



AGENDA
WATAUGA CITY COUNCIL
REGULAR MEETING
MONDAY, JUNE 12, 2023
CITY HALL COUNCIL CHAMBER, 7105 WHITLEY ROAD
6:30 PM

This notice is posted pursuant to the Texas Open Meetings Act. Notice is hereby given that a **Regular City Council Meeting** of the City of Watauga, Texas will be held at which time the following subjects will be discussed and may be acted upon.

CALL TO ORDER (Council Members, City Staff, Members of the Public - when speaking during the meeting please speak directly into the microphones on the dais or podium)

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE United States and Texas Flags

ANNOUNCEMENTS

PRESENTATIONS

1. Oath of Office for reelected council members
2. Presentation of Service Awards for the City of Watauga Employees celebrating a Milestone Anniversary during the month of June

PUBLIC COMMENT If speaking for an organization or group, the speaker should identify the group represented. If speaking during Public Comment (for matters not posted on that particular meeting's agenda), members of the City Council and Staff may only provide a statement of factual information in response to the inquiry or recite existing policy in response (e.g., to correct a factual misstatement made by the citizen or provide factual information requested by the citizen). Any deliberation of or decision about the subject of the inquiry shall be limited to a

proposal to place the subject on the agenda for a future meeting. If necessary, the Chair will task the City Manager to respond to the citizen and report back to the City Council as soon as practicable. Such report to the City Council shall not constitute a meeting called by the City Council nor shall it constitute deliberation or formal action. Individual citizens addressing the City Council during Public Comment shall not exceed three (3) minutes in their comments; however, the Chair may extend or reduce the speaker's allotted time in order to conduct an efficient and effective public meeting. The time allotted shall not be donated to others desiring to speak. Public Comment is not established to engage in a conversation with the Council and no formal Council action will be taken.

REPORTS

CONSENT AGENDA All of the items on the consent agenda are considered to be self-explanatory by the Council and will be enacted with one motion, one second, and one vote. There will be no separate discussion of these items.

1. Consideration and approval of the Quarterly Investment Report for the period ending March 31, 2023
Sandra Gibson, Director of Finance
2. Consider action to approve Bank Depository Services RFA # 19-005 for the third and final one-year extension period through August 31, 2024 with Southside Bank.
Deby Woodard, Assistant Director of Finance
Sandra Gibson, Director of Finance
3. Consider action to approve renewal of the audit services contract with Weaver and Tidwell, LLP
Sandra Gibson, Director of Finance
Deby Woodard, Assistant Director of Finance
4. Proposed revision of the Watauga Public Library Material Selection Policy
Lana Ewell, Director of Library Services
5. Consider action on approval of the Monthly Financial Report for the period ending April 30, 2023
Sandra Gibson, Director of Finance
6. Consider action to approve the proposed resolution amending policy 6.04 Classification and Compensation Plan of the Personnel, Administration and Financial Policies and Procedures Manual.
Juliet Rodriguez, Human Resources and Civil Service Director

PUBLIC HEARINGS / ACTION

ACTION ITEMS

1. **Z.23-01 wSUP:** Consideration and action on reconsidering the denial of Planning and Zoning case Z.23-01 with specific use permit.
Jeannette Garcia, Planning and Zoning Coordinator
Randy Richards, CFM, Assistant Director of Public Works
Paul Hackleman, Director of Public Works
2. **Z.23-01 wSUP:** Consideration and action on Planning and Zoning Case No. Z.23-01 with SUP for a zoning change from General Business (GB) to Commercial (C) with a Specific Use Permit (SUP) to allow for an ice and water kiosk in a Commercial (C) zoned district, if the matter is approved for reconsideration.
Jeannette Garcia, Planning and Zoning Coordinator
Randy Richards, CFM, Assistant Director of Public Works
Paul Hackleman, Director of Public Works
3. Consideration of an Interlocal Agreement for pavement striping of New Bursey Road between Tarrant County and the City of Watauga
Paul Hackleman, Director of Public Works

EXECUTIVE SESSION The City Council will recess its open meeting and reconvene in executive session to discuss the following items pursuant to the below referenced section(s) of the Texas Government Code:

RECONVENE The City Council will return to open session in the City Council Chamber for possible discussion and action as a result of the Executive Session.

ITEMS OF EXECUTIVE SESSION DELIBERATION

ITEMS FOR FUTURE AGENDAS

ADJOURNMENT

Meeting Notices and Reservation of Rights

The City Council may retire to executive session any time between the meeting's opening and adjournment for the purpose of consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code; discussion of personnel matters pursuant to Chapter 551.074 of the Texas Government Code if the requisite information is otherwise posted; deliberation regarding real property pursuant to Chapter 551.072 of the Texas Government Code; deliberation regarding economic development negotiations pursuant to Chapter 551.087 of the Texas Government Code; and/or deliberation regarding the deployment, or specific occasions

for implementation of security personnel or devices pursuant to Chapter 551.076 of the Texas Government Code (as applicable) when determined necessary by the [City Council/Board/Commission/Committee] to address a subject matter on the agenda. Action, if any, will be taken in open session.

Attendance by Other Elected or Appointed Officials: It is anticipated that members of other governmental bodies, and/or city council, boards, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the body, board, commission and/or committee. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a possible meeting of the other body, board, commission and/or committee, whose members may be in attendance, if such numbers constitute a quorum. The members of the city council, boards, commissions and/or committees may be permitted to participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that city council, body, board, commission or committee subject to the Texas Open Meetings Act.

NOTICE

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (817) 514-5825, OR FAX (817) 514-3625.

I, Linda Proskey, City Secretary for the City of Watauga, hereby certify that this agenda was posted on the bulletin boards at City Hall, 7105 Whitley Road, Watauga, Texas, on June 9, 2023, before 5:00 p.m., in accordance with Chapter 551 of the Texas Government Code.


Linda Proskey, City Secretary





AGENDA MEMORANDUM

DATE: May 17, 2023
TO: Honorable City Council Members
FROM:
THROUGH:
SUBJECT: Oath of Office for reelected council members

BACKGROUND/INFORMATION:

FINANCIAL IMPLICATIONS:

RECOMMENDATION/ACTION DESIRED:

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

None

REVIEWED BY:

Sandra Gibson, Director of Finance
Linda Proskey, City Secretary
Approved as to form for inclusion on Agenda

Approved - 6/8/2023
Final Approval - 6/8/2023



AGENDA MEMORANDUM

DATE: May 26, 2023
TO: Honorable City Council Members
FROM:
THROUGH:
SUBJECT: Presentation of Service Awards for the City of Watauga Employees celebrating a Milestone Anniversary during the month of June

BACKGROUND/INFORMATION:

FINANCIAL IMPLICATIONS:

RECOMMENDATION/ACTION DESIRED:

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Employee Service Awards - June 2023

REVIEWED BY:

Juliet Rodriguez, Human Resources and Civil Service
Director

Joshua Jones, City Manager

Linda Proskey, City Secretary

Approved - 5/31/2023

Approved - 5/31/2023

Final Approval -
5/31/2023

Approved as to form for inclusion on Agenda



Employee Service Awards

June 2023

James Varelans

Police Sergeant

10 Years of Service

*Thank
You*

Robert Boettcher

Fire Lieutenant

15 Years of Service

*Thank
You*



AGENDA MEMORANDUM

DATE: May 10, 2023
TO: Honorable City Council Members
FROM: Sandra Gibson, Director of Finance
THROUGH: Joshua Jones, City Manager
SUBJECT: Consideration and approval of the Quarterly Investment Report for the period ending March 31, 2023

BACKGROUND/INFORMATION:

The Quarterly Investment Report for the period ending March 31, 2023 is attached for Council review and approval.

The City is required to comply with Chapter 2256 of the Government Code, otherwise known as the Public Funds Investment Act. Provisions of that act require at a minimum quarterly reporting. The accompanying Quarterly Investment Report lists, in summary form and in detail, the investment position of the City of Watauga's investment portfolios as of March 31, 2023. The overall strategy of running the City's investment portfolios is governed by the City's Investment Policy and overseen by the City's investment committee. All investments are governed by state law and the City's Investment Policy, which dictates the following investment objectives, in order of priority:

Safety of Principal
Liquidity
Return on Investments

As of March 31, 2023, the City held money market accounts and investments with a combined book value of \$46,986,227. The City's fund portfolio consists of operating funds, construction funds, and debt service funds. Construction funds account for 59% of the investment portfolio and are dedicated to funding various capital improvement projects throughout the City. The City's portfolio has averaged a yield of 4.33% for the second quarter of Fiscal Year 2023 and investment earnings for the quarter were \$508,840. The Federal Open Market Committee (FOMC) raised the Fed Funds target rate .25% to 4.75% - 5.00% March 22nd. The City Portfolio distribution is 9% in Certificates of Deposit, 71% in money market accounts, and 20% in pooled investment accounts.



AGENDA MEMORANDUM

The investment committee reviewed the Quarterly Investment Report. The Committee finds the report to be in compliance with the Public Funds Investment Act and recommends that the City Council receive and accept the report, as presented.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

Staff recommends approval of the Quarterly Investment Report for the period ending March 31, 2023

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. QUARTERLY REPORT FOR THE PERIOD ENDING MARCH 31, 2023

REVIEWED BY:

Sandra Gibson, Director of Finance

Joshua Jones, City Manager

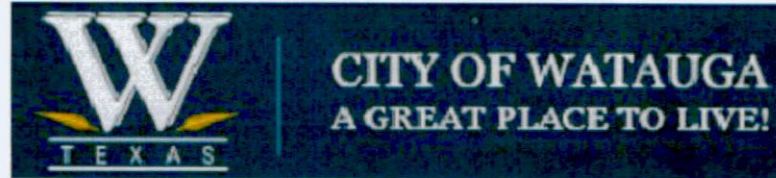
Linda Proskey, City Secretary

Approved as to form for inclusion on Agenda

Approved - 5/23/2023

Approved - 5/25/2023

Final Approval - 5/25/2023



QUARTERLY INVESTMENT REPORT

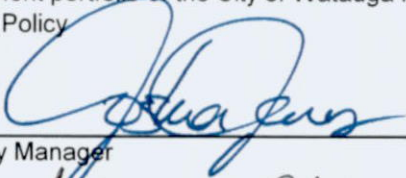
For the Quarter Ended

March 31, 2023

Prepared by

Valley View Consulting, L.L.C.

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



City Manager



Director of Finance



Assistant Director of Finance

Disclaimer: These reports were compiled using information provided by the City of Watauga. 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 adviser fees.

