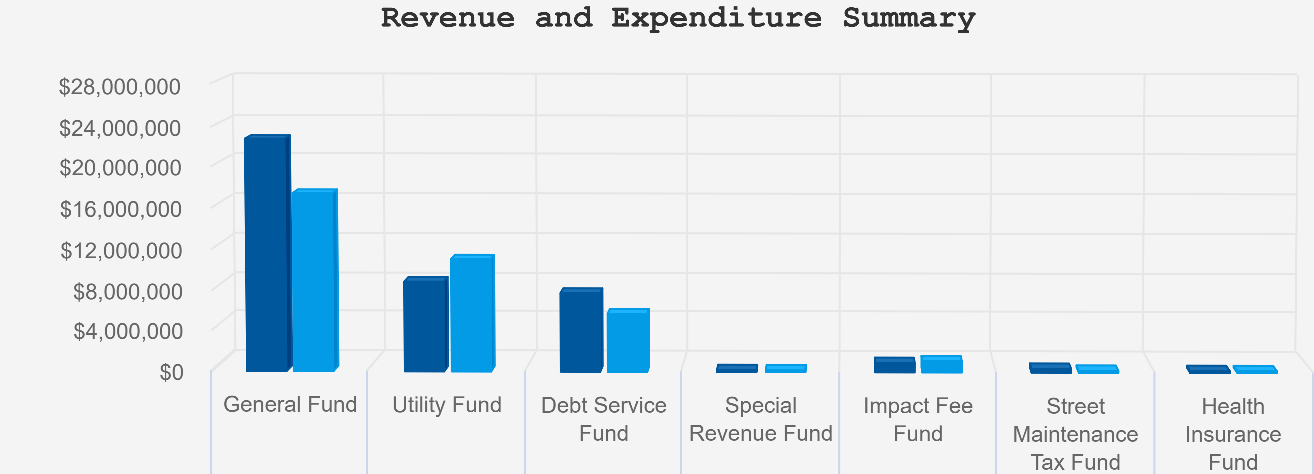
Component Units

- Sales tax revenue in the Municipal Development District Fund is $363,582 or 48.5% of budget, an increase of $5,150 over the previous fiscal year.
- Sachse Economic Development Corporation had expenditures totaling $430,378 or 47.3% of budget.

Revenue and Expenditure Summary and Changes in Fund Balance Reserves
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	General Fund	Utility Fund	Debt Service Fund	Special Revenue Fund	Impact Fee Fund	Street Maintenance Tax Fund	Health Insurance Fund	Total
Revenues								
Budget	$ 27,244,426	$ 18,826,500	$ 7,161,584	$ 225,475	$ 1,225,000	$ 750,000	$ 40,000	$ 55,472,985
YTD Actual	22,896,581	8,876,583	7,664,049	69,418	860,252	419,967	26,987	40,813,837
Budget Remaining	$ 4,347,845	$ 9,949,917	$ (502,465)	$ 156,057	$ 364,748	$ 330,033	$ 13,013	$ 14,659,148
% of Budget	84.04%	47.15%	107.02%	30.79%	70.22%	56.00%	67.47%	73.57%
Expenditures								
Budget	$ 34,522,916	$ 30,561,844	$ 7,032,034	$ 174,000	$ 2,120,000	$ 1,450,000	$ 80,000	$ 75,940,794
YTD Actual	17,515,306	11,100,067	5,660,602	17,808	1,060,002	-	50,482	35,404,267
Budget Remaining	$ 17,007,610	$ 19,461,777	$ 1,371,432	$ 156,192	$ 1,059,998	$ 1,450,000	$ 29,518	$ 40,536,527
% of Budget	50.74%	36.32%	80.50%	10.23%	50.00%	0.00%	63.10%	46.62%
Net Over/(Under)	**$ 5,381,275**	**$ (2,223,484)**	**$ 2,003,447**	**$ 51,610**	**$ (199,750)**	**$ 419,967**	**$ (23,495)**	**$ 5,409,570**

Note - FY 2024 budget includes City Council-approved budget amendment - Ordinance 4218 adopted on November 6, 2023.



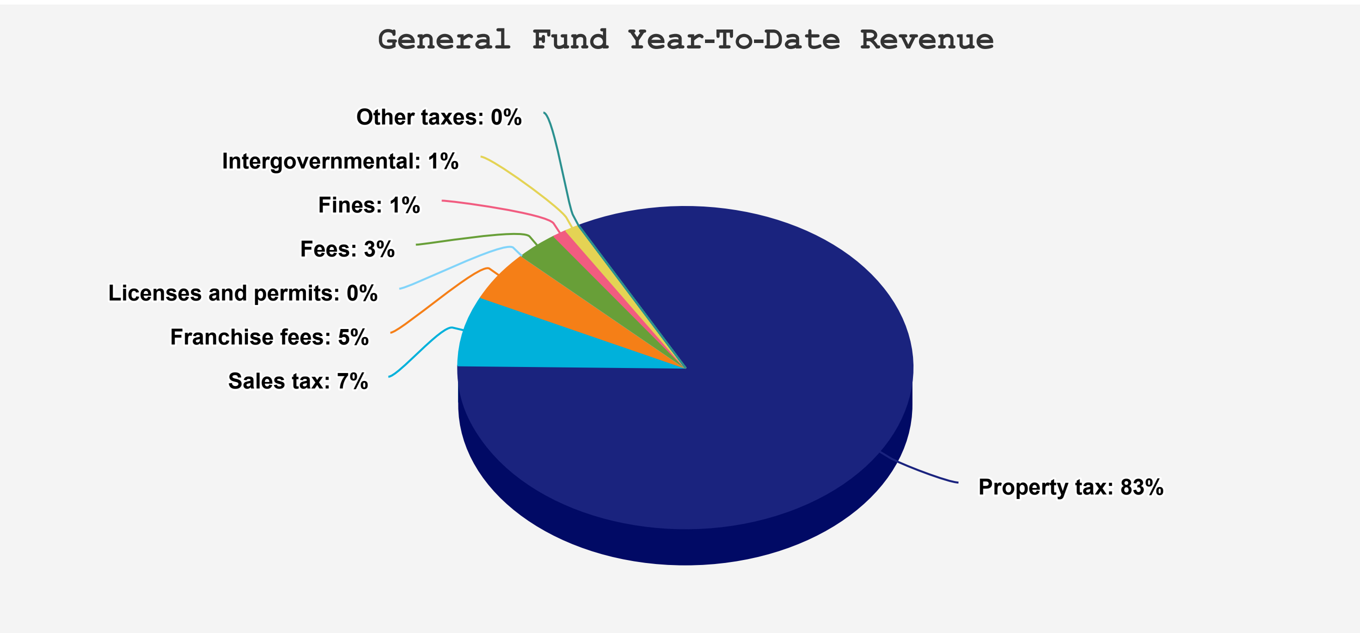
	General Fund	Utility Fund	Debt Service Fund	Special Revenue Fund	Impact Fee Fund	Street Maintenance Tax Fund	Health Insurance Fund
Revenue	$22,896,581	$8,876,583	$7,664,049	$69,418	$860,252	$419,967	$26,987
Expenditures	$17,515,306	$11,100,067	$5,660,602	$17,808	$1,060,002	$0	$50,482

REVENUE AND EXPENDITURE SUMMARY AND CHANGES IN FUND BALANCE RESERVES

GENERAL FUND REVENUES

General Fund Revenues
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	FY 2023		FY 2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Property tax	$ 14,734,419	$ 15,494,763	$ 16,716,996	$ 17,779,128	$ (1,062,132)	106.35%
Sales tax	2,630,000	1,442,236	2,825,000	1,477,225	1,347,775	52.29%
Franchise fees	1,946,750	1,021,617	2,211,000	1,005,647	1,205,353	45.48%
Licenses and permits	1,963,600	216,373	1,076,000	282,975	793,025	26.30%
Fees	1,537,800	664,042	1,589,300	595,910	993,390	37.50%
Fines	205,000	124,726	250,000	127,375	122,625	50.95%
Intergovernmental	320,000	159,760	400,000	193,702	206,298	48.43%
Other taxes	40,000	38,081	50,000	35,673	14,327	71.35%
Miscellaneous	112,150	435,787	582,443	627,106	(44,663)	107.67%
Transfers in	1,733,328	986,926	1,543,687	771,840	771,847	50.00%
Total Revenues	**$ 25,223,047**	**$ 20,584,311**	**$ 27,244,426**	**$ 22,896,581**	**$ 4,347,845**	**84.04%**

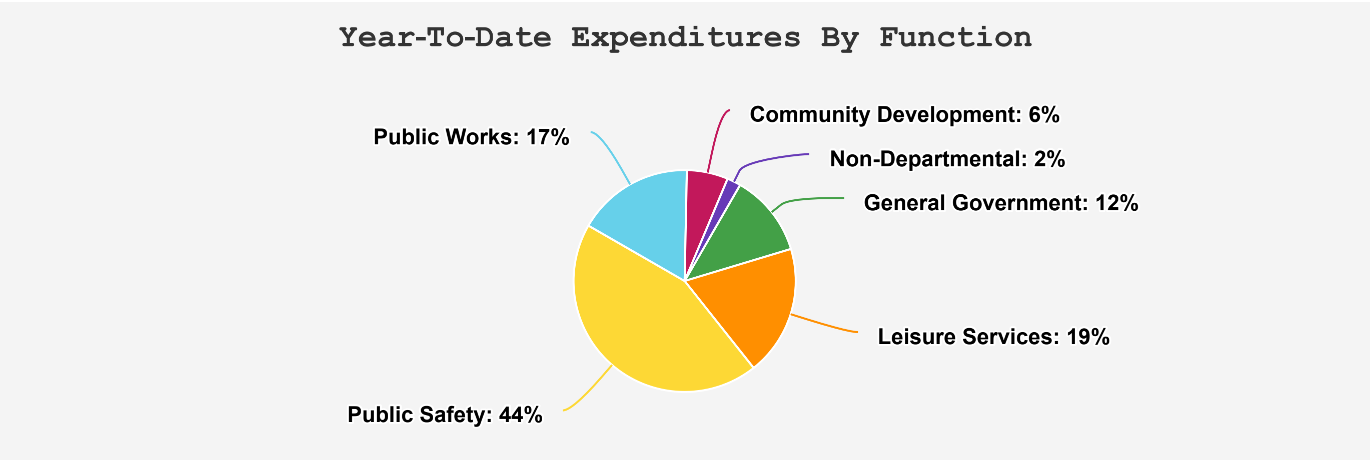


General Fund Expenditures
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	FY 2023		FY 2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
General Government						
City Manager	$ 880,103	$ 417,871	$ 963,828	$ 438,719	$ 525,109	45.52%
City Secretary	230,338	125,777	268,759	117,528	151,231	43.73%
Finance	864,221	423,410	901,786	529,767	372,019	58.75%
Human Resources	594,270	225,463	578,457	261,191	317,266	45.15%
Information Technology	996,487	651,443	1,127,676	537,428	590,248	47.66%
Municipal Court	277,808	138,560	296,512	144,496	152,016	48.73%
	3,843,227	**1,982,524**	**4,137,018**	**2,029,129**	**2,107,889**	**49.05%**
Leisure Services						
Facilities Maintenance	675,762	398,243	697,806	416,602	281,204	59.70%
Library	680,936	315,409	886,420	393,606	492,814	44.40%
Parks	1,192,255	621,029	4,229,298	2,077,262	2,152,036	49.12%
Recreation	536,429	302,041	815,225	410,237	404,988	50.32%
Senior Activity Center	257,343	91,633	219,318	98,118	121,200	44.74%
	3,342,725	**1,728,355**	**6,848,067**	**3,395,825**	**3,452,242**	**49.59%**
Public Safety						
Animal Services	280,041	152,107	306,808	165,347	141,461	53.89%
Fire-Rescue	6,216,501	3,275,406	7,048,888	3,775,008	3,273,880	53.55%
Police	6,634,829	3,453,304	7,288,534	3,785,335	3,503,199	51.94%
	13,131,371	**6,880,817**	**14,644,230**	**7,725,690**	**6,918,540**	**52.76%**
Public Works						
Engineering	529,947	195,080	391,816	227,285	164,531	58.01%
Streets	2,156,182	990,406	5,593,827	2,769,808	2,824,019	49.52%
	2,686,129	**1,185,486**	**5,985,643**	**2,997,093**	**2,988,550**	**50.07%**
Community Development						
Development Services	1,426,383	492,490	1,205,277	445,680	759,597	36.98%
Neighborhood Services	258,846	122,033	1,173,903	581,067	592,836	49.50%
	1,685,229	**614,523**	**2,379,180**	**1,026,747**	**1,352,433**	**43.16%**
Non-Departmental	**559,225**	**351,173**	**528,778**	**340,822**	**187,956**	**64.45%**
Total Expenditures	**$ 25,247,906**	**$ 12,742,878**	**$ 34,522,916**	**$ 17,515,306**	**$ 17,007,610**	**50.74%**

Note - FY 2024 budget includes City Council-approved budget amendment - Ordinance 4218 adopted on November 6, 2023.

Note - FY 2023 budget includes City Council-approved budget amendments - Ordinance 4103 adopted on April 3, 2023; Ordinance 4122 adopted on September 18, 2023.