Summary

Quarter End Results by Investment Category:

<u>Asset Type</u>	<u>December 31, 2022</u>		<u>March 31, 2023</u>		
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Ave. Yield</u>
DDA/MMA/NOW	\$ 31,504,164	\$ 31,504,164	\$ 33,412,069	\$ 33,412,069	4.85%
Pools	6,814,945	6,814,945	9,488,603	9,488,603	4.65%
CD/Security	6,079,884	6,079,884	4,085,555	4,085,555	3.18%
Totals	\$ 44,398,994	\$ 44,398,994	\$ 46,986,227	\$ 46,986,227	4.66%

Current Quarter Portfolio Performance (1)

Average Quarterly Yield	4.66%
Rolling Three Month Treasury	4.78%
Rolling Six Month Treasury	4.73%
TexPool	4.61%

Fiscal Year-to-Date Portfolio Performance (2)

Average Quarter End Yield	4.33%
Rolling Three Month Treasury	4.49%
Rolling Six Month Treasury	4.32%
TexPool	4.30%

Interest Earnings (Approximate)

Quarterly Interest Earnings	\$ 508,840
Fiscal YTD Interest Earnings	\$ 896,711

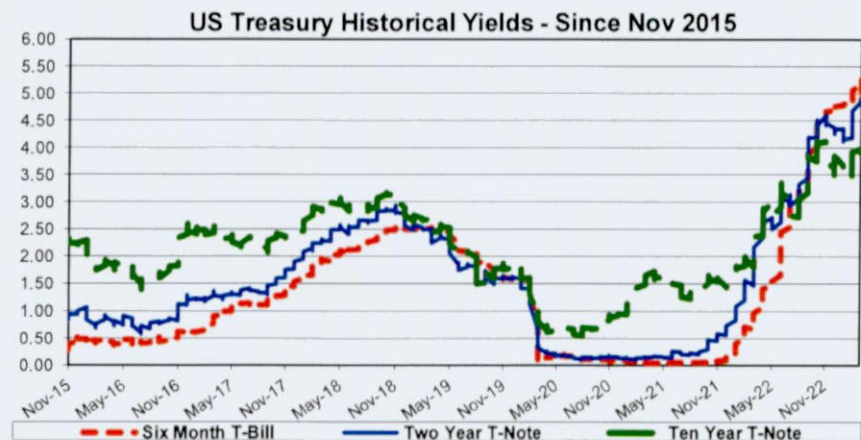
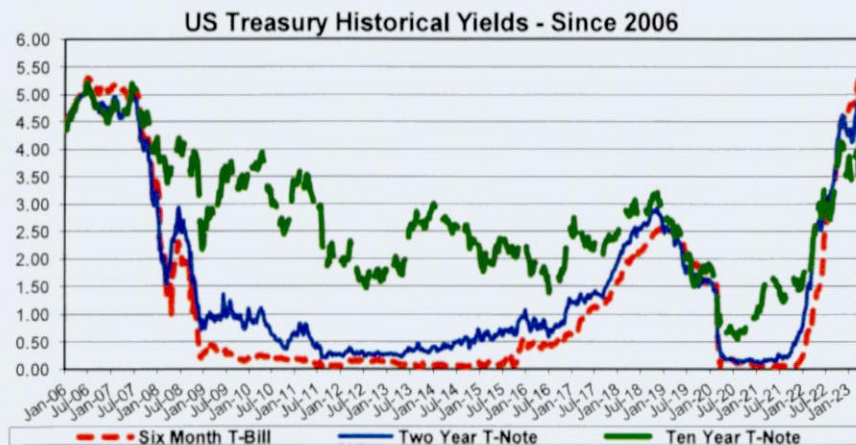
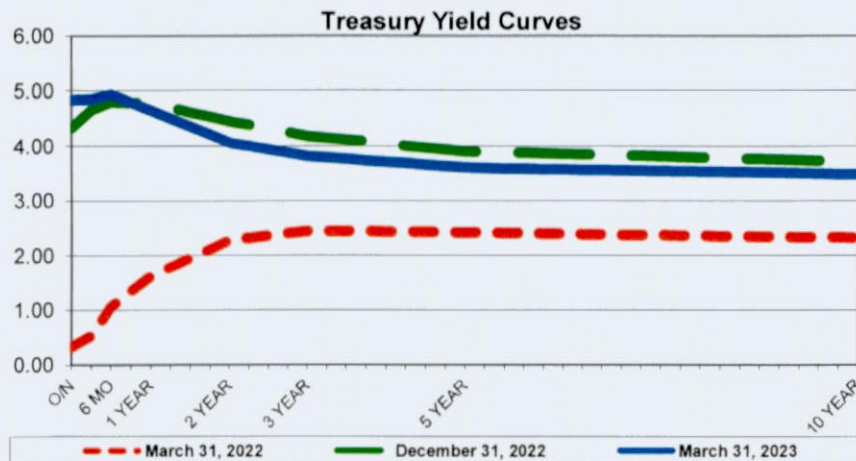
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date 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

3/31/2023

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.25% to 4.75% - 5.00% March 22nd (Effective Fed Funds are trading +/-4.82%). An additional 0.25% increase is projected May 3rd. Fourth Quarter 2022 GDP was revised downward to 2.6% (final number). March Non-Farm Payroll saw 236k new jobs. OPEC announced production cuts and Crude Oil moved up slightly to +/- \$80 per barrel. The S&P Stock Index still oscillates on either side of 4,000. In early March, two large US banks and one European bank required bail-outs to prevent wider financial market disruption. The yield curve shifted lower on broader economic concerns, even with the expectation of additional FOMC rate increases. The Market is now considering lower future interest rates as early as this fall. Inflation is still over the FOMC 2% target (Core PCE +/-4.7% and CPI +/-6.4%). International challenges add to economic uncertainty.



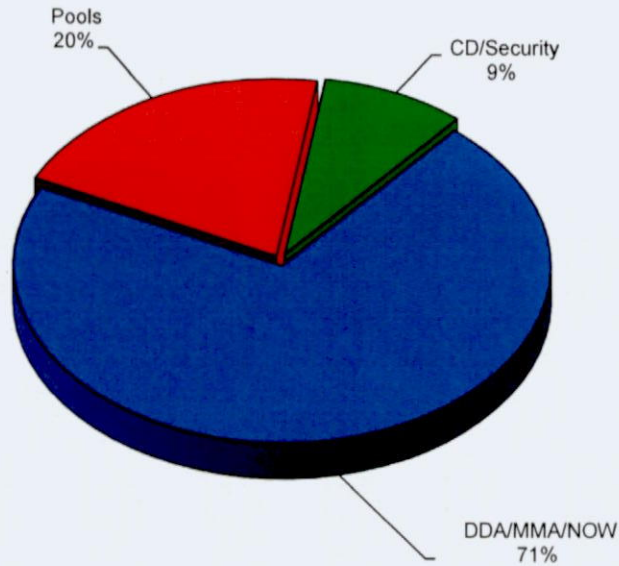
Investment Holdings
March 31, 2023

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face/ Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
Southside Bank MMA		4.85%	04/01/23	03/31/23	\$ 33,412,069	\$ 33,412,069	1.00	\$ 33,412,069	1	4.85%
TexasDAILY	AAA	4.70%	04/01/23	03/31/23	484,727	484,727	1.00	484,727	1	4.70%
LOGIC	AAA	4.82%	04/01/23	03/31/23	318,170	318,170	1.00	318,170	1	4.82%
TexPool	AAA	4.61%	04/01/23	03/31/23	7,404,357	7,404,357	1.00	7,404,357	1	4.61%
TexPool Prime	AAA	4.80%	04/01/23	03/31/23	1,281,349	1,281,349	1.00	1,281,349	1	4.80%
East West Bank CD		3.06%	04/28/23	07/28/22	1,000,000	1,020,922	100.00	1,020,922	28	3.11%
East West Bank CD		3.15%	07/28/23	07/28/22	3,000,000	3,064,633	100.00	3,064,633	119	3.20%
					\$ 46,900,672	\$ 46,986,227		\$ 46,986,227	9	4.66%
									(1)	(2)

(1) **Weighted average life** - Pools, Money Market Funds, and Bank Deposits 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, adviser fees and realized and unrealized gains/losses are not considered. The pool and mutual fund yields are the average for the last month of the quarter. Bank deposit yields are estimated from the monthly allocated earnings.

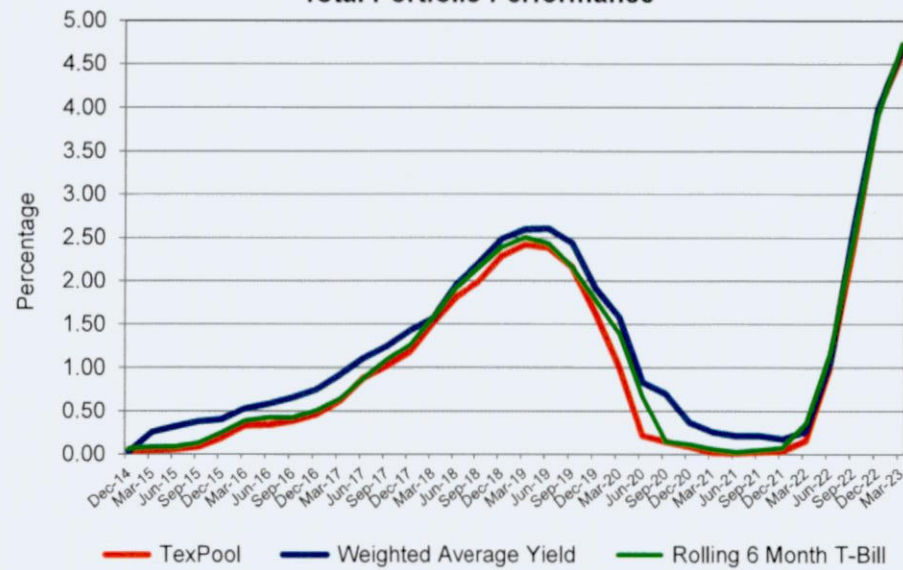
Portfolio Composition



Quarter End Book Value



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/22	Increases	Decreases	Book Value 03/31/23	Market Value 12/31/22	Change in Market Value	Market Value 03/31/23
Southside Bank MMA	4.85%	04/01/23	\$ 31,504,164	\$ 1,907,905	\$ —	\$ 33,412,069	\$ 31,504,164	\$ 1,907,905	\$ 33,412,069
TexasDAILY	4.70%	04/01/23	479,340	5,387	—	484,727	479,340	5,387	484,727
LOGIC	4.82%	04/01/23	314,510	3,660	—	318,170	314,510	3,660	318,170
TexPool	4.61%	04/01/23	4,754,429	2,649,928	—	7,404,357	4,754,429	2,649,928	7,404,357
TexPool Prime	4.80%	04/01/23	1,266,667	14,682	—	1,281,349	1,266,667	14,682	1,281,349
East West Bank CD	2.97%	01/24/23	2,025,713	—	(2,025,713)	—	2,025,713	(2,025,713)	—
East West Bank CD	3.06%	04/28/23	1,013,249	7,674	—	1,020,922	1,013,249	7,674	1,020,922
East West Bank CD	3.15%	07/28/23	3,040,923	23,710	—	3,064,633	3,040,923	23,710	3,064,633
TOTAL / AVERAGE	4.66%		\$ 44,398,994	\$ 4,612,947	\$ (2,025,713)	\$ 46,986,227	\$ 44,398,994	\$ 2,587,233	\$ 46,986,227

Allocation

March 31, 2023

Book & Market Value

	Total	Consolidated Cash	Construction	Crime Control District
Southside Bank MMA	\$ 33,412,069	\$ 9,689,674	\$ 23,722,396	\$ -
TexasDAILY	484,727	484,727	-	-
LOGIC	318,170	318,170	-	-
TexPool	7,404,357	7,380,095	-	24,262
TexPool Prime	1,281,349	1,281,349	-	-
04/28/23—East West Bank CD	1,020,922	-	1,020,922	-
07/28/23—East West Bank CD	3,064,633	-	3,064,633	-
Totals	\$ 46,986,227	\$ 19,154,014	\$ 27,807,951	\$ 24,262

Allocation

December 31, 2022

Book & Market Value

	Total	Consolidated Cash	Construction	Crime Control District
Southside Bank MMA	\$ 31,504,164	\$ 7,557,282	\$ 23,946,882	\$ -
Texas Term Daily	479,340	479,340	-	-
LOGIC	314,510	314,510	-	-
TexPool	4,754,429	4,730,431	-	23,998
TexPool Prime	1,266,667	1,266,667	-	-
01/24/23—East West Bank CD	2,025,713	-	2,025,713	-
04/28/23—East West Bank CD	1,013,249	-	1,013,249	-
07/28/23—East West Bank CD	3,040,923	-	3,040,923	-
Totals	\$ 44,398,994	\$ 14,348,229	\$ 30,026,767	\$ 23,998

Dallas–Fort Worth Economic Indicators

Federal Reserve
Bank of Dallas

April 4, 2023

DFW economy dashboard (February 2023)

Job growth (annualized) Nov. '22–Feb. '23	Unemployment rate	Avg. hourly earnings	Avg. hourly earnings growth y/y
▲ 3.3%	▲ 3.7%	▼ \$33.04	▼ 0.2%

The Dallas–Fort Worth economy continued to expand in February. Payrolls grew, albeit at a slower pace than January, and unemployment increased. Home sales rose following several months of decline, and inventories ticked up despite the rebound in sales. Single-family permit issuance edged up.

Labor market

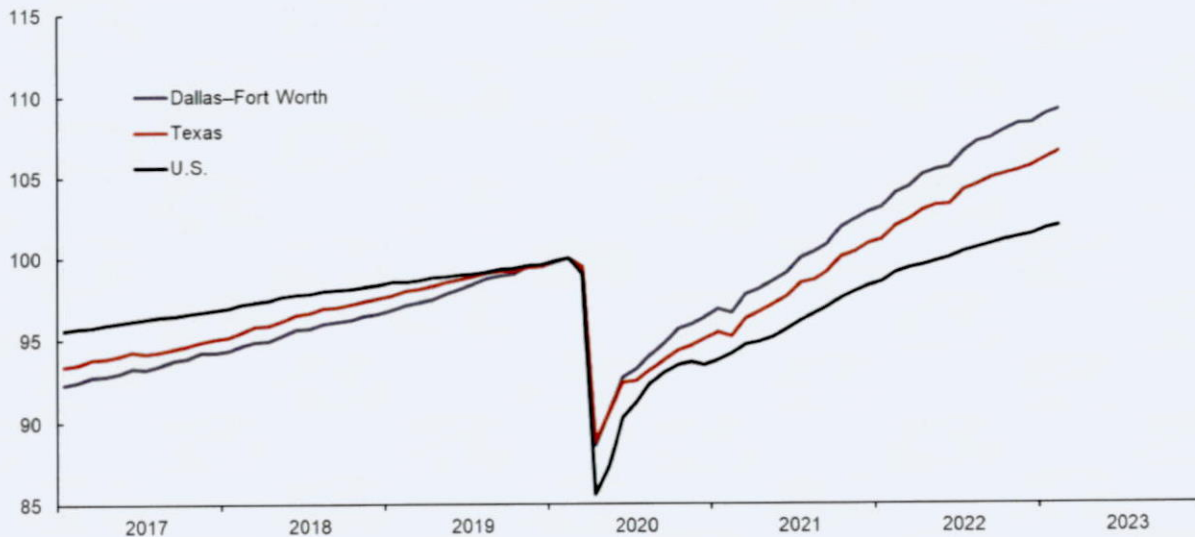
Job growth continues but moderates

DFW employment rose an annualized 3.5 percent in February, slower than January's 6.2 percent increase. From November to February, payrolls in DFW rose an annualized 3.3 percent—their slowest three-month growth rate since February 2021. Job gains were broad based across sectors, though growth has eased notably in leisure and hospitality (0.3 percent) and financial activities (0.8 percent). Three years since the onset of the pandemic, DFW employment exceeded the February 2020 peak by 9.2 percent (353,400 jobs) (*Chart 1*). Employment in the Dallas–Plano–Irving metro division was 10.1 percent (277,600) above prepandemic levels, and the Fort Worth–Arlington

division's employment was 6.8 percent (75,800) higher than prepandemic levels. Payrolls in Texas and the U.S. were 6.5 percent and 2.0 percent higher, respectively, than their prepandemic highs.

Chart 1
Employment growth

Index, February 2020 = 100



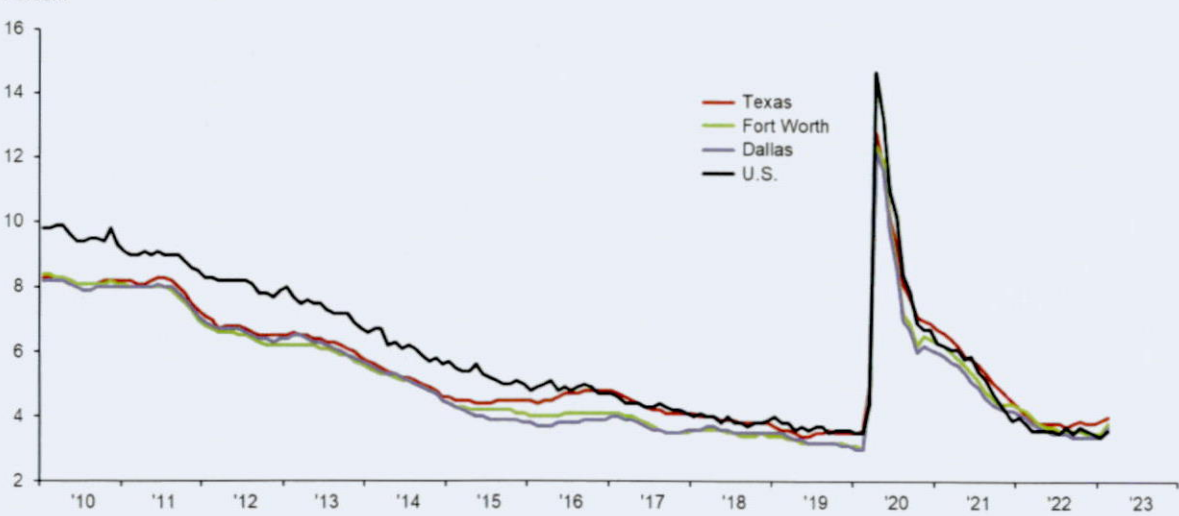
SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

Unemployment ticks up

The DFW labor market continued to be tight, though unemployment edged up in February. The unemployment rate rose to 3.7 percent in Dallas and 3.8 percent in Fort Worth—the first increase since November 2020 (*Chart 2*). The jobless rate in Texas edged up to 4.0 percent in February, and in the U.S., it rose to 3.6 percent. The labor force

expanded an annualized 7.6 percent in Dallas. Fort Worth's 5.6 percent labor force increase was in line with the state's 5.4 percent rise.

Chart 2
Unemployment rate
Percent*



*Seasonally adjusted.
SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; seasonal adjustments by the Dallas Fed.

Housing

Existing-home sales rebound

Activity in the housing market improved. DFW existing-home sales climbed at a double-digit pace in February (Chart 3). Statewide, sales rose sharply, up 9.9 percent, and they rebounded strongly in the nation as well. Relatively stable home prices and the recent dip in mortgage rates are helping drive demand. According to

business contacts, buyer traffic has picked up, and sales of new homes have improved. Contract cancellations have slowed, and incentives remain generally widespread, including rate buy-downs and price reductions.

Chart 3
Existing-home sales
Index, January 2011 = 100



SOURCE: Multiple Listing Service; Texas Real Estate Research Center at Texas A&M University.

Home inventories steadily increasing

DFW home inventories edged up in February, even with an increase in sales. Existing-home inventories ticked up to 2.7 months in DFW but were flat in Texas at 3.0 months and dipped to 3.2 months in the U.S. (*Chart 4*).

Inventories in the metroplex, state and nation remain tight and below the six-month benchmark for a normal market.

Chart 4
Existing-home inventories



Single-family permits rise

Single-family permit issuance, which leads home construction, rose in February following several months of decline. Permit issuance climbed 18.5 percent in DFW and 8.7 percent in Texas. The three-month moving average of single-family permits edged up 0.5 percent in DFW but dipped further in Texas (*Chart 5*). Despite the pickup in

February, single-family permit issuance was down 30.8 percent in DFW and 34.5 percent in Texas from year-ago levels.

Chart 5
Single-family housing permits
Index, January 2010 = 100*



*Three-month moving average; seasonally adjusted.
SOURCE: Census Bureau.

NOTE: Data may not match previously published numbers due to revisions.

About Dallas-Fort Worth Economic Indicators

Questions or suggestions can be addressed to Laila Assanie at laila.assanie@dal.frb.org. *Dallas-Fort Worth Economic Indicators* is published every month after state and metro employment data are released.



AGENDA MEMORANDUM

DATE: May 15, 2023

TO: Honorable City Council Members

FROM: Deby Woodard, Assistant Director of Finance
Sandra Gibson, Director of Finance

THROUGH: Joshua Jones, City Manager

SUBJECT: Consider action to approve Bank Depository Services RFA # 19-005 for the third and final one-year extension period through August 31, 2024 with Southside Bank.

BACKGROUND/INFORMATION:

RFA # 19-005 for Bank Depository Services was approved by Council in 2019 with Southside Bank. The terms of the agreement allow for three (3) one-year renewal extensions upon vendor agreement and Council approval.

Council approved the first renewal extension in 2021 and the second renewal extension in 2022. Southside Bank has agreed to the third and final renewal extension under the same terms and conditions.

Finance is extremely pleased with the services provided by Southside Bank and desires to utilize the final renewal extension period through August 31, 2024.

FINANCIAL IMPLICATIONS:

With the agreement, there will be interest earnings from the Money Market and minimal fees that are appropriated annually in various funds.

RECOMMENDATION/ACTION DESIRED:

Staff recommends Council approve the third and final renewal extension period through August 31, 2024 with Southside Bank under the same terms and conditions.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Southside Bank Renewal Letter - 3rd and Final
2. Southside Bank 1295 form

REVIEWED BY:

Sandra Gibson, Director of Finance
David Berman, City Attorney
Sandra Gibson, Director of Finance

Approved - 5/17/2023
Approved - 6/8/2023
Approved - 6/8/2023



AGENDA MEMORANDUM

Linda Proskey, City Secretary

Final Approval - 6/8/2023

Approved as to form for inclusion on Agenda



May 12, 2023

Ms. Mary McLarry, Senior Vice President, Corporate Services Administration
Southside Bank
1201 South Beckham Avenue
Tyler, Texas 75701

RE: City of Watauga, Texas Depository Services Contract Extension

Dear Ms McLarry:

The expiration of the second one-year extension period of the Depository Services Agreement is August 31, 2023. The City is opting to exercise the third and final one-year contract extension, pending City Council approval, as provided for in the agreement. This extension option will extend the agreement through August 31, 2024, under the same terms and conditions.

To confirm the Bank's acceptance of this contract extension, please complete the section below and return.

We have appreciated our business relationship with Southside Bank over the years and look forward to the extended term.

Should you have any questions or need additional information, please contact me at 817-514-5833 or dwoodard@cowtx.org.

Sincerely,

Deby Woodard
Assistant Finance Director
City of Watauga

SOUTHSIDE BANK

ACCEPTED BY: Mary McLarry

DATE: 5/12/2023

PRINTED NAME: Mary McLarry

TITLE: SVP + Secretary

CITY OF WATAUGA

Joshua Jones, City Manager

DATE: _____

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2023-1021057

Date Filed:
05/15/2023

Date Acknowledged:
5-15-23

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Southside Bank
Tyler, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Watauga

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

19-005
Depository Services - extension 3

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Southside Bancshares, Inc.	Tyler, TX United States	X	

5 Check only if there is NO Interested Party.

☐

6 UNSWORN DECLARATION

My name is Mary McLarry, and my date of birth is 11-21-1975.

My address is 608 Charmwood Dr, Chandler, TX, 75758, US.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Smith County, State of Texas, on the 15 day of May, 2023.
(month) (year)

Mary McLarry
Signature of authorized agent of contracting business entity
(Declarant)



AGENDA MEMORANDUM

DATE: May 16, 2023

TO: Honorable City Council Members

FROM: Sandra Gibson, Director of Finance
Deby Woodard, Assistant Director of Finance

THROUGH: Joshua Jones, City Manager

SUBJECT: Consider action to approve renewal of the audit services contract with Weaver and Tidwell, LLP

BACKGROUND/INFORMATION:

The City Charter 9.06(c) requires an independent audit be conducted of all accounts of the City by a Certified Public Accountant. These audits are performed in accordance with generally accepted auditing standards as well as examination for compliance with procedures established by Charter, Ordinance, or where applicable, State and Federal laws and regulations. The audit and related reports comply with all standards provided by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) where applicable.

Section 13.001 of the Texas Local Government Code requires a municipality to have its records and accounts audited annually and have an annual financial statement prepared based on the audit.