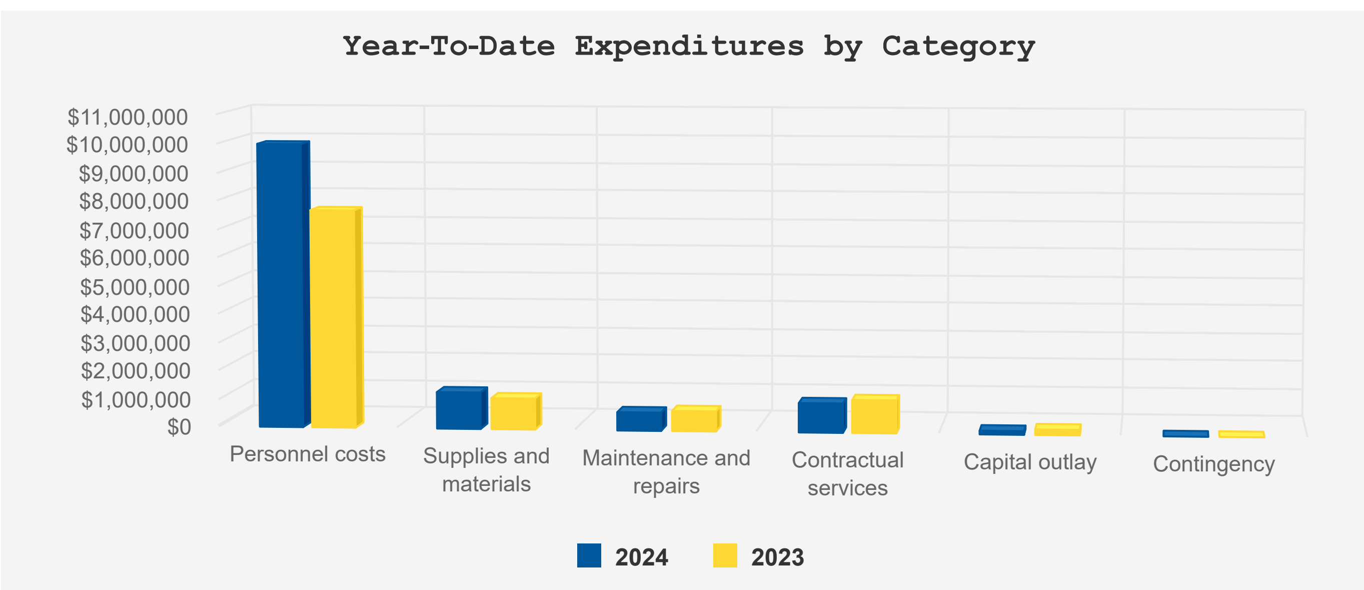


General Fund Expenditures by Category
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	Fiscal Year	Budget	Year-to-Date	Budget Remaining	% of Budget
Personnel costs	2024	$ 19,564,445	$ 10,046,698	$ 9,517,747	51.35%
	2023	15,778,762	7,718,360	8,060,402	48.92%
Supplies and materials	2024	2,783,639	1,326,177	1,457,462	47.64%
	2023	2,180,103	1,093,003	1,087,100	50.14%
Maintenance and repairs	2024	1,121,550	646,791	474,759	57.67%
	2023	1,547,642	721,527	826,115	46.62%
Contractual services	2024	2,069,510	1,045,010	1,024,500	50.50%
	2023	2,305,421	1,162,404	1,143,017	50.42%
Capital outlay	2024	277,796	147,640	130,156	53.15%
	2023	462,439	224,285	238,154	48.50%
Contingency	2024	100,000	-	100,000	-%
	2023	100,000	-	100,000	-%
Transfers out	2024	8,605,976	4,302,990	4,302,986	50.00%
	2023	2,873,539	1,823,299	1,050,240	63.45%
Total Expenditures	**2024**	**34,522,916**	**17,515,306**	**17,007,610**	**50.74%**
	2023	**25,247,906**	**12,742,878**	**12,505,028**	**50.47%**

Note - FY 2024 budget includes City Council-approved budget amendment - Ordinance 4218 adopted on November 6, 2023.

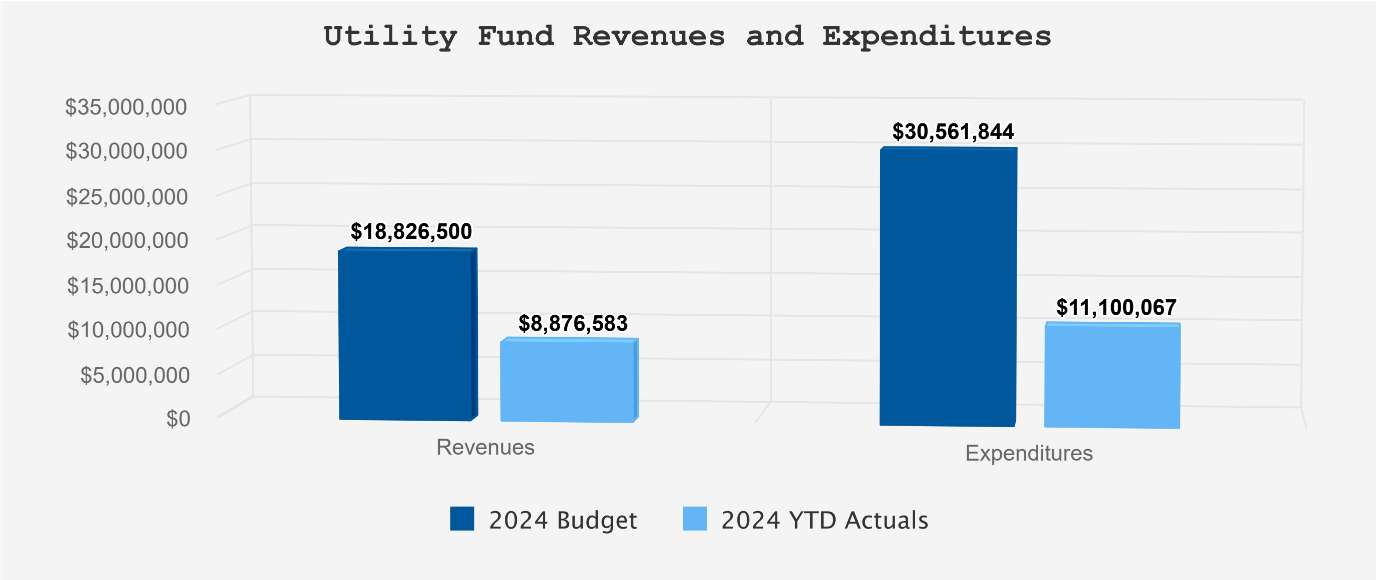
Note - FY 2023 budget includes City Council-approved budget amendments - Ordinance 4103 adopted on April 3, 2023; Ordinance 4122 adopted on September 18, 2023.



Utility Fund Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	2023		2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues						
Water revenue	$ 8,300,000	$ 3,402,635	$ 9,500,000	$ 3,669,418	$ 5,830,582	38.63%
Sewer revenue	5,900,000	3,266,236	6,500,000	3,373,981	3,126,019	51.91%
Drainage revenue	222,000	113,597	230,000	117,482	112,518	51.08%
Water tap charges	500	-	500	-	500	-%
Meter installation charge	130,000	17,203	75,000	51,319	23,681	68.43%
Reconnection charges	30,000	16,765	35,000	14,585	20,415	41.67%
Penalties	110,000	68,880	140,000	65,912	74,088	47.08%
Solid waste admin charge	26,500	14,571	30,000	14,914	15,086	49.71%
Auction proceeds	-	73,005	25,000	13,088	11,912	52.35%
Miscellaneous receipts	875	1,310	1,000	(12,152)	13,152	(1215.20%)
Interest	72,500	348,459	290,000	568,034	(278,034)	195.87%
Transfers in	-	-	2,000,000	1,000,002	999,998	50.00%
Total Revenues	**$ 14,792,375**	**$ 7,322,661**	**$ 18,826,500**	**$ 8,876,583**	**$ 9,949,917**	**47.15%**
Expenditures						
Utility Administration	$ 525,059	$ 279,943	$ 572,725	$ 358,438	$ 214,287	62.58%
Water	8,303,590	4,381,059	11,298,506	5,406,001	5,892,505	47.85%
Sewer	9,300,721	3,229,471	17,990,613	5,079,538	12,911,075	28.23%
Stormwater Drainage	120,000	29,835	700,000	256,090	443,910	36.58%
Total Expenditures	**$ 18,249,370**	**$ 7,920,308**	**$ 30,561,844**	**$ 11,100,067**	**$ 19,461,777**	**36.32%**

Note - FY 2023 budget includes City Council-approved budget amendment - Ordinance 4122 adopted on September 18, 2023.

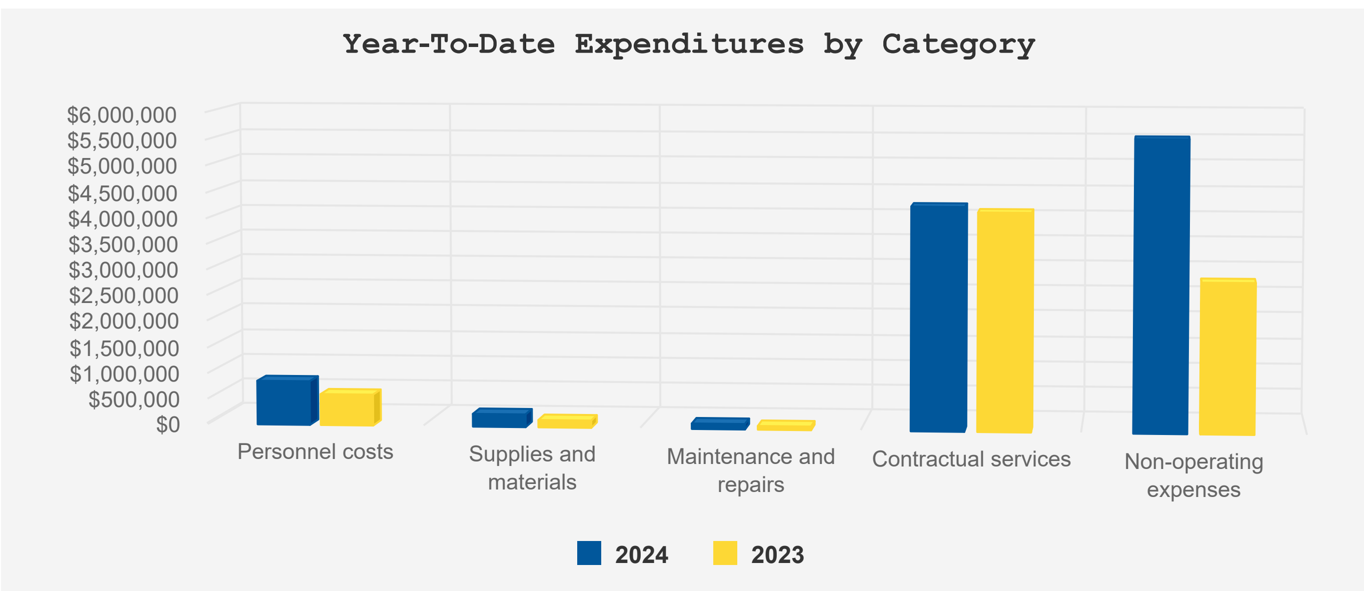


UTILITY FUND EXPENDITURES BY CATEGORY

Utility Fund Expenditures by Category
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

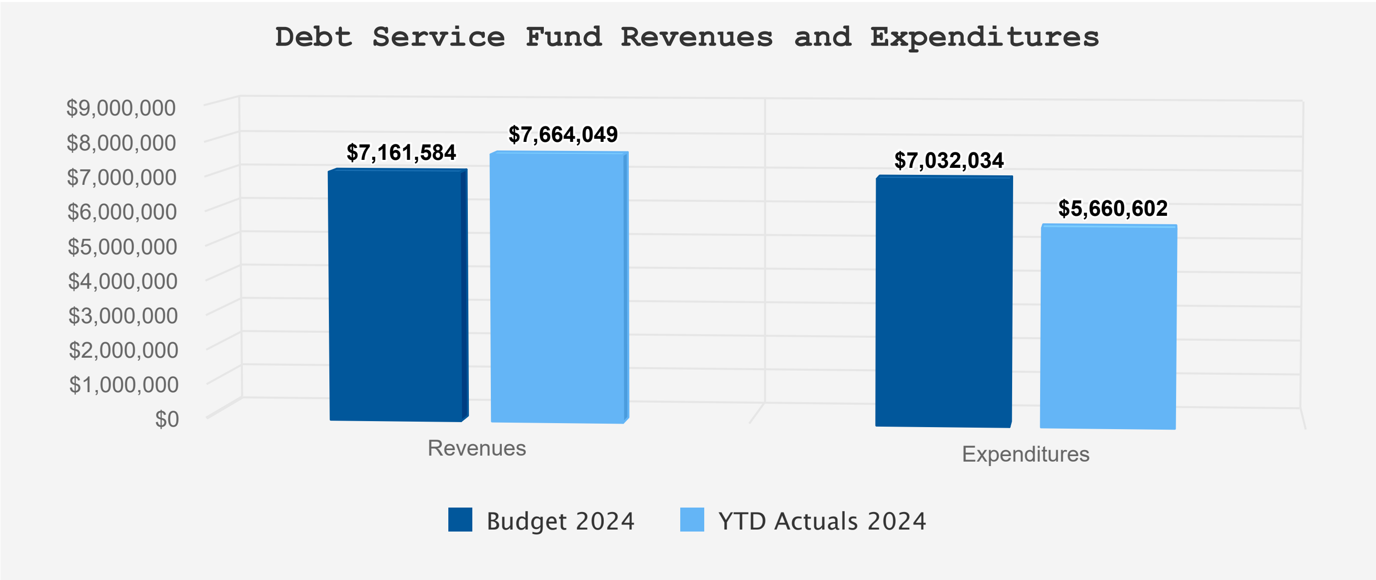
	Fiscal Year	Budget	Year-to-Date	Budget Remaining	% of Budget
Personnel costs	2024	$ 1,791,512	$ 837,706	$ 953,806	46.76%
	2023	1,348,651	604,392	744,259	44.81%
Supplies and materials	2024	335,747	229,665	106,082	68.40%
	2023	354,173	146,559	207,614	41.38%
Maintenance and repairs	2024	389,465	122,056	267,409	31.34%
	2023	299,470	78,611	220,859	26.25%
Contractual services	2024	8,920,907	4,291,601	4,629,306	48.11%
	2023	8,113,242	4,206,986	3,906,256	51.85%
Non-operating expenses	2024	19,124,213	5,619,039	13,505,174	29.38%
	2023	8,133,834	2,883,760	5,250,074	35.45%
Total Expenditures	**2024**	**30,561,844**	**11,100,067**	**19,461,777**	**36.32%**
	2023	**18,249,370**	**7,920,308**	**10,329,062**	**43.40%**

Note - FY 2023 budget includes City Council-approved budget amendments - Ordinance 4103 adopted on April 3, 2023; Ordinance 4122 adopted on September 18, 2023.