Financial Audit Services Proposal# 20-009 was issued in July 2020 with responses from eleven (11) firms. Evaluations were completed by a committee resulting in recommendation and award by Council on August 13, 2020 to Weaver & Tidwell, LLP. The proposal was based on the engagement for the 2019-2020 Fiscal Year with four (4) subsequent Fiscal Year audits upon staff recommendation and Council approval at predesignated amounts.

Staff has been pleased with the previous audit engagements and requests approval of the attached Letter of Engagement for Weaver to perform the Fiscal Year 2022-2023 independent audit of the general purpose financial statements in the amount of \$63,900, which is a \$1,900, or 3% increase from prior year. This amount includes an anticipated single audit for grant proceeds as required.

FINANCIAL IMPLICATIONS:

Funds are budgeted and available.



AGENDA MEMORANDUM

RECOMMENDATION/ACTION DESIRED:

Approval of the Letter of Engagement for Weaver & Tidell, LLP to perform the Fiscal Year 2022-2023 City of Watauga independent audit in an amount of \$63,900, representing the third renewal of Poposal # 23-009 Financial audit Services.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Weaver 2023 Audit Engagement Letter and 1295

REVIEWED BY:

Sandra Gibson, Director of Finance

David Berman, City Attorney

Sandra Gibson, Director of Finance

Linda Proskey, City Secretary

Approved as to form for inclusion on Agenda

Approved - 5/25/2023

Approved - 6/8/2023

Approved - 6/8/2023

Final Approval - 6/8/2023

May 22, 2023

Mayor Arthur Miner
City of Watauga, Texas
7105 Whitley Road
Watauga, Texas 76148

Dear Mayor Miner:

You have requested that Weaver and Tidwell, L.L.P. ("Weaver", "our", "us", and "we") audit 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 Watauga, Texas (the "City"), as of September 30, 2023, 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, 2023.

Accounting principles generally accepted in the United States of America ("U.S. GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB") require that management's discussion and analysis and budgetary comparison information, among other items, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, which 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 ("U.S. GAAS"). 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 U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule – General Fund
3. Schedule of Changes in Net Pension Liability and Related Ratios
4. Schedule of Pension Contributions
5. Schedule of Changes in Total OPEB Liability and Related Ratios

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 perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal Awards

Weaver and Tidwell, L.L.P.

CPAs AND ADVISORS | WEAVER.COM

Page 2 of 10

2. Combining Balance Sheet
3. Combining Statement of Revenues and Changes in Fund Balances
4. Schedule of Revenues, Expenditures and Changes in Fund Balances: Budgetary Comparison 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 basic financial statements:

1. Introductory Section
2. Statistical Section

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material aspects, in conformity with U.S. GAAP and to report on the fairness of the supplementary information referred to above when considered in relation to the basic financial statements as a whole. The objective also includes reporting on internal control related to the basic financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the basic financial statements in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States of America ("GAGAS"); and internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS, the standards applicable to financial audits contained in GAGAS, and the provisions of the Uniform Guidance. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of assets, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and

Page 3 of 10

they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and GAGAS.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the basic financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the 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 basic financial statements that we have identified during the audit.

Ms. Jackie Gonzalez is the engagement partner for the audit services specified in this letter, and is responsible for supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

We may from time to time, and depending on the circumstances, use third-party service providers in performing this engagement. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service provider.

We expect to begin our audit procedures in December 2023, and issue our report in March 2024. We will issue a written report upon completion of our audit of the City's basic financial statements. Our report will be addressed to the Mayor and City Council of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions on the financial statements or compliance 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 withdraw from this engagement.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants that could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with the provisions is not an objective of our audit, and accordingly, we will not express such an opinion.

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the City has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. 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 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. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

In accordance with the requirements of GAGAS, 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.

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 Responsibilities

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

- a. for the preparation and fair presentation of the basic financial statements in accordance with the framework described in Audit Objectives above;

- b. for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, for fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
- c. to provide us with:
 - i. access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
 - ii. additional information that we may request from management for the purpose of the audit; and
 - iii. unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.
- d. for including the auditor's report, and our report on any supplementary information if described above, in any document containing the basic financial statements that indicates that such basic financial statements have been audited by the City's auditor;
- e. for identifying and ensuring that the City complies with the laws and regulations applicable to its activities;
- f. for adjusting the basic 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 under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
- g. for maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- h. for identifying all federal awards expended during the period including federal awards and funding increments received prior to December 26, 2014, and those received in accordance with the Uniform Guidance generally received after December 26, 2014;
- i. for preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
- j. for the design, implementation, and maintenance of internal control over compliance;
- k. For identifying and ensuring that the City complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs;
- l. For following up and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- m. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
- n. For submitting the reporting package and data collection form to the appropriate parties;
- o. For making the auditor aware of any significant vendor relationships where the vendor is responsible for program compliance;

- p. with regard to the supplementary information referred to above: (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;
- q. informing us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the basic financial statements are issued; and
- r. for confirming your understanding of your responsibilities in this letter to us in your management representation letter.

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

If we agree herein or otherwise to perform any non-attest services (such as tax services or any other non-attest services), you agree to assume all management responsibilities for those services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. The entity has designated Sandra Gibson, Director of Finance to oversee these services. Such services include:

- i. Preparation of financial statements and related notes
- ii. Preparation of schedule of expenditures of federal awards (as applicable)
- iii. Assisting with entries to convert accounting records from modified accrual to full accrual (GASB 34 entries)
- iv. Preparation of the Data Collection Form

GAGAS 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 nonaudit/nonattest service.

During the course of our engagement, we will request information and explanations from management regarding the City's operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The City agrees that as a condition of our engagement to perform an audit that management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the audit and in the written representation letter. The procedures we perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the audit; or, worse, could cause a material error or a fraud to go undetected by our procedures.

Fees and Invoicing

We estimate that the fee for this engagement will be \$63,900. The fee estimate is based on anticipated cooperation from all involved and the assumption that unexpected circumstances will not be encountered during the engagement. This is only an estimate and the fee for these services will be determined by the complexity of the work performed and the tasks required. If significant additional time is necessary, we will discuss the reasons with you and arrive at a new fee estimate before we incur the additional costs. It is understood that neither our fees nor the payment thereof will be contingent upon the results of this engagement.

In addition to the fee for our services, reasonable and necessary out-of-pocket expenses we incur (such as parking, reproduction and printing, postage and delivery, and out-of-market travel, meals, and accommodations) will be billed at cost. At this time, we do not anticipate incurring substantial expenses.

Our engagement fees do not include consulting on the adoption of new accounting standards and any future increased duties because of any regulatory body, auditing standard or an unknown or unplanned significant transaction. We will consult with you in the event any of these take place that may affect our fees.

We will also invoice for reasonable and necessary time and out-of-pocket expenses we incur to respond to any request (such as a subpoena, summons, court order, or administrative investigative demand) pertaining to this engagement in a legal matter to which we are not a party. Our time to facilitate the response will be billed at our then-current standard hourly rates, and our expenses (including attorney's fees) will be billed at cost. If we agree to perform additional substantive services related to or arising out of the request, such matters may be the subject of a new engagement letter.

Our invoices for this engagement will be rendered each month as work progresses. Our invoices are payable on presentation. For invoices not paid within sixty (60) days of the invoice date, a late charge will be added to the outstanding balance. The late charge will be assessed at a rate of half a percent (0.5%) on the unpaid balance per month. If invoices are not paid within one hundred twenty (120) days of the invoice date, the engagement will be placed on hold and we will stop work until the balance is brought current, or we may withdraw from the engagement (and any other engagements for the same client).

Ethical Conflict Resolution

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved or we may resign from the engagement. We will notify you of such conflict as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending our services.

The hiring of or potential employment discussions with any of our personnel could impair our independence. Accordingly, you agree to inform the engagement partner prior to any such potential employment discussions taking place.

Audit Documentation and Confidentiality

The audit documentation we prepare pertaining to and in support of this engagement is our property and constitutes confidential information. If we are requested to make the audit documentation available

to outside parties, except in the case of requests during our peer review (discussed below) or when prohibited by law or direction of law enforcement, any such requests will be discussed with you before we make the documentation available to the requesting parties.

We may be requested to make certain audit documentation (working papers) available to regulators and other government agencies, pursuant to authority given by law or regulation. You should understand that responding to many such requests is mandatory. In those cases, access to such working papers will be provided under our supervision and we may, upon their request, provide the regulator or agency with copies of all or selected working papers. The requesting party may intend or decide to distribute the copies or information contained therein to others, including other regulators or agencies. You will be billed for additional fees as a result of the aforementioned work.

Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years, we subject our system of quality control to an examination by another accounting firm. As part of this process, the firm conducting our peer review will review a sample of our work. It is possible that the work we perform for you may be selected for such a review. If it is, our peer review firm is bound by professional standards to keep all information confidential and we are required to provide the required information.

It is expected that prior to the conclusion of the engagement, sections of the Data Collection Form will be completed by our firm. The sections that we will complete summarize our audit findings by federal grant or contract. Management is responsible to submit the reporting package (defined as including basic financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. The instructions to the Data Collection Form require that the reporting package be an unlocked, unencrypted, text searchable portable document file (PDF) or else it will be rejected by the Federal Audit Clearinghouse. We will be available to assist management in creating the PDF if needed.

We will coordinate with you the electronic submission and certification upon the reporting package completion. If applicable, we will provide copies of our report for you to include with the reporting package if there is a need to submit the package to pass-through entities.

The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of our reports or nine months after the end of the audit period.

We will retain our audit documentation for a period of at least seven years from the date of our report. You agree that following such period, we may destroy the audit documentation without notice to you.

To maintain independence, we will not act as the host of your financial or non-financial information or as your information back-up service provider. Instead, it is your responsibility to maintain a complete set of your financial and non-financial data and records. If some portion of your data and records is contained only within our files, you agree to inform us before the issuance of our report and we will provide that to you.

The parties do not intend this engagement letter to be for the benefit of any third-party. You may inform us of third-parties who will receive a copy of our audit report. Unless you inform us of such third-parties in writing, we are not aware of who you intend to supply our audit report to and we do not anticipate other third-parties' reliance upon our professional services unless expressly stated herein.

During the course of the engagement, we may communicate via fax, email, or other electronic mechanism. Please be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Dispute Resolution Procedure including Jury Waiver

If a dispute arises out of or relates to this engagement or engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to litigation. In such event, the parties will attempt to agree upon a location, mediator, and mediation procedures, but absent such agreement any party may require mediation in Fort Worth, Texas, administered by the AAA under its Commercial Mediation Procedures.

This engagement letter and all disputes between the parties shall be governed by, resolved, and construed in accordance with the laws of the State of Texas, without regard to conflict-of-law principles. Any action arising out of or relating to this engagement or engagement letter shall only be brought in, and each party agrees to submit and consent to the exclusive jurisdiction of, the federal or state courts situated in Harris County, Texas.

Each party hereby irrevocably waives any right it may have to trial by jury in any proceeding arising out of or relating to this engagement or this engagement letter.

Whenever possible, this engagement letter shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretation, but if any term of this engagement letter is declared illegal, unenforceable, or unconscionable, that term shall be severed or modified and the remaining terms of the engagement letter shall remain in force. The parties agree that the court should modify any term declared to be illegal, unenforceable, or unconscionable in a manner that will retain the intended term as closely as possible.

If because of a change in status or due to any other reason, any provision in this engagement letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, professional organizations or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

Miscellaneous

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

We may at times provide you with documents marked as drafts. You understand that those documents are for your review purposes only. You should not rely upon those documents in any way.

Although the engagement partner responsible for this engagement is a licensed certified public accountant, we inform you that we have nonlicensees who may provide services pertaining to this engagement.

If you intend to make reference to our firm or include our report or any portion of it in a published document or other reproduction, and that document or other reproduction includes a version of our report or the financial statements that is assembled differently than any version we provided you or audited, you agree to provide us with printers' proofs or masters for our review and approval before reproducing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may

Mayor Arthur Minor
City of Watauga, Texas
May 22, 2023

Page 10 of 10

withhold our approval. This requirement does not pertain to distributing our report or the financial statements when you do not modify their assembly or in situations where you disseminate the audited financial statements as a standalone document, such as on your website.

This engagement letter sets forth all of the agreed upon terms and conditions of our engagement with respect to the matters covered herein, and supersedes any that may have come before. This engagement letter may not be amended or modified except by further writing signed by all the parties.

We appreciate the opportunity to assist you and look forward to working with you and your team.

Sincerely,

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement as described herein, including each party's respective responsibilities. By signing below, the signatory also represents that they have been authorized to execute this agreement.

City of Watauga, Texas

By: _____

Printed Name: _____

Title: _____

Date: _____

By: _____

Printed Name: _____

Title: _____

Date: _____



Report on Firm's System of Quality Control

September 19, 2022

To the Partners of Weaver & Tidwell, L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Weaver & Tidwell, L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].)

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Weaver & Tidwell, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Weaver & Tidwell, L.L.P. has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Weaver and Tidwell, L.L.P.
Fort Worth, TX United States

Certificate Number:
2023-1024183

Date Filed:
05/22/2023

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Watauga

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

20-009
Financial Audit Services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Rook, David	Houston, TX United States	X	
	Mackel, John	Houston, TX United States	X	
	Gonzalez, Jackie	Fort Worth, TX United States		X

5 Check only if there is NO Interested Party.

☐

6 UNSWORN DECLARATION

My name is Jackie Gonzalez, and my date of birth is 4/26/1979.

My address is 2821 West 7th Street, Suite 700, Fort Worth, TX, 76107, US.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Tarrant County, State of Texas, on the 22 day of May, 20 23.
(month) (year)



Signature of authorized agent of contracting business entity
(Declarant)



AGENDA MEMORANDUM

DATE: May 17, 2023

TO: Honorable City Council Members

FROM: Lana Ewell, Director of Library Services

THROUGH: Joshua Jones, City Manager
David Berman, City Attorney
Linda Proskey, City Secretary

SUBJECT: Proposed revision of the Watauga Public Library Material Selection Policy

BACKGROUND/INFORMATION:

A staff review of the 2018 policy recommended improvements to section 5. It was believed this section would benefit from legal review.

FINANCIAL IMPLICATIONS:

NA

RECOMMENDATION/ACTION DESIRED:

Approval

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Current Material Selection Policy 2018
2. Proposed Draft version of Material Selection Policy
3. David Bermans March 23, 2023 email
4. 2023.5.9 Watauga Library Board Agenda
5. 2023.5.9 Watauga Library Board Regular Minutes

REVIEWED BY:

Lana Ewell, Director of Library Services

David Berman, City Attorney

Joshua Jones, City Manager

Linda Proskey, City Secretary

Approved as to form for inclusion on Agenda

Approved - 5/22/2023

Approved - 5/22/2023

Approved - 5/22/2023

Final Approval - 5/22/2023



Material Selection Policy

Policy Statement

The purpose of this policy is to provide guidelines for the consistent and orderly selection of materials and to inform the public of the principles used in making selection decisions. The material resources of Watauga Public Library will be collected, preserved, organized and disseminated according to the following principles, policies and criteria:

I. Principles

1. The Watauga Public Library is committed to serving a diverse population without imposing personal preferences of staff in the selection process. Final responsibility and authority for selection rests with the Library Director who will operate within the framework of this policy ensuring that the collection maintains diversity and offers various opinions and viewpoints. Any library staff member who is involved in the selection process will operate under the delegated authority of the Library Director.
2. The Library will attempt to provide books and other materials on the basis of their informational, recreational, cultural and educational value for all members of the community it serves. No item is ever included or excluded merely because of the race, nationality, sexual orientation, gender or political or religious views of the author.
3. The Library holds that the selection of reading materials is a purely individual matter. Citizens are free to reject for themselves materials of which they do not approve, but no one can restrict the freedom of use and access for others.
4. Responsibility for children's reading rests with their parents and/or legal guardians. The Library and its associated authorities do not serve *in loco parentis*.
5. Selection of library books and other library materials will not be inhibited by the possibility that material may inadvertently come into a child's possession.

6. The presence of a book or other material in the Library does not indicate an endorsement of its contents by the Library.
7. The Library cannot take responsibility for ensuring that the intellectual content of materials is verifiable, right, true, or guaranteed to be harmless to members of the community.
8. No person will be denied the right of access to and use of material because of origin, race, age, gender, sexual orientation or religious/political views.
9. The principles of the freedom to read are reaffirmed in the selection and access to all library materials.
10. The Library will support and uphold the principles contained in the American Library Association's Library Bill of Rights, Freedom to Read, and Statement of Professional Ethics and the Texas Library Association's Intellectual Freedom Statement. These documents are a part of this selection policy and are included at the end of this policy.

II. Selection of Materials

1. It is the aim of Watauga Public Library to provide all citizens with a well-balanced collection of materials for interest and information. Materials acquired will meet high standards of quality in content, expression and format. Review sources for materials include but are not limited to:

Library Journal
BookList
Kirkus Reviews
School Library Journal
BookLinks

2. Selection includes both the decision to add materials to the collection and the decision to retain materials already included in the collection.
3. Selection is based on the merits of a work in relation to the needs and interests of the citizens of Watauga. Every effort will

be made within the limitations of budgetary constraints and material availability to provide materials representing all points of view.

4. The Library will avoid unnecessary duplication of materials already included in the existing collection of materials or which are available elsewhere in the community.
5. The Library does not purchase textbooks.
6. Materials may be recommended for purchase by Watauga card holders and must meet the same criteria as any other material as stated in this policy.
7. All acquisitions, whether purchased or donated, will be considered in terms of the following criteria:
 - Contemporary significance or permanent value
 - Accuracy
 - Author's reputation and significance as a writer
 - Relation of work to existing collection
 - Scarcity of information in the subject area
 - Availability of material elsewhere in the area
 - Local interest
 - Reputation of publisher or producer
 - Appearance of title in reputable bibliographies and indexes
 - Potential of item to provide incentive to read
 - Historical value
 - Readability or visual appeal
 - Style
 - Intent or purpose of the author or artist
 - Quality
 - Popular demand

III. **Policy by Format**

1. Audio-Visual Materials – Audio-Visual materials including Books on CD, Music CDs, and DVDs will be selected using the same criteria as for books. The decision to provide a specific format, or eliminate one, is based upon technological trends and needs of the Library community.
2. Periodicals - Periodicals will be selected that supplement the book collection, provide recreational reading, and provide the staff with sources of professional reading and book selection aids. The same criteria used to select books will be used to select periodicals with emphasis on community need, interest and current events.
3. Newspapers - Newspapers will be selected that provide a source of current news coverage, provide a source of recreational reading, meet community need, and provide a source of information on local history.
4. Electronic Resources - Electronic sources include, but are not limited to CD-ROM, downloadable media and online databases. Electronic sources will be selected using the same criteria as for books. In addition, electronic sources will be judged on:
 - Suitability of the content and search capabilities for the library's users
 - Frequency of updating
 - Time span covered by an index
 - Compatibility with equipment already owned by the library
 - System requirements
 - Reliability and support services offered by the vendor
 - Existence of licensing restrictions
 - Purchase and on-going maintenance costs
 - Level of instruction required for efficient and effective use by library's users
5. Equipment - Equipment is purchased by the Library for special

use, for Library programming and for Library staff use. The following criteria will be used to purchase equipment:

- Quality of workmanship
- Ease of operation
- Durability
- Ease of maintenance and repair
- Manufacturer's reputation
- Portability
- Approval of City IT department

IV. Gift and Memorial Policy

The selection of gifts shall be governed by the same principles and criteria used to select materials purchased for the Library. Gifts will be accepted on behalf of the Friends of Watauga Library that are determined to meet the purposes and needs of the Library in accordance with the Library's stated selection policy. The Library will not estimate the value of the material donated.

The use or disposition of all gift materials shall be at the discretion of the Library Director and his/her delegates. They will make the final decision on the acceptance, use or disposition of the gift.

The Library retains unconditional ownership of the gift. Conditions cannot be imposed on any gift after it has been accepted by the Library. The Library reserves the right to decide how the material will be displayed, housed and made accessible.

The Library will not accept on loan or deposit any books or other materials which are not gifts, except those which are intended for limited display.

The Friends of Watauga Public Library accept donations of money on behalf of the Library for the purchase of new books and other materials in memory of a relative or friend. Name plates will be provided by the Library and an acknowledgment letter will be sent to the donor.

V. Patron Complaint Policy

It is the policy of the Watauga Public Library to treat all complaints concerning materials in a uniform manner. A Library user may request reconsideration of Library material already added to the collection by completing the proper form provided by the Library.

The Library Director and two staff members will independently review and evaluate the material and a decision will be made within thirty days. The complainant will be informed of that decision, along with the reasons for it in writing within 30 days.

If the question is not resolved, an appeals process will include first, the Library Board and then, if necessary, the Watauga City Council. The laws governing questionable materials are subject to interpretation by the courts. The Library is not a judicial body. Therefore, challenged material will not be removed from the collection for complaints of obscenity, pornography, subversiveness, or any other category covered by law until after an independent determination by a judicial officer in a court of competent jurisdiction, and only after an adversary hearing, in accordance with well-established principles of law, shall have ruled against the material.

VI. Weeding Policy

Materials which no longer meet the stated objectives of the Library will be withdrawn using accepted professional practices at the discretion of the Library Director and in accordance with all relevant provisions of the Library's governing body. During any weeding process staff will ensure that the collection still maintains diversity and represents various viewpoints on issues of general and common concern.

Materials which will be considered for removal from the collection include:

- Items that are physically worn out or damaged
- Materials that contain obsolete information
- Editions which have been superseded

- Duplicate copies of titles which are no longer popular
- Materials that are no longer of interest to the community as evidenced by lack of checkout within a specified time period

Materials withdrawn from the Library's collection shall be forwarded to the Friends of the Watauga Library for disposition through book sales. Materials too badly damaged to be sold may be discarded by the Library Director and assigned staff.

The Friends of the Watauga Library maintain an ongoing "Book Nook" sale room to raise funds for the Library. In addition to the materials withdrawn from the Library collection, these book sales include gift materials accepted on behalf of the Friends that are not added to the Library's collection (See Section IV above). Items that have been donated/discarded may be given to area organizations with permission of the director.

Approved by the Library Board: 12-2-93

Revised by the Library Board: 9-19-96

Revised by the Library Board: 03-11-04

Approved by City Council: 03-22-04

Revision approved by the Library Board: 05-19-11

Approved by City Council: 06-27-11

Revised by the Library Board: 05-10-18

Approved by the City Council: 06-25-18



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3. The Library holds that the selection of reading materials is a purely individual matter. Citizens are free to reject for themselves materials of which they do not approve, but no one can restrict the freedom of use and access for others.
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2. Selection includes both the decision to add materials to the collection and the decision to retain materials already included in the collection.

DRAFT

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4. Electronic Resources - Electronic sources include, but are not limited to CD-ROM, downloadable media and online databases. Electronic sources will be selected using the same criteria as for books. In addition, electronic sources will be judged on:
 - Suitability of the content and search capabilities for the library's users
 - Frequency of updating
 - Time span covered by an index
 - Compatibility with equipment already owned by the library
 - System requirements
 - Reliability and support services offered by the vendor
 - Existence of licensing restrictions
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 - Level of instruction required for efficient and effective use by library's users

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The use or disposition of all gift materials shall be at the discretion of the Library Director and his/her delegates. They will make the final decision on the acceptance, use or disposition of the gift.

The Library retains unconditional ownership of the gift. Conditions cannot be imposed on any gift after it has been accepted by the Library. The Library reserves the right to decide how the material will be displayed, housed and made accessible.