Debt Service Fund Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

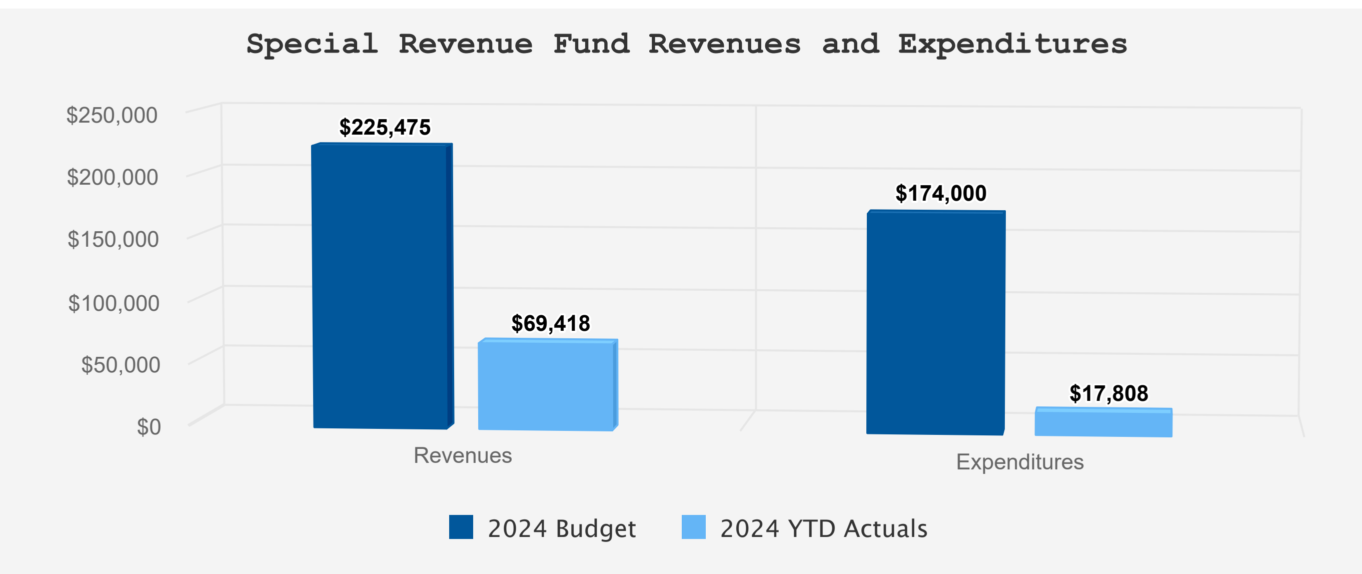
	2023		2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues						
Property tax	$ 6,263,477	$ 6,594,263	$ 7,111,584	$ 7,567,066	$ (455,482)	106.40%
Investment income	5,500	56,755	50,000	96,983	(46,983)	193.97%
Total Revenues	**$ 6,268,977**	**$ 6,651,018**	**$ 7,161,584**	**$ 7,664,049**	**$ (502,465)**	**107.02%**
Expenditures						
Debt service - principal	$ 4,185,000	$ 4,185,000	$ 4,740,000	$ 4,740,000	$ -	100.00%
Debt service - interest	2,001,422	1,082,799	1,744,018	918,622	825,396	52.67%
Other costs	3,000	2,450	548,016	1,980	546,036	0.36%
Total Expenditures	**$ 6,189,422**	**$ 5,270,249**	**$ 7,032,034**	**$ 5,660,602**	**$ 1,371,432**	**80.50%**



SPECIAL REVENUE FUND SUMMARY

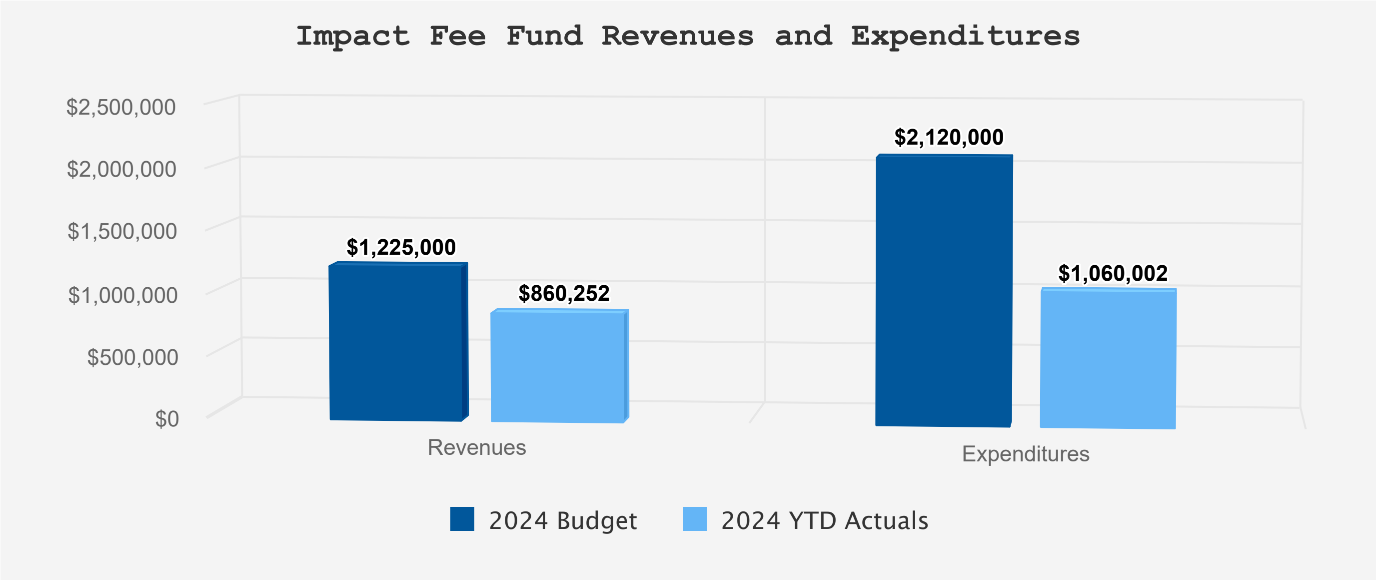
Special Revenue Fund Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	2023		2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues						
Impact and development fees	$ 488,600	$ -	$ 125,000	$ 1,100	$ 123,900	0.88%
Franchise and local taxes	27,500	6,603	27,500	11,226	16,274	40.82%
Grants and donations	4,250	10,581	4,250	6,786	(2,536)	159.67%
Fines and forfeitures	47,625	27,453	48,725	28,516	20,209	58.52%
Investment income	2,500	13,807	20,000	21,790	(1,790)	108.95%
Total Revenues	**$ 570,475**	**$ 58,444**	**$ 225,475**	**$ 69,418**	**$ 156,057**	**30.79%**
Expenditures						
General government	$ 2,500	$ -	$ 1,500	$ -	$ 1,500	0.00%
Public safety	52,000	15,988	102,000	3,513	98,487	3.44%
Leisure services	500	1,444	500	-	500	0.00%
Nondepartmental	10,000	-	-	-	-	-
Capital outlay	171,291	68,108	70,000	14,295	55,705	0.2042
Transfers out	226,406	233,470	-	-	-	-
Total Expenditures	**$ 462,697**	**$ 319,010**	**$ 174,000**	**$ 17,808**	**$ 156,192**	**10.23%**



Impact Fee Fund Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	2023		2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues						
Impact fees	$ 2,750,000	$ 185,471	$ 1,075,000	$ 634,052	$ 440,948	58.98%
Investment income	15,000	138,711	150,000	226,200	(76,200)	150.80%
Total Revenues	**$ 2,765,000**	**$ 324,182**	**$ 1,225,000**	**$ 860,252**	**$ 364,748**	**70.22%**
Expenditures						
Transfers out	$ 808,175	$ -	$ 2,120,000	$ 1,060,002	$ 1,059,998	50.00%
Total Expenditures	**$ 808,175**	**$ -**	**$ 2,120,000**	**$ 1,060,002**	**$ 1,059,998**	**50.00%**

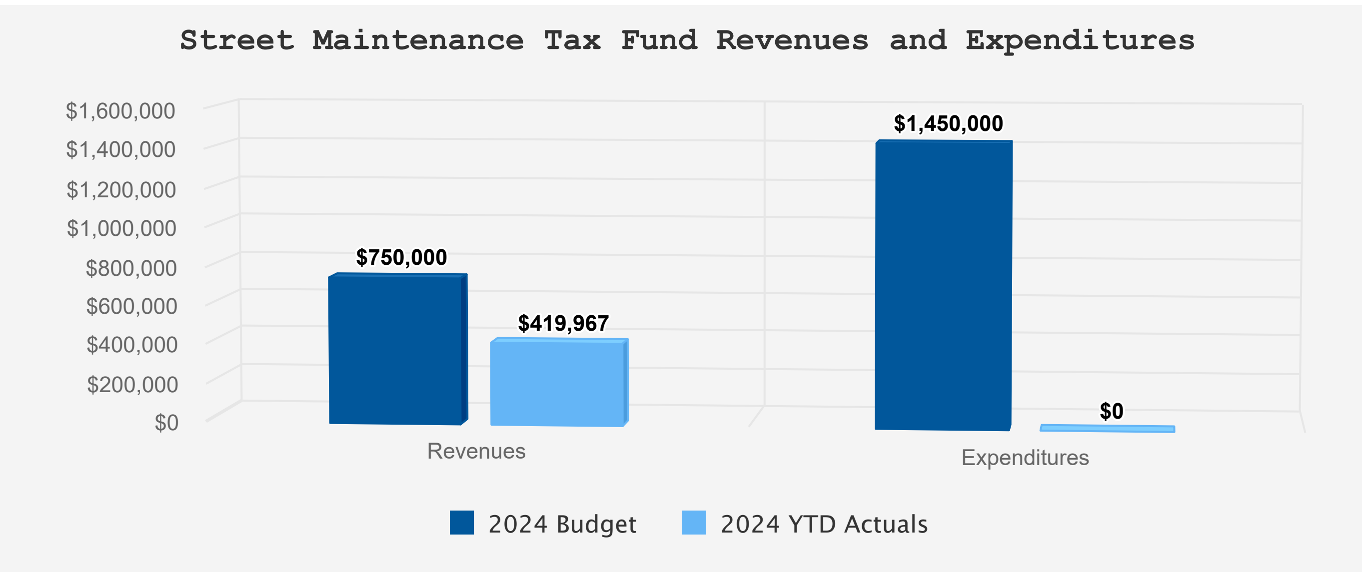


IMPACT FEE FUND SUMMARY

STREET MAINTENANCE TAX FUND

Street Maintenance Tax Fund
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