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V. Patron Complaint Policy

No one has the right to compel the Library to include or exclude specific material from the Library's collection, but the Library and the City of Watauga may consider reasonable complaints of Library users. It is the policy of the Watauga Public Library to treat all complaints concerning materials fairly, objectively and in a uniform manner. A Library user may request reconsideration of Library material already added to the collection by completing the proper form provided by the Library. No complaint that specific material should be added to the Library's collection will be considered. No complaint may be considered if the objection pertains to a specific item contained within a collection available to the Library by paid subscription or licensing, including, by way of example, online databases and digital content in library collections available through electronic means such as Cloud Resources.

The Library Director and two staff members will independently review and evaluate the material and a decision ~~will~~ should be made within thirty days. The complainant will be informed of that decision, along with the reasons for it, ~~in writing~~ within 30 days.

If the complainant is dissatisfied with Library Staff's decision, ~~question is not resolved,~~ an appeals process will include first the Library Board and then, if necessary, the Watauga City Council. The opportunity to pursue an appeal is the responsibility of the complainant who must request each appeal in writing within less than twenty days of the decision. The Board's and City Council's decision will be based on the material's educational, literary, artistic, political or scientific value and contemporary community standards. Nevertheless, in all cases the Council's decision will be final and binding. The Library and the City have sole discretion and reserve final authority over the content of the Library's materials and collections. ~~The laws governing questionable materials are subject to interpretation by the courts. The Library is not a judicial body. Therefore, challenged material will not be removed from the collection for complaints of obscenity, pornography, subversiveness, or any other category covered by law until after an independent determination by a judicial officer in a court of competent~~

DRAFT

~~jurisdiction, and only after an adversary hearing, in accordance with well-established principles of law, shall have ruled against the material.~~

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DRAFT

Approved by the Library Board: 12-2-93

Revised by the Library Board: 9-19-96

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Approved by City Council: 03-22-04

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Approved by City Council: 06-27-11

Revised by the Library Board: 05-10-18

Approved by the City Council: 06-25-18

Revised by the Library Board: 5-9-23

Lana Ewell

From: David Berman <Dberman@njdhs.com>
Sent: Thursday, March 23, 2023 2:59 PM
To: Lana Ewell
Cc: Joshua Jones; Betty King
Subject: RE: Staff review of Watauga Public Library Material Selection Policy 2018 version
Attachments: Watauga Library Citizen Complaint Policy rev 3.23.23.docx

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Lana,

This was a bit more difficult than I first thought. I have redlined my revisions to the policy in the attachment. They are all pretty self-explanatory but if you or the Board have any questions or comments, please let me know.

David M. Berman
NICHOLS | JACKSON
Direct: 214-665-3369
Cell: 214-636-8186
Email: dberman@njdhs.com

This email message is covered by the Electronic Communications Privacy Act, 18 U.S.C. sections 2510-2521 and is legally privileged. Further, this email message and any documents accompanying it may contain **privileged and confidential attorney-client communications and/or attorney work product**. It is transmitted for the exclusive information and use of the intended recipient(s). If you have received this email transmission and/or any accompanying document(s) in error please notify the sender immediately by email or telephone at (214) 965-9900 and delete the transmission and any accompanying document(s) from your system. If you are not the intended recipient of this email and/or any accompanying document(s) you are hereby notified that any dissemination, distribution or copy of this communication and/or documents(s) attached hereto is strictly prohibited.

From: Lana Ewell <LEwell@wataugatx.org>
Sent: Thursday, March 23, 2023 1:32 PM
To: David Berman <Dberman@njdhs.com>
Cc: Joshua Jones <JoshJones@cowtx.org>; Betty King <BKing@wataugatx.org>
Subject: Staff review of Watauga Public Library Material Selection Policy 2018 version

Hi Mr. Berman,

The staff and I have been reviewing the attached policy. The only section we have some questions about is in "V. Patron Complaint Policy".

Considering the recent increase in book challenges in our area, please review the policy for clarity and appropriate responses to such challenges. I plan on presenting it to the Library Advisory Board. I usually present it to the Board first but think it might be more expedient to bring it to you first. If they have questions and concerns, we can send it back to you again.

I do not have it currently scheduled to be on the next agenda. But if you can share your professional opinion before then I will probably include it in May 2023.

Thank you for your assistance.



Lana Ewell, MLS, MOT
Library Director

Watauga Public Library

7109 Whitley Road
Watauga, TX 76148

☎ 817-514-5860

www.cowtx.org/898/Library





AGENDA
WATAUGA LIBRARY BOARD
REGULAR MEETING
CITY HALL COUNCIL CHAMBER, 7105 WHITLEY ROAD
TUESDAY, MAY 9, 2023
6:30 PM

CALL TO ORDER

ROLL CALL

ANNOUNCEMENTS

1. Chairperson to remind the board to take the Cybersecurity Training.
Arthur Miner, Mayor

PRESENTATIONS

1. The Library Director will be available for questions about upcoming events at the Library.
Lana Ewell, Director of Library Services

PUBLIC COMMENT If speaking for an organization or group, the speaker should identify the group represented. If speaking during Public Comment (for matters not posted on that particular meeting's agenda), members of the City Council and Staff may only provide a statement of factual information in response to the inquiry or recite existing policy in response (e.g., to correct a factual misstatement made by the citizen or provide factual information requested by the citizen). Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a future meeting. If necessary, the Chair will task the City Manager to respond to the citizen and report back to the City Council as soon as practicable. Such report to the City Council shall not constitute a meeting called by the City Council nor shall it constitute deliberation or formal action. Individual citizens addressing the City Council during Public Comment shall not exceed three (3) minutes in their comments; however, the Chair may extend or reduce the speaker's allotted time in order to conduct an efficient and effective public meeting. The time allotted shall not be donated to others desiring to speak. Public Comment is not established to engage in a conversation with the Council and no formal Council action will be taken.

PUBLIC TESTIMONY FOR ACTION ITEMS Only those persons who submit a completed Request to Speak form prior to the agenda item being introduced by the Chair will be allowed

to speak on agenda items set for action (this doesn't include presentations or reports). The Chair shall ask each person requesting to speak to approach the podium when called to speak. Speakers time shall generally not exceed three (3) minutes in their comments and all comments must be germane to the specific agenda item being discussed; however, the Chair may extend or reduce the speaker's allotted time. Speakers shall not be permitted to donate their time to other speakers. Members of the City Council may ask questions or discuss the item directly with the citizen during the citizen's testimony if necessary. Any discussion between a Council member and the citizen will not count toward the time limit and Council Members are encouraged not to speak until the citizen has first utilized their allocated time.

CONSENT AGENDA All of the items on the consent agenda are considered to be self-explanatory by the Council and will be enacted with one motion, one second, and one vote. There will be no separate discussion of these items.

1. Consider approval of the minutes from the March 14, 2023 Library Board Meeting.
Linda Proskey, City Secretary

ACTION ITEMS

1. Update of Material Selection Policy
Lana Ewell, Director of Library Services

ITEMS FOR FUTURE AGENDAS

ADJOURNMENT

NOTICE

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (817) 514-5825 OR FAX (817) 514-3625 FOR FURTHER INFORMATION.

I, Linda Proskey, City Secretary for the City of Watauga, hereby certify that this agenda was posted on the bulletin boards at City Hall, 7105 Whitley Road, Watauga, Texas, on May 5, 2023, before 6:00 p.m., in accordance with Chapter 551 of the Texas Government Code.


Linda Proskey, City Secretary

**MINUTES
WATAUGA LIBRARY BOARD
REGULAR MEETING
TUESDAY, May 9, 2023
WATAUGA CITY HALL**

CALL TO ORDER

Vice-Chairperson Neal called the meeting to order at 6:30 pm.

ROLL CALL

The meeting convened with the following members present:

Lindsey Neal	Vice Chairperson /Place 1
Kristen Chapman	Secretary/Place 6
Pedro Rivera	Member/Place 2
Henrietta Egenti	Member /Place 4
Whitney Isbell	Member/Place 5
and	
Art Miner	Mayor
Malissa Minucci	Council Liaison
Linda Proskey	City Secretary
Lana Ewell	Director of Library Services

MEMBERS ABSENT:

Kip Woodruff (Absent with Notice)	Chairperson/Place 7
Anne Rodriquez (Absent without notice)	Member/Place 3

ANNOUNCEMENTS

Vice Chairperson announced that Cybersecurity Training was due June 30.

PUBLIC COMMENT

No requests for public comment were received.

PUBLIC TESTIMONY FOR ACTION ITEMS

No requests for public testimony were received.

REPORTS

1. Library Director's Report

Director Ewell reported that the summer season has kicked off. In May, there will be a break from Youth Storytime, due to staff issues. The library is finding part time employees positions difficult to fill and volunteers are lower than usual, in part due to the National Honor Society changing their guidelines for the amount of hours that can be earned volunteering at one place. June 1 marks Big Vehicle Day and the kick off to the Summer Reading Program. Director Ewell complimented the staff on the great program and the effort involved in getting it right.

UNFINISHED BUSINESS

No unfinished business was discussed.

CONSENT AGENDA

Vice Chairperson Neal read the following consent addenda items:

1. Discuss and consider action on the March 14, 2023 Library Board Meeting Minutes.

Member Rivera made a motion to approve the minutes as written. Member Isbell seconded the motion. Vice Chairperson Neal called for a vote.

Motion carried 5-0-0-2

Ayes - Neal, Rivera, Egenti, Isbell, Chapman

Nays - None

Abstain - None

Absent - Woodruff, Rodriquez

ACTION ITEMS

1. Update of Material Selection Policy

Director Ewell addressed the changes from the current Material Selection Policy and the desire to make the policies and procedures more clear in the draft.

Secretary Chapman made a motion that the Material Selection Policy be passed with the designated changes. Member Rivera seconded. Vice Chairperson Neal called for a vote.

Motion carried 5-0-0-2

Ayes: Neal, Rivera, Egenti, Isbell, Chapman

No: 0

Abstain: 0

Absent: Woodruff, Rodriquez

ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

ADJOURNMENT

Vice Chairperson Neal adjourned the meeting at 6:40 pm



AGENDA MEMORANDUM

DATE: May 30, 2023
TO: Honorable City Council Members
FROM: Sandra Gibson, Director of Finance
THROUGH: Joshua Jones, City Manager
SUBJECT: Consider action on approval of the Monthly Financial Report for the period ending April 30, 2023

BACKGROUND/INFORMATION:

The Monthly Financial Report for the period ending April 30, 2023 is attached for Council's review and approval.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

Review and approve the Monthly Financial Report for the period ending April 30, 2023

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Council Report - April 2023 to Council June 12, 2023

REVIEWED BY:

Sandra Gibson, Director of Finance

Linda Proskey, City Secretary

Approved as to form for inclusion on Agenda

Approved - 6/3/2023

Final Approval - 6/3/2023



Monthly Financial Report Fiscal 2022-2023

For the period ending April 30, 2023

Sales Tax

Sales tax receipts from the State Comptroller received in the month of May 2023 (reflecting March 2023 sales receipts)

Sales Tax Receipts	Mar-23	Mar-22	% change
City 1%	\$ 366,138	\$ 345,286	6.0%
City 1/4% effective 10/1/2021*	\$ 91,535	\$ 86,321	6.0%
Street Maint 1/4%**	\$ -	\$ -	0.0%
CCD 1/2%	\$ 182,027	\$ 169,687	7.3%
EDC 1/4%	\$ 91,535	\$ 86,321	6.0%
Totals	\$ 731,234	\$ 687,616	6.3%

*approved by voters May, 2021 for effective date of 10/1/2021

**abolished January, 2021

increased in total

to 6.3% compared to the same time last year. This amount includes prior period adjustments, future period adjustments and audit collections.

A comparison of March 2023 sales tax receipts for Watauga's and surrounding cities are shown below: These figures do not include Special District sales tax receipts.

SALES TAX RECEIPTS COMPARISONS March 2022 vs. March 2023 RECEIVED FROM COMPTROLLER - MAY FISCAL YEAR 2022-2023

Sales Tax Receipts for the Month:

City	March 2023 Sales	March 2022 Sales	\$ Change	% Change
Grapevine	\$ 5,374,798.76	\$ 4,784,999.11	\$ 589,799.65	12.33%
Haltom City	\$ 1,800,296.31	\$ 1,672,137.10	\$ 128,159.21	7.66%
Richland Hills	\$ 807,052.12	\$ 754,579.82	\$ 52,472.30	6.95%
Fort Worth	\$ 21,679,162.22	\$ 20,415,932.45	\$ 1,263,229.77	6.19%
Watauga	\$ 549,207.10	\$ 517,928.46	\$ 31,278.64	6.04%
Euless	\$ 2,370,040.15	\$ 2,246,574.47	\$ 123,465.68	5.50%
N. Richland Hills	\$ 2,059,928.17	\$ 1,962,617.53	\$ 97,310.64	4.96%
Colleyville	\$ 786,309.10	\$ 798,369.29	\$ (12,060.19)	-1.51%
Saginaw	\$ 745,704.29	\$ 765,695.45	\$ (19,991.16)	-2.61%
Hurst	\$ 1,693,946.20	\$ 1,767,163.37	\$ (73,217.17)	-4.14%
Southlake	\$ 3,464,485.17	\$ 3,726,745.83	\$ (262,260.66)	-7.04%
Bedford	\$ 1,503,598.38	\$ 1,626,225.51	\$ (122,627.13)	-7.54%
Keller	\$ 1,551,679.55	\$ 1,742,285.51	\$ (190,605.96)	-10.94%
Roanoke	\$ 1,747,361.78	\$ 2,330,860.70	\$ (583,498.92)	-25.03%

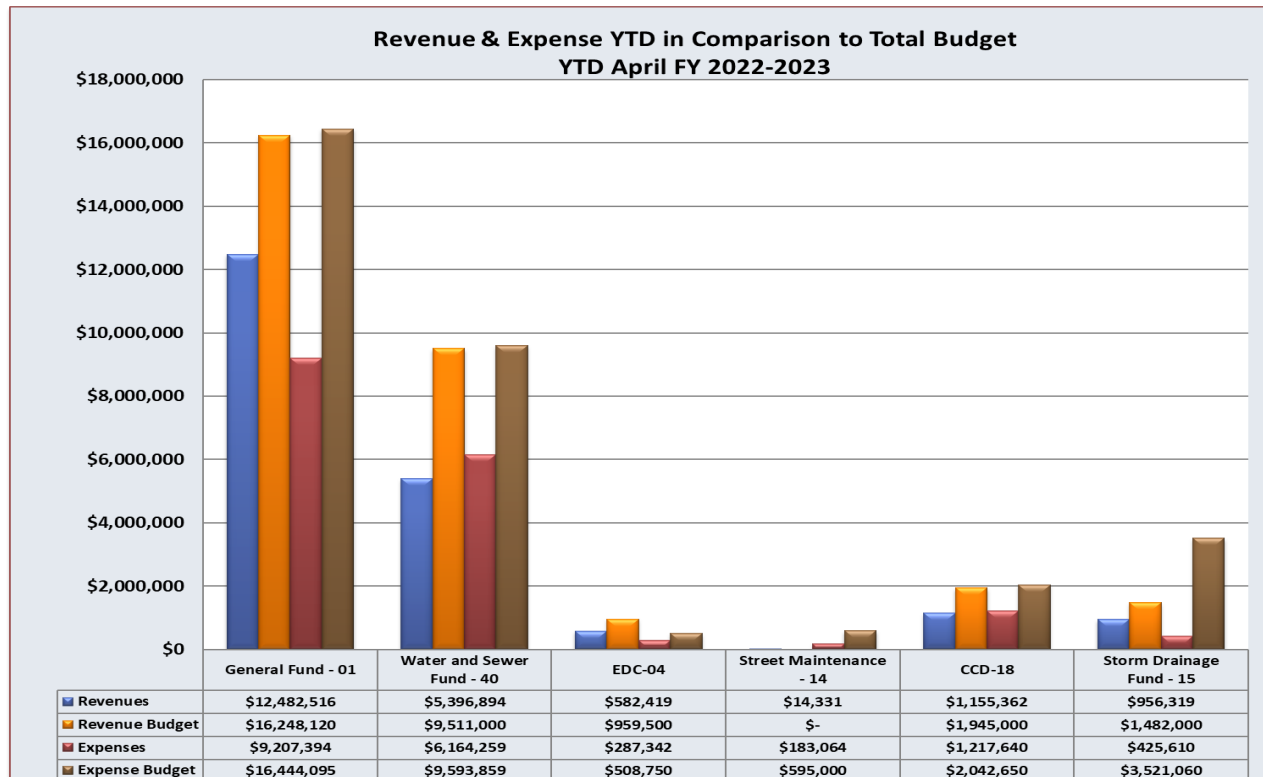
Source: State Comptroller

City Collections only - not Special Purpose Districts or Transit

The City will receive the distribution for April 2023 sales tax receipts on June 9, 2023. Sales tax revenues have been estimated for the April reporting period.

Financial Highlights

The City is 58.33% through the fiscal year 2022-2023. Revenue and expenses are reflected in the chart below and details of each fund's revenues and expenditures are attached. For example, the Police Department budget and expenditures are combined for two funds in which expenditures are reported (General Fund and Crime Control). The Consolidated Departmental Budget Report does not include capital outlay or debt service expenditures.



General Fund

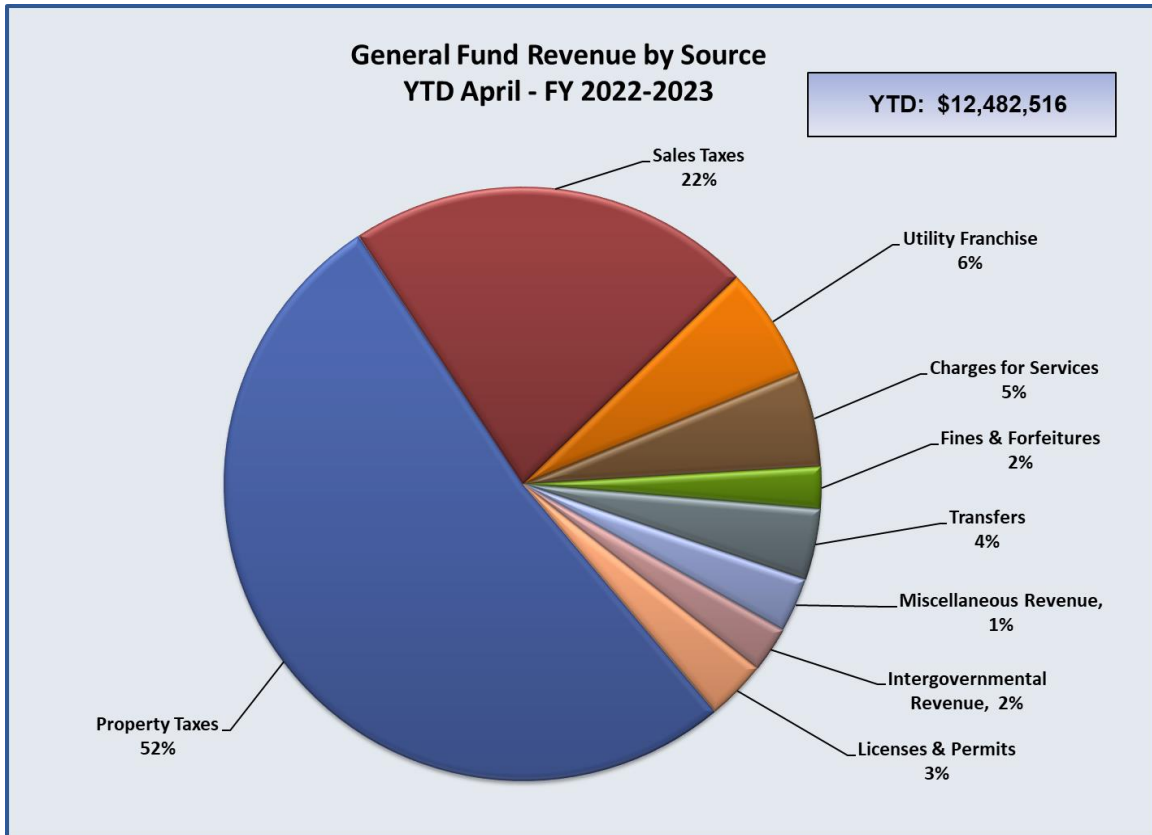
Revenues – Year-to-date revenues represent 76.8% of the budget collected, or \$12,482,516.

Property Tax – As of April 30, 2023, the City has received 98.8% of budgeted property taxes and receipts are in line with expectations. The majority of property tax revenues are received in December and January.

Utility Franchise Revenue - The majority of franchise receipts are received on a quarterly basis. The City has received \$765,260, or 87.2% in budgeted franchise fee revenues through April 2023. Electric and gas franchise receipts were received in March. The City is anticipating receiving \$877,500 in franchise fee revenues in fiscal year 2022-2023. Increase in franchise fees can be attributed to the Frontier franchise fee changes made in the last quarter of Fiscal Year 2022.

Licenses and Permits - License and permit fees are 67.2% of the budget collected with revenue received at \$404,671.

Charges for Services - Charges for Services revenues are 62.2% of the budget collected. Charges for services include recreation fees, ambulance services, garbage collection fees and animal adoption fees. This revenue category is up \$68,033 or 11.7% in YTD comparison to the same period of prior year.

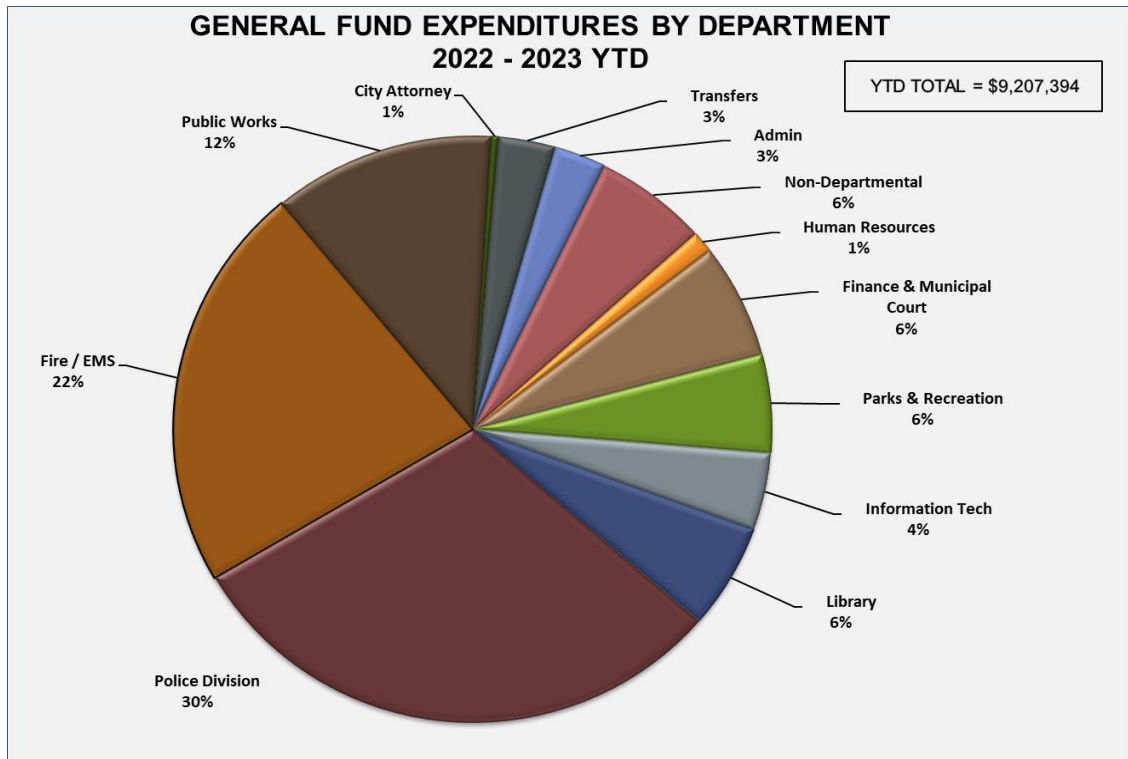


Fines and Forfeitures - Fines and Forfeitures are at 44.9% of budget which is \$86,673, or 23.5% lower than last year's collections. Citations issued are trending lower this fiscal year. The Warrant Regional Database is temporarily inoperable for the addition of new warrants. Collections are expected to rebound with the anticipation of the database becoming fully operational.