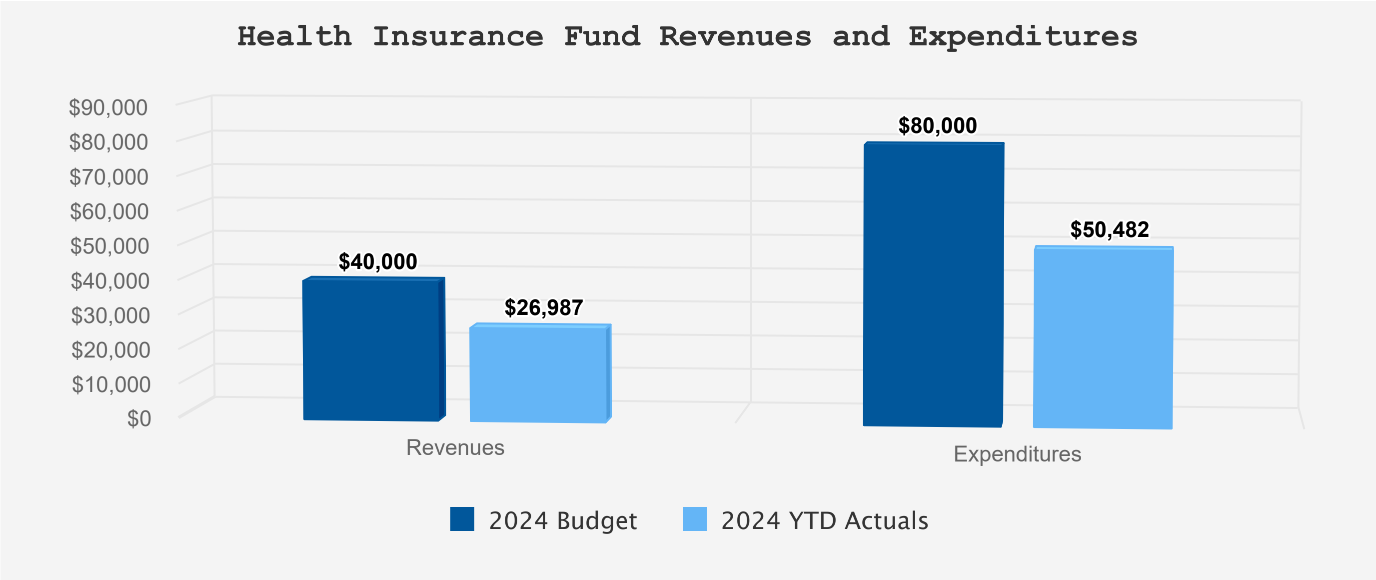
	2023		2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues						
Sales tax	$ 650,000	$ 369,409	$ 725,000	$ 370,340	$ 354,660	51.08%
Investment income	2,500	26,541	25,000	49,627	(24,627)	198.51%
Total Revenues	**$ 652,500**	**$ 395,950**	**$ 750,000**	**$ 419,967**	**$ 330,033**	**56.00%**
Expenditures						
Street maintenance projects	$ 1,000,000	$ -	$ 1,450,000	$ -	$ 1,450,000	0.00%
Total Expenditures	**$ 1,000,000**	**$ -**	**$ 1,450,000**	**$ -**	**$ 1,450,000**	**0.00%**



HEALTH INSURANCE FUND SUMMARY

Health Insurance Fund Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	2023		2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues						
Transfers in - General Fund	$ 2,100,474	$ 1,050,234	$ -	$ -	$ -	-
Transfers in - Utility Fund	215,760	107,880	-	-	-	-
Transfers in - EDC	27,316	13,656	-	-	-	-
Investment income	2,000	21,927	40,000	26,987	13,013	67%
Total Revenues	**$ 2,345,550**	**$ 1,193,697**	**$ 40,000**	**$ 26,987**	**$ 13,013**	**67.47%**
Expenditures						
Health insurance premiums	$ 2,202,937	$ 635,899	$ -	$ 5,159	$ (5,159)	-
Dental insurance premiums	70,307	28,578	-	242	(242)	-
HRA deductible reimbursements	76,000	30,063	76,000	26,540	49,460	34.92%
HSA employer contributions	56,500	22,780	-	-	-	-
LTD and life insurance	23,436	19,764	-	11,323	(11,323)	-
Employee assistance program	4,000	2,444	4,000	2,697	1,303	67.43%
Other	-	-	-	4,521	(4,521)	-
Total Expenditures	**$ 2,433,180**	**$ 739,528**	**$ 80,000**	**$ 50,482**	**$ 29,518**	**63.10%**



CAPITAL PROJECT SUMMARY

Capital Project Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

		Budget			Actuals			
Cip No.	Project	Thru FY 2023	FY 2024	Thru FY 2024	Prior Year Expenditures	FY 2024	Project-To-Date	Remaining Project Budget
Roadway								
R-12-13	Merritt Road Re-alignment & Widening(U)	$ 6,000,000	$ 500,000	$ 6,500,000	$ 3,563,423	$ 842,823	$ 4,406,246	$ 2,093,754
R-13-03	Pleasant Valley Road(U)	300,000	-	300,000	54,296	-	54,296	245,704
IF-21-01	Impact Fee Study(U)	150,000	-	150,000	38,646	15,548	54,194	95,807
R-21-02	Hudson Drive(U)	3,000,000	-	3,000,000	2,113,483	-	2,113,483	886,517
R-22-01	2022 Alley Projects(C)	950,000	-	950,000	736,001	375	736,376	213,624
R-22-05	5th Street Project(U)	3,002,000	-	3,002,000	1,302,902	1,557,394	2,860,296	141,704
R-23-02	6th Street Alley and Street Repair	350,000	-	350,000	-	-	-	350,000
R-23-03	Miscellaneous Concrete Street Repair	300,000	-	300,000	-	-	-	300,000
R-24-01	Eastview Drive - Pleasant Valley to End	-	450,000	450,000	-	-	-	450,000
R-24-02	Hilltop Trail & Meadow Lane Rehabilitation	-	600,000	600,000	-	-	-	600,000
R-24-03	Woodbridge Parkway	-	2,600,000	2,600,000	-	-	-	2,600,000
R-24-04	Traffic Signal Maintenance and Upgrades	-	120,000	120,000	-	-	-	120,000
R-24-05	Dewitt Street and Sachse Street - Ben Davis to 3rd St	-	200,000	200,000	-	-	-	200,000
R-24-06	Highridge Alley Repairs	-	200,000	200,000	-	-	-	200,000
R-OG-01	Street and Alley Maintenance (on-going)(U)	-	450,000	450,000	-	166,315	166,315	283,685
Subtotal Roadway		**$ 14,052,000**	**$ 5,120,000**	**$ 19,172,000**	**$ 7,808,750**	**$ 2,582,455**	**$ 10,391,205**	**$ 8,780,795**
Parks & Trails								
P-22-04	J.K. Sachse Park Construction(U)	$ 2,804,750	$ 836,500	$ 3,641,250	$ 2,527,806	$ 104,998	$ 2,632,804	$ 1,008,446
F-24-07	Heritage Park Expansion Projects	-	1,700,000	1,700,000	-	-	-	1,700,000
P-24-08	Joe Stone Park Restroom	-	150,000	150,000	-	-	-	150,000
T-24-09	Joe Stone Loop Trail	-	90,000	90,000	-	-	-	90,000
Subtotal Parks & Trails		**$ 2,804,750**	**$ 2,776,500**	**$ 5,581,250**	**$ 2,527,806**	**$ 104,998**	**$ 2,632,804**	**$ 2,948,446**
Facilities/Other								
F-23-05	Outdoor Warning Sirens	$ 120,000	$ -	$ 120,000	$ -	$ -	$ -	$ 120,000
F-24-10	Opticom Traffic Signal Upgrades	-	200,000	200,000	-	-	-	200,000
F-24-11	City Facility Maintenance and Repairs(U)	-	300,000	300,000	-	74,725	74,725	225,275
F-24-12	Public Works/Parks Facility	-	6,000,000	6,000,000	-	-	-	6,000,000
F-24-13	Comprehensive Plan Update	-	300,000	300,000	-	-	-	300,000
Subtotal Facilities		**$ 120,000**	**$ 6,800,000**	**$ 6,920,000**	**$ -**	**$ 74,725**	**$ 74,725**	**$ 6,845,275**

Capital Project Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

		Budget			Actuals			
Cip No.	Project	Thru FY 2023	FY 2024	Thru FY 2024	Prior Year Expenditures	FY 2024	Project-To-Date	Remaining Project Budget
Neighborhood Services								
NS-23-08	Hudson Crossing Screening Wall Replacement[U]*	$ 60,000	$ 820,000	$ 880,000	$ 54,515	$ 849,704	$ 904,219	$ (24,219)
Subtotal Neighborhood Services		**$ 60,000**	**$ 820,000**	**$ 880,000**	**$ 54,515**	**$ 849,704**	**$ 904,219**	**$ (24,219)**
Bond Proposition 2021								
BP-21-A01	Sachse Road Phase 2[U]	$ 1,700,000	$ -	$ 1,700,000	$ 352	$ -	$ 352	$ 1,699,648
BP-21-B01	Streets & Roads - Bailey-Hooper Road[U]	10,660,000	-	10,660,000	608,022	184,158	792,180	9,867,820
BP-21-C01	Neighborhood Package[U]	675,000	-	675,000	352	-	352	674,648
BP-21-D01	Animal Shelter[U]	5,000,000	-	5,000,000	1,562,112	1,927,420	3,489,533	1,510,467
Subtotal Bond Proposition 2021		**$ 18,035,000**	**$ -**	**$ 18,035,000**	**$ 2,170,839**	**$ 2,111,578**	**$ 4,282,417**	**$13,752,583**
Water								
W-14-01	Maxwell Creek Pump Station[U]	$ 5,765,000	$ -	$ 5,765,000	$ 2,740,691	$ 1,600,879	$ 4,341,570	$ 1,423,430
W-14-02	Pleasant Valley Water Line Design[U]	450,000	-	450,000	26,015	88,800	114,815	335,185
W-21-05	Public Works Pump Station Generator[U]	680,000	-	680,000	302,327	170,000	472,327	207,673
W-21-07	5th Street District Improvements[U]	450,000	-	450,000	113,033	194,035	307,068	142,932
W-21-08	Hilltop Trail/Meadow Lane Utility Rehab[U]	450,000	-	450,000	147,100	37,560	184,660	265,341
W-24-14	3rd Street - SH 78 to Ingram	-	130,000	130,000	-	-	-	130,000
W-24-15	Tank Maintenance and Cleaning [U]	-	65,000	65,000	-	28,307	28,307	36,693
W-24-16	Public Works Pump Station - Pump Installation and Upgrades	-	800,000	800,000	-	-	-	800,000
Subtotal Water		**$ 7,795,000**	**$ 995,000**	**$ 8,790,000**	**$ 3,329,167**	**$ 2,119,580**	**$ 5,448,747**	**$ 3,341,253**
Sewer								
SS-18-01	Ingram Road Sewer Relief	$ 200,000	$ -	$ 200,000	$ -	$ -	$ -	$ 200,000
SS-21-10	Sable Hills Lift Station Expansion[U]	1,101,000	-	1,101,000	915,423	41,394	956,817	144,183
SS-21-11	Hilltop Trail/Meadow Lane Utility Rehab[U]	2,450,000	-	2,450,000	-	692,382	692,382	1,757,619
SS-21-12	Sewer Rehab Hwy 78 at Old City Hall	249,000	-	249,000	-	-	-	249,000
SS-24-18	Southeast Sewer Expansion: Trunk Line A from Sachse Rd to SE Lift Station	-	11,865,000	11,865,000	-	-	-	11,865,000
SS-24-19	Sewer Manhole Odor and Gas Remediation	-	200,000	200,000	-	-	-	200,000
Subtotal Sewer		**$ 4,000,000**	**$ 12,065,000**	**$ 16,065,000**	**$ 915,423**	**$ 733,776**	**$ 1,649,199**	**$14,415,801**

Capital Project Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

Cip No.	Project	Budget Thru FY 2023	Budget FY 2024	Budget Thru FY 2024	Actuals Prior Year Expenditures	Actuals FY 2024	Actuals Project-To-Date	Remaining Project Budget
Drainage								
D-17-15	Vicksburg Drainage Easement[U]	$ 451,409	$ -	$ 451,409	$ 63,519	$ -	$ 63,519	$ 387,890
D-22-02	Third Garland Connection Creek Stabilization[U]	1,615,000	120,000	1,735,000	861,386	745,553	1,606,939	128,061
D-23-04	Small Drainage Projects	80,000	-	80,000	-	-	-	80,000
D-24-20	Stormwater Utility Rate Study[U]	-	200,000	200,000	-	3,180	3,180	196,820
Subtotal Drainage		**$ 2,146,409**	**$ 320,000**	**$ 2,466,409**	**$ 924,905**	**$ 748,733**	**$ 1,673,638**	**$ 792,771**
Total Capital Projects		**$ 49,013,159**	**$ 28,896,500**	**$ 77,909,659**	**$ 17,731,405**	**$ 9,325,548**	**$ 27,056,954**	**$50,852,705**

[C] - Project Closed

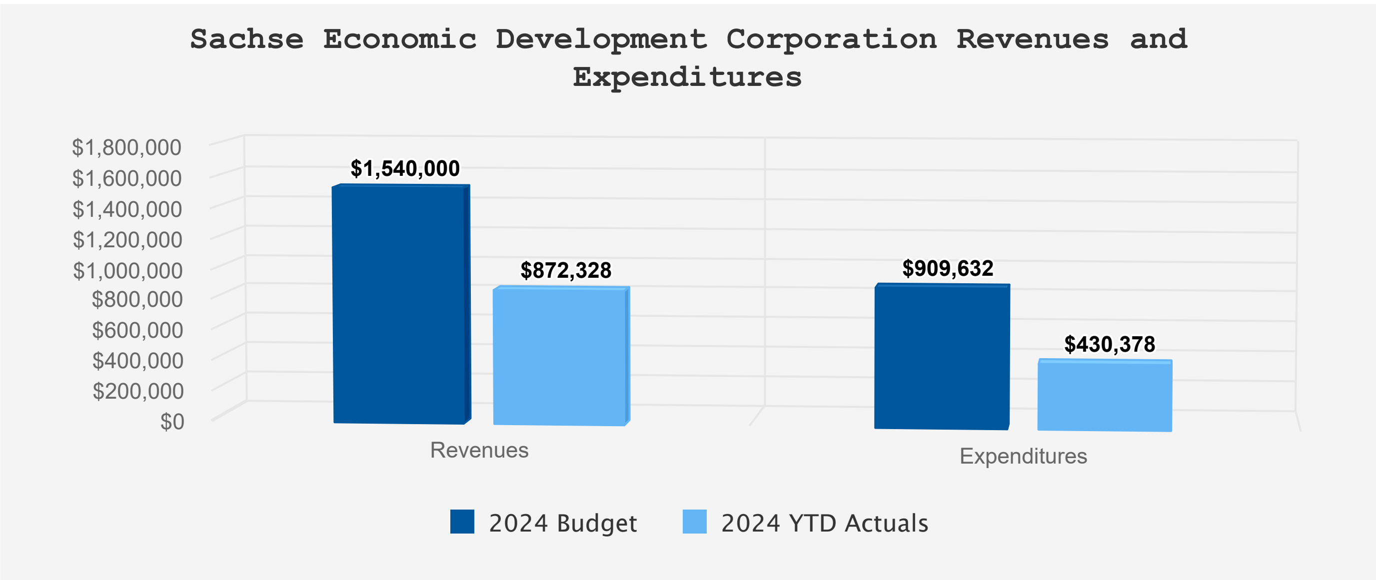
[U] - Project Underway

* Hudson Crossing Screening Wall Replacement (NS-23-08) is over budget by $24,219 (3%)

Sachse Economic Development Corporation Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	2023		2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues						
Sales tax	$ 1,300,000	$ 738,819	$ 1,430,000	$ 740,680	$ 689,320	51.80%
Grants and donations	10,000	10,000	10,000	-	10,000	0.00%
Investment income	7,000	70,148	100,000	131,648	(31,648)	131.65%
Total Revenues	**$ 1,317,000**	**$ 818,967**	**$ 1,540,000**	**$ 872,328**	**$ 667,672**	**56.64%**
Expenditures						
Personnel	$ 192,859	$ 55,174	$ 211,618	$ 106,402	$ 105,216	50.28%
Supplies and materials	123,954	47,663	85,334	24,246	61,088	28.41%
Maintenance and repairs	1,000	46	53,020	35,395	17,625	66.76%
Contractual services	845,708	46,023	256,265	124,265	132,000	48.49%
Capital Outlay and Projects	30,600	3,148	30,600	3,672	26,928	12.00%
Transfers out	146,119	73,056	272,795	136,398	136,397	50.00%
Total Expenditures	**$ 1,340,240**	**$ 225,110**	**$ 909,632**	**$ 430,378**	**$ 479,254**	**47.31%**

Note - FY 2023 budget includes City Council-approved budget amendment - Ordinance 4122 adopted on September 18, 2023.

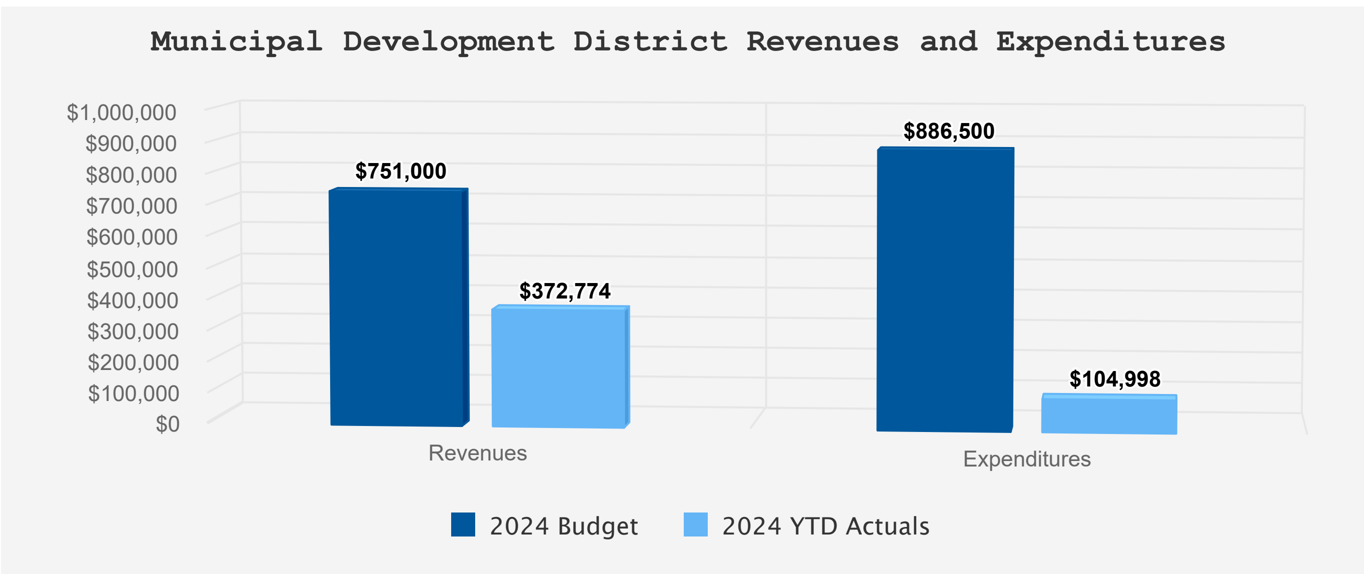


SACHSE ECONOMIC DEVELOPMENT CORPORATION SUMMARY

MUNICIPAL DEVELOPMENT DISTRICT SUMMARY

Municipal Development District Summary
Quarter Ended 03/31/2024 - 50% Of Year Complete (Unaudited)

	2023		2024			
	Budget	Year-to-Date	Budget	Year-to-Date	Budget Remaining	% of Budget
Revenues						
Sales tax	$ 775,000	$ 358,432	$ 750,000	$ 363,582	$ 386,418	48.48%
Investment income	-	348	1,000	9,192	(8,192)	919.20%
N/A	-	259,362	-	-	-	-
Total Revenues	**$ 775,000**	**$ 618,142**	**$ 751,000**	**$ 372,774**	**$ 378,226**	**49.64%**
Expenditures						
Maintenance and repairs	$ -	$ -	$ 50,000	$ -	$ 50,000	0.00%
Professional services	-	2,392	-	-	-	-
Park improvements	778,250	745,879	836,500	104,998	731,502	12.55%
Total Expenditures	**$ 778,250**	**$ 748,271**	**$ 886,500**	**$ 104,998**	**$ 781,502**	**11.84%**



The City of
SACHSE

3815-B Sachse Road
Sachse, TX 75048
www.cityofsachse.com

Finance Department Memo

To: **Gina Nash, City Manager**

From: David Baldwin, Director of Finance

Ryan Bredehoeft, Assistant Director of Finance

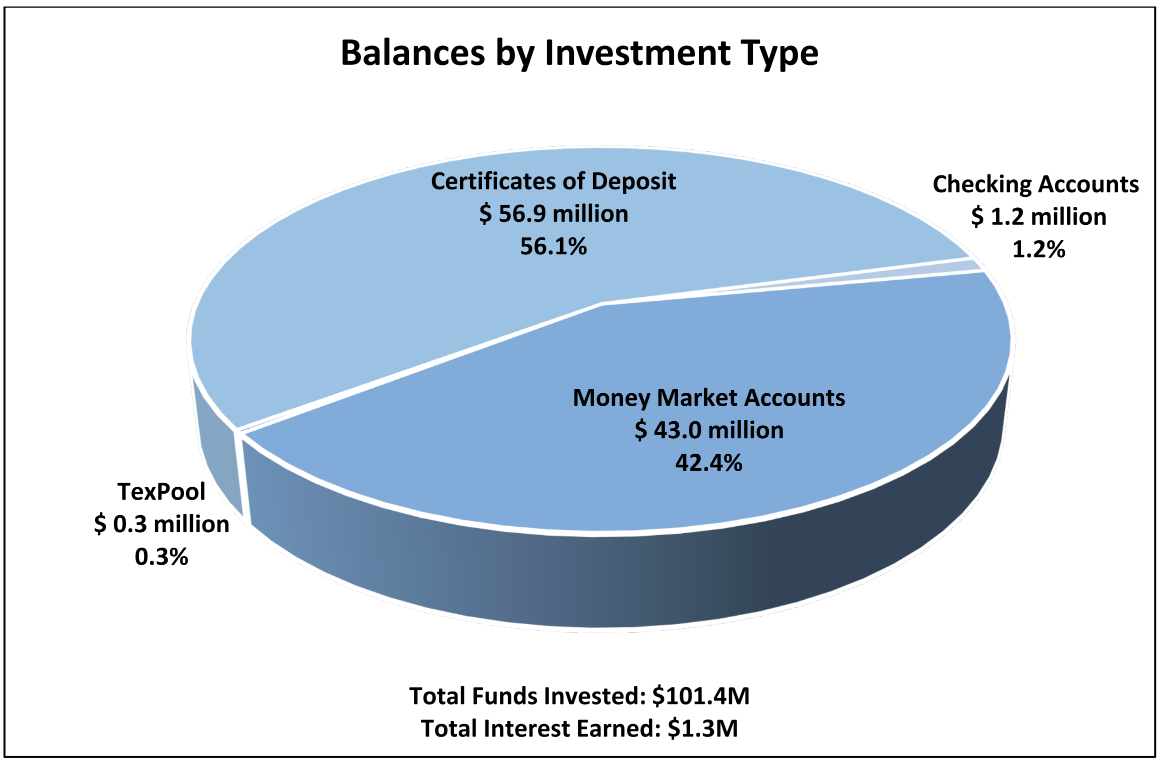
Katelyn Ellis, Senior Accountant

CC: Mayor and City Council

Date: June 3, 2024

Re: **Investment Report for the quarter ending March 31, 2024**

Attached is the Quarterly Investment Report for the quarter ending March 31, 2024. This report complies with the requirements of the City's Investment Policy and the Public Funds Investment Act as amended. The chart below provides a summary of balances by investment type. See the report for further details.



Account Type	Weighted Average Interest Rate
Checking Accounts	0.00%
Money Market Accounts	5.52%
TexPool	5.32%
Certificates of Deposit	5.29%

Average interest rate yield	5.33%
TexPool (benchmark)	5.32%

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 2024

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City is in compliance with the Public Funds Investment Act and the Investment Policy and strategies.

Director of Finance

Assistant Director of Finance

Senior Accountant

Disclaimer: These reports were compiled using information provided by the City of Sachse. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	December 31, 2023 Book Value	December 31, 2023 Market Value	March 31, 2024 Book Value	March 31, 2024 Market Value	Ave. Yield
Demand Deposit/ Money Market/Pool	$ 42,056,757	$ 42,056,757	$ 44,527,115	$ 44,527,115	5.37%
CDs/Securities	60,028,446	60,028,446	56,864,319	56,864,319	5.29%
Totals	**$ 102,085,203**	**$ 102,085,203**	**$ 101,391,434**	**$ 101,391,434**	5.33%

Current Quarter Average Yield *(1)*			**Fiscal Year-to-Date Average Yield *(2)***	
Total Portfolio	5.33%		Total Portfolio	5.30%
Weighted Average Maturity	113 days			
Rolling Three Month Treasury	5.46%		Rolling Three Month Treasury	5.49%
Rolling Six Month Treasury	5.37%		Rolling Six Month Treasury	5.43%
TexPool	5.32%		TexPool	5.34%

Interest Earnings (Approximate)

	City	EDC
Interest Earnings QTR	$ 1,269,008	$ 68,876
Interest Earnings YTD	$ 2,400,107	$ 132,643

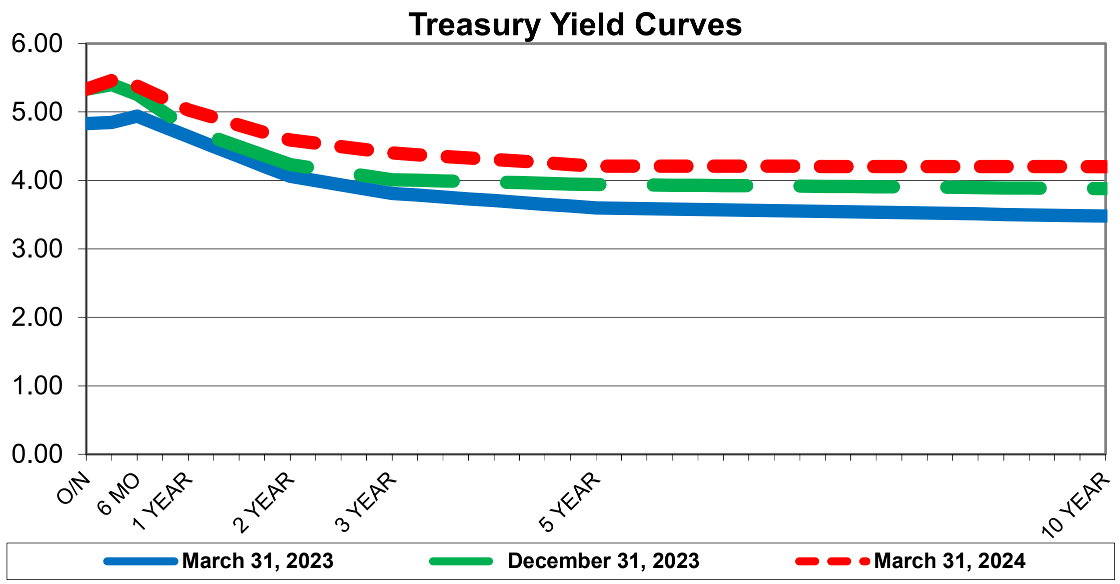
(1) Current Quarter Weighted Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

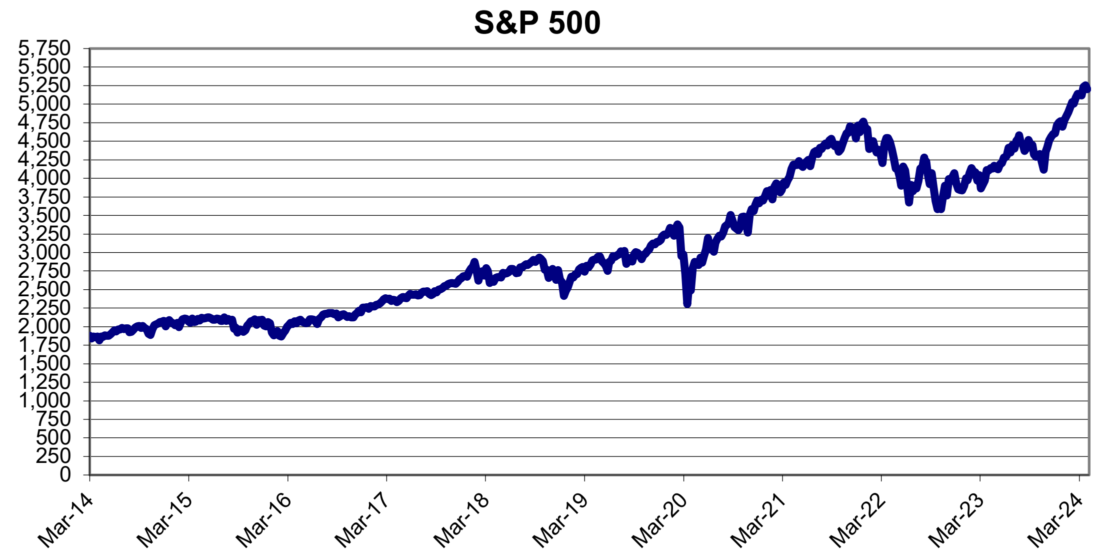
(2) Fiscal Year-to-Date Weighted Average Yields - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

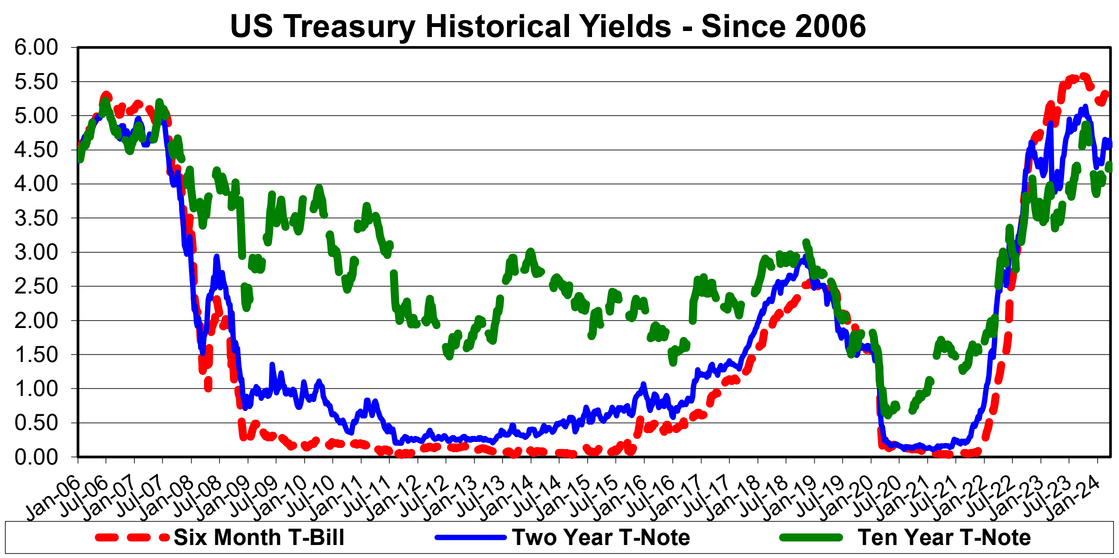
Economic Overview

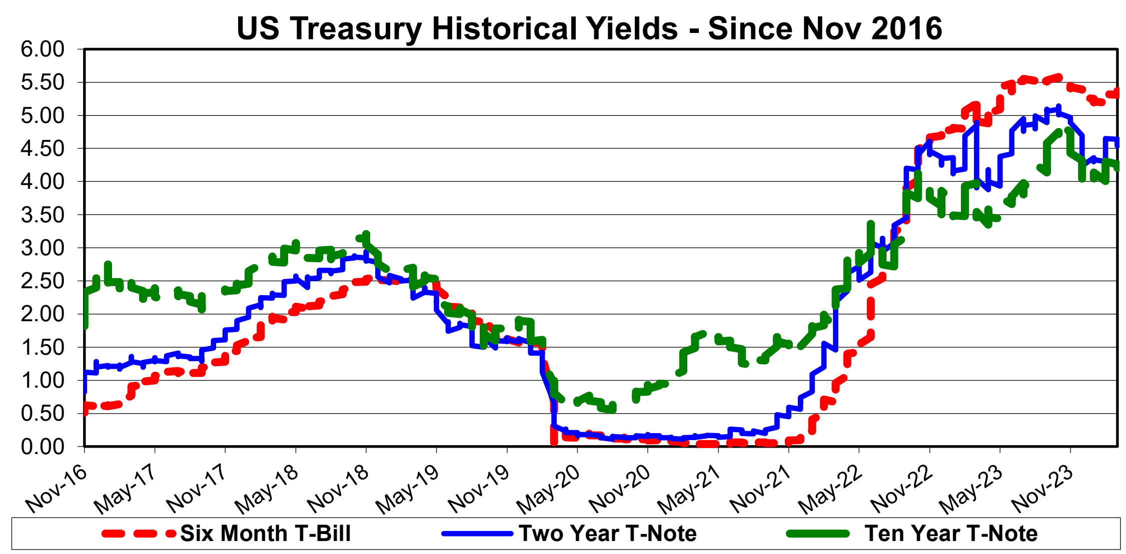
3/31/2024

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). All expectations are for reduced future rates, but any actions will be meeting-by-meeting and "data-dependent." Fourth Quarter 2023 GDP recorded a stronger than expected 3.4%. The S&P 500 Stock Index reached another new high closing over 5,200. The yield curve remains inverted but longer yields rose slightly. Crude Oil traded over $87 per barrel. Inflation stubbornly remained above the FOMC 2% target (Core PCE +/-2.8% and Core CPI +/-3.8%). Reduced global economic outlooks and ongoing/expanding military conflicts continue increasing uncertainty.









Investment Holdings
March 31, 2024

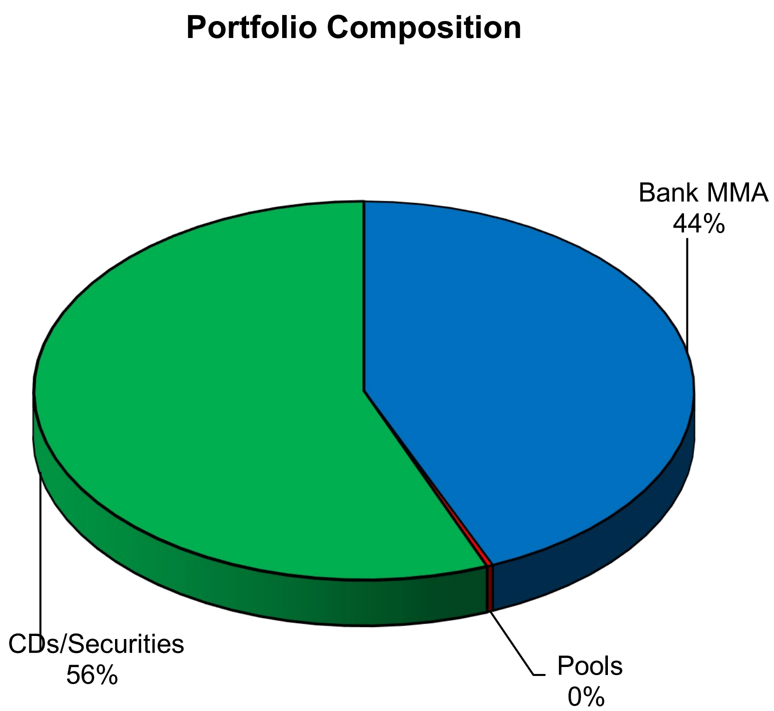
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Book Value	Market Price	Market Value	Life (days)	Yield
Checking Accounts									
American Nat'l Bank of Texas Checking		0.00%	04/01/24	03/31/24	$ 1,203,417	1.00	$ 1,203,417	1	0.00%
Money Market Accounts									
American Nat'l Bank of Texas		3.91%	04/01/24	03/31/24	456,846	1.00	456,846	1	3.91%
NexBank IntraFi		5.55%	04/01/24	03/31/24	31,818,055	1.00	31,818,055	1	5.55%
Texas Bank		5.50%	04/01/24	03/31/24	10,750,547	1.00	10,750,547	1	5.50%
Local Government Investment Pools									
TexPool	AAAm	5.32%	04/01/24	03/31/24	298,251	1.00	298,251	1	5.32%
Certificates of Deposit									
East West Bank 0248		5.57%	04/05/24	07/05/23	5,211,095	100.00	5,211,095	5	5.73%
East West Bank 1557		5.31%	06/13/24	06/13/23	5,217,719	100.00	5,217,719	74	5.45%
East West Bank 3829		5.48%	07/05/24	07/05/23	5,207,615	100.00	5,207,615	96	5.63%
American Nat'l Bank & Trust 7787		4.50%	07/24/24	01/24/23	6,322,147	100.00	6,322,147	115	4.59%
East West Bank 0647		5.44%	09/26/24	03/26/24	5,004,473	100.00	5,004,473	179	5.59%
East West Bank 6187		5.61%	10/07/24	10/05/23	7,494,863	100.00	7,494,863	190	5.77%
Texas Bank 0374		4.94%	12/19/24	12/21/23	6,083,338	100.00	6,083,338	263	5.06%
Veritex Community Bank 5562		4.94%	01/16/25	01/16/24	10,101,837	100.00	10,101,837	291	5.05%
BOK Financial 3645		4.93%	06/12/25	06/15/23	1,040,060	100.00	1,040,060	438	5.05%
BOK Financial 2643		4.93%	07/03/25	07/06/23	518,558	100.00	518,558	459	5.05%
BOK Financial 3602		4.93%	07/10/25	07/13/23	4,662,614	100.00	4,662,614	466	5.05%
					$ 101,391,434		**$ 101,391,434**	**113**	**5.33%**
								(1)	**(2)**

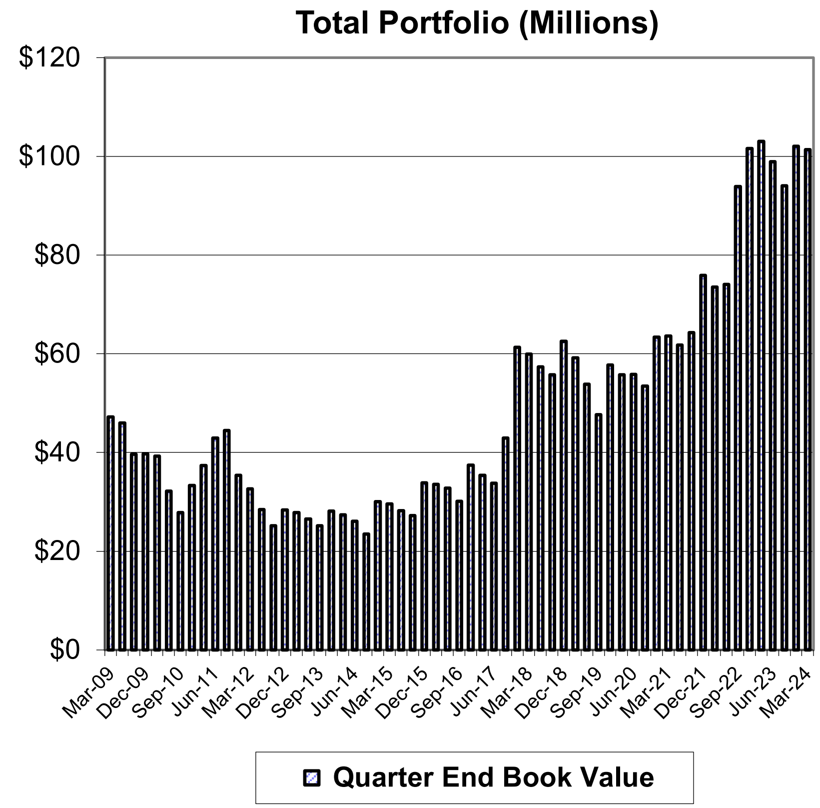
(1) Weighted average life - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

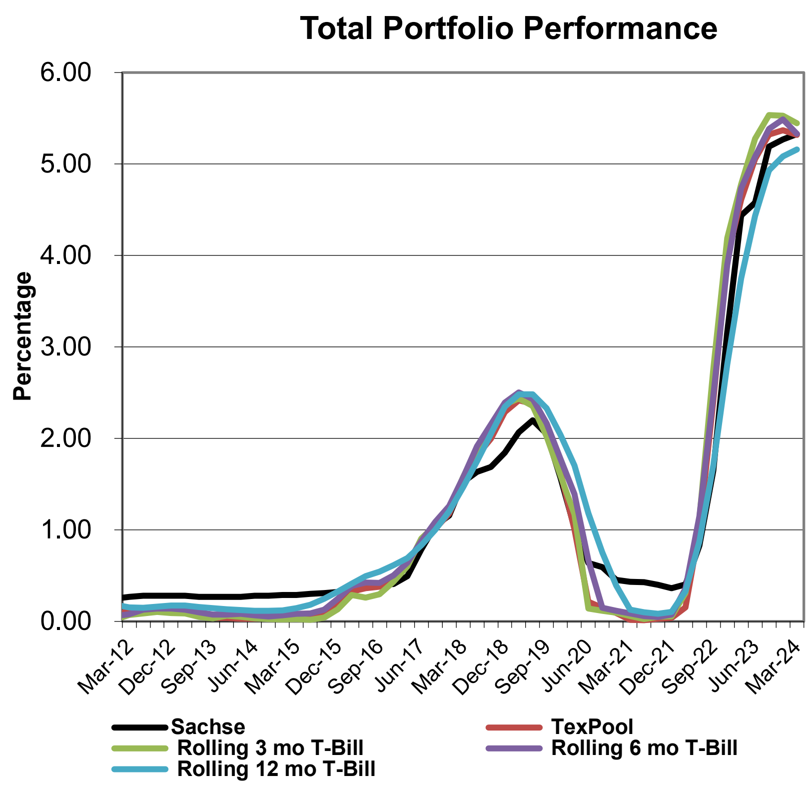
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered.

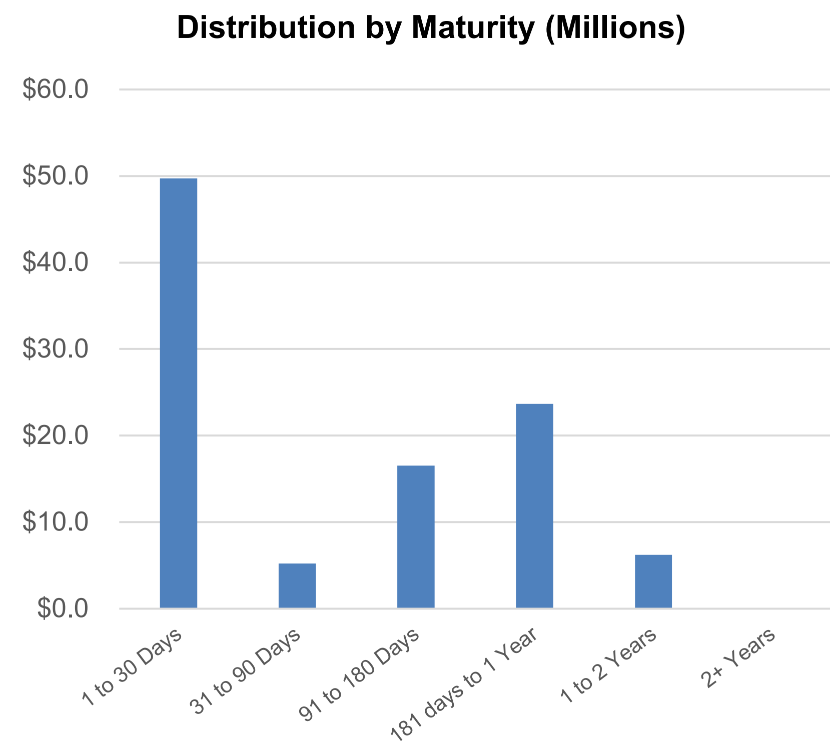
Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/23	Increases	Decreases	Book Value 03/31/24	Market Value 12/31/23	Change in Market Value	Market Value 03/31/24
Checking Accounts									
American Nat'l Bank of Texas	0.00%	04/01/24	$ 1,014,755	$ 188,662	$ –	$ 1,203,417	$ 1,014,755	$ 188,662	$ 1,203,417
Money Market Accounts									
American Nat'l Bank of Texas	3.91%	04/01/24	452,500	4,345	–	456,846	452,500	4,345	456,846
NexBank IntraFi	5.55%	04/01/24	29,690,709	2,127,346	–	31,818,055	29,690,709	2,127,346	31,818,055
Texas Bank	5.50%	04/01/24	10,604,470	146,077	–	10,750,547	10,604,470	146,077	10,750,547
Local Government Investment Pools									
TexPool	5.32%	04/01/24	294,323	3,928	–	298,251	294,323	3,928	298,251
Certificates of Deposit									
Veritex Community Bank 5162	4.87%	01/09/24	3,142,498	–	(3,142,498)	–	3,142,498	(3,142,498)	–
Veritex Community Bank 5165	4.84%	01/23/24	7,317,451	–	(7,317,451)	–	7,317,451	(7,317,451)	–
American Nat'l Bank & Trust 7350	4.33%	03/07/24	5,253,807	–	(5,253,807)	–	5,253,807	(5,253,807)	–
East West Bank 3409	5.62%	03/12/24	3,092,662	–	(3,092,662)	–	3,092,662	(3,092,662)	–
East West Bank 0248	5.73%	04/05/24	5,139,235	71,860	–	5,211,095	5,139,235	71,860	5,211,095
East West Bank 1557	5.45%	06/13/24	5,149,104	68,615	–	5,217,719	5,149,104	68,615	5,217,719
East West Bank 3829	5.63%	07/05/24	5,136,955	70,660	–	5,207,615	5,136,955	70,660	5,207,615
American Nat'l Bank & Trust 7787	4.59%	07/24/24	6,251,745	70,402	–	6,322,147	6,251,745	70,402	6,322,147
East West Bank 0647	5.59%	09/26/24	–	5,004,473	–	5,004,473	–	5,004,473	5,004,473
East West Bank 6187	5.77%	10/07/24	7,390,773	104,090	–	7,494,863	7,390,773	104,090	7,494,863
Texas Bank 0374	5.06%	12/19/24	6,008,932	74,406	–	6,083,338	6,008,932	74,406	6,083,338
Veritex Community Bank 5562	5.05%	01/16/25	–	10,101,837	–	10,101,837	–	10,101,837	10,101,837
BOK Financial 3645	5.05%	06/12/25	1,027,363	12,697	–	1,040,060	1,027,363	12,697	1,040,060
BOK Financial 2643	5.05%	07/03/25	512,228	6,330	–	518,558	512,228	6,330	518,558
BOK Financial 3602	5.05%	07/10/25	4,605,694	56,920	–	4,662,614	4,605,694	56,920	4,662,614
TOTAL / AVERAGE	**5.33%**		**$ 102,085,203**	**$ 18,112,648**	**$ (18,806,417)**	**$ 101,391,434**	**$ 102,085,203**	**$ (693,769)**	**$ 101,391,434**


Portfolio Composition
Bank MMA
44%
CDs/Securities
56%
Pools
0%


Total Portfolio (Millions)
$120
$100
$80
$60
$40
$20
$0
Mar-09
Dec-09
Sep-10
Jun-11
Mar-12
Dec-12
Sep-13
Jun-14
Mar-15
Dec-15
Sep-16
Jun-17
Mar-18
Dec-18
Sep-19
Jun-20
Mar-21
Dec-21
Sep-22
Jun-23
Mar-24
Quarter End Book Value


Total Portfolio Performance
Percentage
6.00
5.00
4.00
3.00
2.00
1.00
0.00
Mar-12
Dec-12
Sep-13
Jun-14
Mar-15
Dec-15
Sep-16
Jun-17
Mar-18
Dec-18
Sep-19
Jun-20
Mar-21
Dec-21
Sep-22
Jun-23
Mar-24
Sachse
TexPool
Rolling 3 mo T-Bill
Rolling 6 mo T-Bill
Rolling 12 mo T-Bill


Distribution by Maturity (Millions)
$60.0
$50.0
$40.0
$30.0
$20.0
$10.0
$0.0
1 to 30 Days
31 to 90 Days
91 to 180 Days
181 days to 1 Year
1 to 2 Years
2+ Years

FUND EQUITY IN POOLED CASH AND INVESTMENT

FUND	FUND NAME	12/31/2023	3/31/2024	Percent	Quarterly Change
01	General Fund	$ 19,727,742	$ 21,843,966	21.53%	$ 2,116,225
02	Utility Fund	22,820,568	21,239,866	20.95%	(1,580,702)
03	Debt Service	5,597,589	3,419,815	3.37%	(2,177,774)
04	Capital Projects	11,846,895	13,823,710	13.63%	1,976,815
05	Special Revenue Fund	853,502	879,557	0.87%	26,055
06	Sachse Economic Development (EDC)	5,181,153	5,402,458	5.33%	221,305
09	TIRZ 1 - PGBT	10,150	10,284	0.01%	134
10	Impact Fees	9,015,791	9,028,962	8.91%	13,171
11	Street Maintenance	1,930,974	2,147,145	2.12%	216,172
12	Vehicle Equipment Replacement Fund (VERF)	2,492,391	2,737,217	2.70%	244,827
13	Sachse Municipal Development District (MDD)	329,177	522,219	0.52%	193,041
14	TIRZ 2 - The Station	170,255	168,919	0.17%	(1,336)
15	Health Insurance	950,459	932,234	0.92%	(18,225)
16	Station O&M PID	119,685	80,987	0.08%	(38,698)
17	American Rescue Plan Act (ARPA)	4,167,657	3,194,998	3.15%	(972,659)
18	Hotel Occupancy Tax	34,284	38,461	0.04%	4,177
19	TIRZ 3 - Highway 78	534,591	541,504	0.53%	6,914
21	2022 Bond Construction Fund	16,302,342	15,379,131	15.17%	(923,211)
	TOTAL POOLED CASH AND INVESTMENTS	**$ 102,085,203**	**$ 101,391,434**	**100.00%**	**$ (693,769)**

Notes:

Consistent with City policy, investment activity is attributed to all of the City's accounting funds collectively and on a proportional basis to each fund's total cash balance.

The City does not carry any security instrument (investment type) on its books that is traded on the open market; therefore, all investments are listed at 100% of market value.

It is the strategy of the Finance Department to maintain a high percentage of its idle funds invested in safe and secure investment securities and pooled investment types in accordance with the Public Funds Investment Act.

The City's investments are liquid and have same day access (although may be subject to an early withdrawal penalty). The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.

F. Regular Agenda Items

Subject:	**1. Consider authorizing the City Manager to execute an agreement with Pattillo, Brown & Hill, L.L.P. (PB&H) to provide auditing services for the fiscal year ending September 30, 2024.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Discussion, Action
Fiscal Impact	Yes
Dollar Amount	$44,850
Budgeted	Yes
Budget Source	General Fund
Recommended Action	Authorize the City Manager to execute an agreement with PB&H to provide auditing services for the fiscal year ending September 30, 2024.
Goals	Be a model of financial stewardship through growth management; responsible investment; and financial transparency.

BACKGROUND

City Charter Section 7.18 requires that an independent audit be performed at the close of each fiscal year by a certified public accountant. For the past five years, that requirement has been fulfilled by the firm BrooksWatson & Co, PLLC. City Charter Section 7.18 also states that no more than five consecutive annual audits can be completed by the same firm. In recognition of these Charter requirements, the City issued a Request for Proposals (RFP) for audit services on April 18, 2024, with a due date of May 9, 2024. Three proposals were received:

- BrooksWatson & Co, PLLC, Houston, Texas
- Macias Gini & O'Connell LLP (MGO), Dallas, Texas
- Pattillo, Brown & Hill, LLP (PB&H), Waco, Texas

All three proposals substantially met the minimum standards and mandatory requirements as set forth in the RFP. This included standards and requirements such as independence, peer reviews, continuing education, and a license to practice in the State of Texas. Other issues taken into consideration in evaluating the proposals included the firm's ability to complete interim and audit fieldwork in accordance with the City's schedule and to present the results of the audit to the City Council at its conclusion. Staff also considered the proposed number of hours and the proposed annual fee.

Finance Director David Baldwin will present this item.

After reviewing the proposals in detail, staff eliminated one firm based on the Charter requirement that no more than five consecutive annual audits be completed by the same firm. Of the two remaining firms, having met all the standards and requirements set forth in the RFP, the City chose the firm with the lower proposed annual fee.

POLICY CONSIDERATIONS

City Charter Section 7.18 requires that an independent audit be performed at the close of each fiscal year by a certified public accountant. City Charter Section 7.18 also states that no more than five consecutive annual audits can be completed by the same firm, so long as another firm submits a proposal to provide audit services to the City.

RECOMMENDATION

Authorize the City Manager to execute an agreement with PB&H to provide auditing services for the fiscal year ending September 30, 2024.

File Attachments

1. Audit Engagement Letter 2024
2. Presentation_Audit Services

PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

May 23, 2024

City of Sachse
3815-B Sachse Road
Sachse, TX 75048

City Council and Management:

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sachse, Texas (the "City"), as of September 30, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In addition, we will audit the City's compliance over major federal award programs for the period ended September 30, 2024. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objective of our expressing an opinion on each opinion unit and an opinion on compliance regarding the City's major federal award programs. The objectives of our audit of the financial statements 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 opinion. 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 auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the City complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

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

- Management's Discussion and Analysis.
- Budgetary Schedules.
- Schedule of Changes in Net Pension Liability and Related Ratios.
- Schedule of Pension Contributions.
- Schedule of Changes in Net Other Post Employment Benefit (OPEB) Liability and Related Ratios.
- Schedule of OPEB Contributions.

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

- Combining Statements and Schedules.

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

- Introductory Section.
- Statistical Section.

Schedule of Expenditures of Federal Awards

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

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

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

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 and *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

As part of an audit of financial statements in accordance with GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City's basic financial statements. Our report will be addressed to those charged with governance of the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

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

Audit of Major Program Compliance

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the City's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the City's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the City's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

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

Management's Responsibilities

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

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;

2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;

3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;

4. For maintaining records that adequately identify the source and application of funds for federally funded activities;

5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;

6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the City is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;

7. For identifying and ensuring that the City complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;

8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;

9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;

10. For taking prompt action when instances of noncompliance are identified;

11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;

12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;

13. For submitting the reporting package and data collection form to the appropriate parties;

14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;

15. To provide us with:

    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;

    b. Additional information that we may request from management for the purpose of the audit;

    c. Unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence;

    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report, if one is issued. This document would include more than an annual comprehensive financial report (ACFR) or annual financial report (AFR) and;

    e. If applicable, a final version of the annual report, (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.

16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;

17. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;

18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;

19. For informing us of any known or suspected fraud affecting the City involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;

20. For the accuracy and completeness of all information provided;

21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and

22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

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

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

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

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

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

Non-attest Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with U.S. generally accepted accounting principles and the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards.* These services are limited to preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City as previously outlined.

We will not assume management responsibilities on behalf of the City. However, we will provide advice and recommendations to assist the management of the City in performing its responsibilities.

The City's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are limited to our preparation of the financial statements and related note disclosures and the schedule of expenditures of federal awards previously outlined. Our firm in its sole professional judgment, reserves the right to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise with regard to financial reporting, but the City must make all decisions with regard to those matters.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Engagement Administration, Fees and Timing

We will schedule the engagement based in part on deadlines, working condition, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

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

Document internal control and preliminary tests	August-September 2024
Mail confirmations	November 2024
Perform year-end audit procedures	December 2024
Issue audit reports	February 2025

Chris Pruitt is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Pattillo, Brown & Hill, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees for these services will be at our standard hourly rates plus out-of-pocket cost (such as reports reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $44,850. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional cost.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or email, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications. In addition to fax and email, our firm also exchanges date over the internet using other methods (such as portals) or store electronic data via software applications hosted remotely through a third-party vendor's secured portal and/or cloud.

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

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

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to investment information to verify valuation. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

The audit documentation for this engagement is the property of Pattillo, Brown & Hill, LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Pattillo, Brown & Hill's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

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

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

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

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

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

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

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

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

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

Respectfully,
Pattillo, Brown & Hill, L.L.P.

Chris Pruitt

Chris Pruitt, CPA
Waco, Texas
RESPONSE:

This letter correctly sets forth our understanding.

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

Name: ____

Title: ____

Date: ____

Audit Services Contract

City Council

June 3, 2024

The City of SACHSE

Agenda

- Charter Requirements
- Request for Proposals (RFP)
- Recommended Action

The City of SACHSE

Audit Requirements

- City Charter Section 7.18 – Independent Audit
  - Annual audit performed by a certified public accountant (CPA)
  - Limit on number of audits by same firm
    - No more than five consecutive annual audits

Request for Proposals (RFP)

- Issued on April 18, 2024
- Three proposals received
- Selection process

The City of
SACHSE

Recommended Action

- Authorize the City Manager to execute an agreement with Pattillo, Brown & Hill, L.L.P. (PB&H) to provide auditing services for the fiscal year ending September 30, 2024.

F. Regular Agenda Items

Subject:	**2. Receive early resident and stakeholder input regarding the fiscal year 2024-2025 budget.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Discussion, Information
Fiscal Impact	None
Recommended Action	Receive early resident and stakeholder input regarding the fiscal year 2024-2025 budget.
Goals	Be a model of financial stewardship through growth management; responsible investment; and financial transparency.

BACKGROUND

Preparations have begun for the FY 2024-2025 budget. The City Manager is reviewing the draft budget and considering requests for service enhancements and new programs. This is an opportunity for residents and other stakeholders to provide input on the budget to aid the City Manager and staff in development of the FY 2024-2025 budget in advance of it being transmitted to Council in August for consideration, modification, and adoption.

Finance Director David Baldwin will present this item.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Receive early resident and stakeholder input regarding the fiscal year 2024-2025 budget.

File Attachments

1. FY 2024-2025 Budget Calendar

Budget Calendar (2024-2025 Fiscal Year)

All dates subject to change. Assumes property tax rate doesn't exceed voter-approval tax rate

March 6 (Wed.)	Budget Kick-off Meeting
April 5 (Fri.)	Personnel requests due to HR; Technology requests due to IT
April 8-12 (Mon.-Fri.)	Finance/HR/IT/ACM meetings with department heads to review budget requests
May 1 (Wed.)	Department budgets completed in Incode financial system and locked by Finance
May 13 (Mon.)	Preliminary estimated values available from appraisal districts
May 23 (Thurs.)	First draft budget to City Manager
June 3 (Mon.)	City Council Meeting — early citizen input on budget
June 5-18 (Wed.-Tues.)	City Manager's Office meetings with department heads to review budget requests
June 11 (Tues.)	Budget Townhall Meeting
June 20 (Thurs.)	Economic Development Corporation Board Meeting — review and discuss proposed budget
June 24 (Mon.)	Department budget revisions due to Finance, if applicable
July 5 (Fri.)	Finance provides preliminary budget to City Manager
July 25 (Thurs.)	Certified values available from Appraisal Districts *(by July 25)*
July 29 (Mon.)	City Council Meeting — Budget Workshop; health insurance, long-range financial plan
August 5 (est.) (Mon.)	Dallas County submits completed No-New-Revenue and Voter-Approved Tax Rate worksheets to entities *(by Aug. 7)*
August 8 (Thurs.)	Municipal Development District Board Meeting — review, discuss, and approve budget
August 15 (Thurs.)	City Manager's proposed budget submitted to Council *(by Aug. 15)*
August 15 (Thurs.)	Economic Development Corporation Board Meeting — approve budget
August 19 (Mon.)	City Council Meeting — City Manager presents proposed budget to Council *(by Aug. 29)*; schedule public hearings on tax rate (if necessary) and budget; record vote on maximum tax rate to consider; discuss budget, present no-new revenue and voter approval tax rates and certify appraisal roles
August 20 (est.) (Tues.)	Continuous Internet and T.V. "Notice of Tax Rate Public Hearing" begins *(by Sept. 22 if rate exceeds no-new-revenue rate, at least 7 days from tax rate hearing)*
August 22 (est.) (Thurs.)	Publish the "Notice of Budget Hearing" *(by Sept. 18, 10-30 days from hearing)* and "Notice of Tax Rate Hearing" *(if proposed rate exceeds no-new-revenue rate, by Sept. 22)* or "Meeting to Adopt the Tax Rate" *(if tax rate does not exceed no-new-revenue rate, by Sept. 22)*
September 3 (Tues.)	City Council Meeting — hold public hearing on budget *(by Sept. 30, at least 16 days from proposed budget, Council must take some sort of action on budget)*; budget discussion; and take action on budget (ex. set date for adoption)
September 16 (Mon.)	City Council Meeting — hold public hearing on tax rate (if rate exceeds NNR); adopt budget *(by Sept. 29)*; ratify tax rate in the budget *(if raise total property tax revenue)*; and approve proposed tax rate *(requires 60% vote of Council if tax rate exceeds NNR rate. If rate is less than NNR rate, by Sept. 24)*

F. Regular Agenda Items

Subject:	**3. Consider appointments of Council liaisons to the City's boards and commissions.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action, Discussion
Fiscal Impact	None
Recommended Action	Appoint and make any necessary changes to the Council liaison positions for the City's boards and commissions.
Goals	Provide excellent government services to Sachse citizens.

BACKGROUND

Each year, the City Council reviews the Council appointed liaison to each board and commission.

The current liaison to each board, commission, or committee is as follows:

- Mayor Bickerstaff: North Texas Tollway Authority, North Central Texas Council of Governments, NCT911
- Mayor Pro Tem Franks: Parks and Recreation Board and Municipal Development District Board
- Councilmember Howarth: Economic Development Corporation Board
- Councilmember Millsap: Library Board
- Councilmember Lindsey: Planning and Zoning Commission and TIF #1 Board
- Councilmbmer Buhler: Wylie ISD
- Councilmember Prestenberg: Garland ISD, Animal Shelter Board, and voting member of the Animal Shelter Advisory Committee

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Appoint and make any necessary changes to the Council liaison positions for the City's boards and commissions.

File Attachments
None

G. Executive Session

Subject:	**1. The City will convene into Executive Session pursuant to Section §551.074, Personnel Matters, to deliberate the appointment, employment, evaluation and duties of the municipal court prosecutor.**
Meeting	June 3, 2024 - City Council Meeting
Access	Executive Session
Type	Closed Session
Recommended Action	
Goals	

BACKGROUND

POLICY CONSIDERATIONS

RECOMMENDATION

File Attachments
None

G. Executive Session

Subject: **2. The City Council shall convene into Executive Session pursuant to Texas Government Code Section §551.087: Economic Development Deliberations: Deliberate the offer of a financial or other incentive relating to the development of Project Ruby.**

Meeting June 3, 2024 - City Council Meeting

Access Executive Session

Type Closed Session

Recommended Action

Goals

BACKGROUND

POLICY CONSIDERATIONS

RECOMMENDATION

File Attachments None

G. Executive Session

Subject: **3. The City Council shall convene into Executive Session pursuant to Texas Government Code Section §551.087: Economic Development Deliberations: Update regarding the mixed-use development of the 5th Street District project and consideration of a Master Development Agreement for the 5th Street District project.**

Meeting June 3, 2024 - City Council Meeting

Access Executive Session

Type Closed Session

Recommended Action

Goals

BACKGROUND

POLICY CONSIDERATIONS

RECOMMENDATION

File Attachments
None

G. Executive Session

Subject: **4. The City Council shall convene into Executive Session pursuant to the Texas Government Code, Section §551.074 Personnel Matters: Regarding the mid-year review of the City Manager.**

Meeting June 3, 2024 - City Council Meeting

Access Executive Session

Type Closed Session

Recommended Action

Goals

BACKGROUND

POLICY CONSIDERATIONS

RECOMMENDATION

File Attachments
None

H. Regular Agenda Items / Meeting Closing

Subject:	**1. Take any action as a result of Executive Session regarding personnel matters related to the municipal court prosecutor.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action, Discussion
Fiscal Impact	None
Recommended Action	Take any action as a result of Executive Session regarding personnel matters related to the municipal court prosecutor.
Goals	

BACKGROUND

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Take any action as a result of Executive Session regarding personnel matters related to the municipal court prosecutor.

File Attachments
None

Subject:	**2. Take any action as a result of Executive Session - deliberate the offer of a financial or other incentive relating to the development of Project Ruby.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action, Discussion
Recommended Action	Take any action as a result of Executive Session - deliberate the offer of a financial or other incentive relating to the development of Project Ruby.
Goals	

BACKGROUND

POLICY CONSIDERATIONS
There are no policy considerations affiliated with this item.

RECOMMENDATION
Take any action as a result of Executive Session - deliberate the offer of a financial or other incentive relating to the development of Project Ruby.

File Attachments
None

H. Regular Agenda Items / Meeting Closing

Subject:	**3. Take any action as a result of Executive Session: Consider authorizing the City Manager to negotiate and execute a Master Developer Agreement on behalf of the City of Sachse for the development of the 5th Street District project, and any amendments and instruments related thereto.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action, Discussion
Fiscal Impact	None
Recommended Action	Authorize the City Manager to negotiate and execute a Master Developer Agreement on behalf of the City of Sachse for the development of the 5th Street District project, and any amendments and instruments related thereto.
Goals	

BACKGROUND

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Authorize the City Manager to negotiate and execute a Master Developer Agreement on behalf of the City of Sachse for the development of the 5th Street District project, and any amendments and instruments related thereto.

File Attachments
None

H. Regular Agenda Items / Meeting Closing

Subject:	**4. Take any action as a result of Executive Session regarding the mid-year review of the City Manager.**
Meeting	June 3, 2024 - City Council Meeting
Access	Public
Type	Action, Discussion
Fiscal Impact	None
Recommended Action	Take any action as a result of Executive Session regarding the mid-year review of the City Manager.
Goals	

BACKGROUND

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Take any action as a result of Executive Session regarding the mid-year review of the City Manager.

File Attachments
None