Miscellaneous Revenue - Miscellaneous revenues include interest earnings, rental of recreational facilities, bingo, and other revenue. These receipts total \$367,958, which is 97.5% of budgeted revenues. Interest income is expected to remain elevated due to the increase in interest yield for the City's investment and money market accounts.

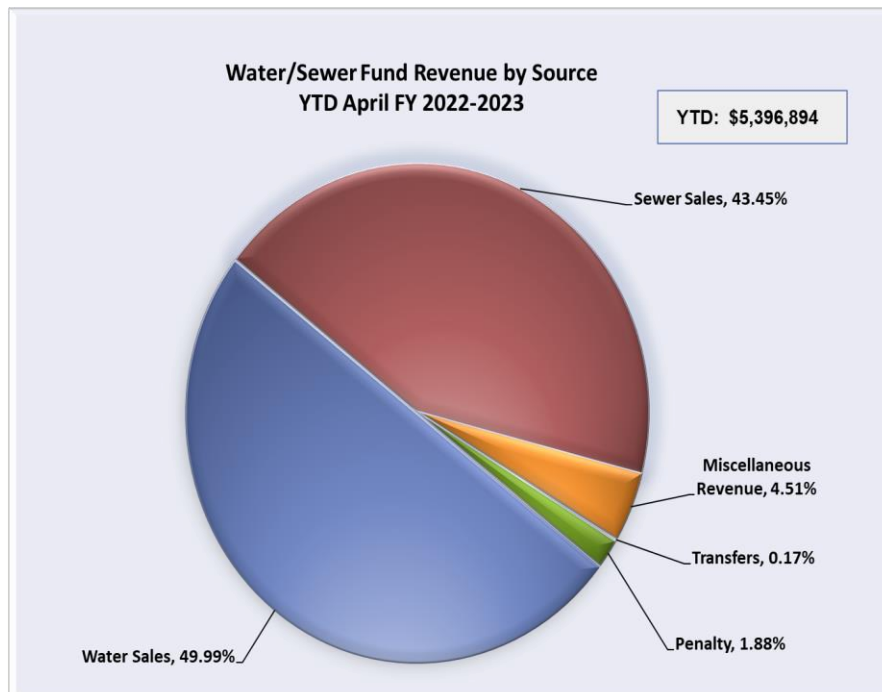
Intergovernmental Revenue and Transfers - Intergovernmental Revenue include transfers from other funds for services the general fund provides and payments in lieu of taxes from the enterprise funds. Currently these revenues are on target with Intergovernmental at 61.3% of budget and Transfers at 59.4% of budget.

Expenses – General fund expenses are at 56% of budget expended and total \$9,207,394 for the year. Expenditures are 15.1% higher in comparison to the prior year. This is attributable to an increase in transfers to capital projects for street maintenance and increased personnel and operating costs.



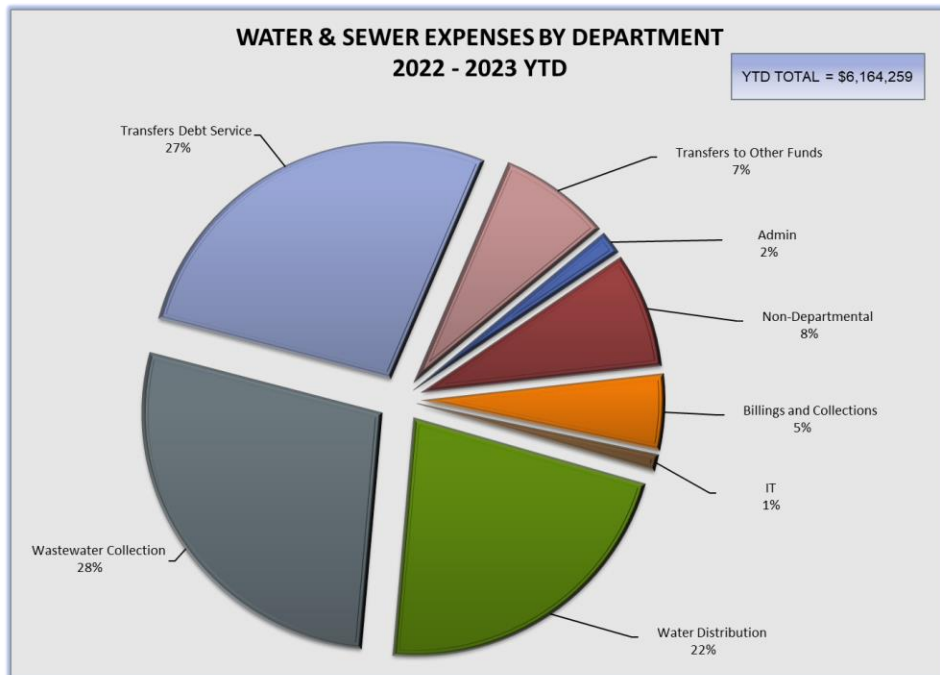
Water and Sewer Fund

Water and sewer revenues are currently at 56.74% of budgeted revenues through April 2023. Water sales are 55.1% of budgeted revenues and wastewater revenues are at 56.6% of budget. Water consumption varies due to seasonal fluctuations. Water and wastewater revenues are 4.3% lower than prior year through April 2023.



Miscellaneous Sales and Penalties- Miscellaneous sales include penalty revenue, EPA revenue, service charges, returned check fees, and damaged/tampering fees. This category of revenue is 59.1% of budget collected.

Expenses – Year-to-date expenses in the Water/Sewer fund are 64.3% of budget. Transfers to debt service are at 88.8% of budget due to payments processed February 1, 2023, which make up a significant portion of expenses. Wastewater treatment costs are trending higher this year by 15.4% due to a higher wastewater volume treated in comparison to last fiscal year and increased rates from Ft. Worth in FY2023.



Storm Drain Fund – Revenues are on target and represent 64.5% of budget collected. Expenses are at 12.1% of budget in this fund through April 2023. Capital projects budgeted in FY2022-2023 include Whitley Road and other storm drain improvements.

Special Revenue Funds

- **Street Maintenance Fund** expenses are at 30.8% of budget. Projects are being funded using reserves. Interest revenue allocated to this fund totals \$14,331 through April, 2023.
- **Crime Control and Prevention District** revenues collected are at 59.4% of budget and expenditures are at 59.6% of budget.
- **Economic Development Corporation Fund** has collected 60.7% of sales tax revenues and expenditures are at 56.5% of budget expended through April 2023.

Fund Detail Report

APRIL 2023

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2023
For the period ending: April 30, 2023 (3rd FY Qtr.)

GENERAL FUND - 01

REVENUE:	ORIGINAL BUDGET	4/30/2023 YTD ACTUAL	% USED	% REMAINING	4/30/2022 YTD ACTUAL	\$ CHG 23 vs 22	% CHG 23 vs 22
TAXES							
AD VALOREM	6,512,220	6,436,173	98.83%	1.17%	6,157,949	278,224	4.52%
Delinquent	30,000	6,742	22.47%	77.53%	25,489	(18,747)	-73.55%
Penalty & Interest	29,500	27,546	93.38%	6.62%	23,492	4,054	17.26%
SALES TAX	4,820,000	2,745,828	56.97%	43.03%	2,660,439	85,389	3.21%
UTILITY FRANCHISE	877,500	765,260	87.21%	12.79%	685,216	80,044	11.68%
LICENSES & PERMITS	602,300	404,671	67.19%	32.81%	417,737	(13,066)	-3.13%
INTERGOVERNMENTAL REVENUE	503,000	308,576	61.35%	38.65%	313,074	(4,498)	-1.44%
CHARGES FOR SERVICES	1,047,500	651,290	62.18%	37.82%	583,257	68,033	11.66%
FINES & FORFEITURES	630,600	282,850	44.85%	55.15%	369,523	(86,673)	-23.46%
MISCELLANEOUS INCOME	377,500	367,958	97.47%	2.53%	284,734	83,224	29.23%
OPERATING TRANSFERS IN	818,000	485,621	59.37%	40.63%	482,237	3,384	0.70%
TOTAL REVENUE	\$16,248,120	\$12,482,516	76.82%	23.18%	\$12,003,147	\$479,369	3.99%
ADMINISTRATION	478,230	258,273	54.01%	45.99%	164,089	94,184	57.40%
HUMAN RESOURCES	222,600	108,207	48.61%	51.39%	155,559	(47,352)	-30.44%
BUILDINGS - PW	1,042,300	506,574	48.60%	51.40%	395,563	111,011	28.06%
FINANCE	584,810	355,695	60.82%	39.18%	349,723	5,972	1.71%
MUNICIPAL COURT - FIN	424,960	225,988	53.18%	46.82%	202,251	23,737	11.74%
DEVELOPMENTAL SERVICES - PW	223,510	120,978	54.13%	45.87%	86,689	34,288	39.55%
LIBRARY	1,056,400	534,096	50.56%	49.44%	466,496	67,599	14.49%
PARKS AND RECREATION	1,024,740	499,662	48.76%	51.24%	383,891	115,771	30.16%
POLICE	4,673,400	2,783,549	59.56%	40.44%	2,779,372	4,177	0.15%
FIRE/EMS	3,742,380	2,063,339	55.13%	44.87%	1,691,843	371,496	21.96%
PUBLIC WORKS - STREETS	653,380	338,601	51.82%	48.18%	239,854	98,747	41.17%
FLEET MANAGEMENT - PW	324,250	137,260	42.33%	57.67%	104,656	32,604	31.15%
NON-DEPARTMENTAL	782,375	564,710	72.18%	27.82%	461,591	103,119	22.34%
INFORMATION TECHNOLOGY	615,760	389,544	63.26%	36.74%	329,734	59,810	18.14%
ECONOMIC DEVELOPMENT	-	-	0.00%	0.00%	-	-	0.00%
CITY ATTORNEY	110,000	38,003	34.55%	65.45%	64,332	(26,329)	-40.93%
TRANSFERS TO OTHER FUNDS	485,000	282,917	58.33%	41.67%	125,417	157,500	125.58%
TOTAL EXPENDITURES	\$16,444,095	\$9,207,394	55.99%	44.01%	\$8,001,060	\$1,206,334	15.08%
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(\$195,975)	\$3,275,122			\$4,002,086	(\$726,965)	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2023
For the period ending: April 30, 2023 (3rd FY Qtr.)

DEBT SERVICE FUND - 03

	CURRENT BUDGET	4/30/2023 YTD ACTUAL	% USED	% REMAINING	4/30/2022 YTD ACTUAL	\$ CHG 23 vs 22	% CHG 23 vs 22
REVENUE:							
TAXES							
AD VALOREM	3,400,000	3,344,956	98.38%	1.62%	2,880,156	464,800	16.14%
Delinquent	11,000	3,154	28.67%	71.33%	11,432	(8,278)	-72.41%
Penalty & Interest	11,000	11,956	108.69%	-8.69%	9,360	2,597	27.74%
INTEREST EARNINGS	2,000	21,251	1062.56%	-962.56%	807	20,445	2534.61%
OTHER FINANCING SOURCES	-	0	-	-	0	0	-
OPERATING TRANSFERS IN	153,200	89,367	58.33%	41.67%	85,795	3,571	4.16%
TOTAL REVENUE	\$3,577,200	\$3,470,684	97.02%	2.98%	\$2,987,550	\$483,135	16.17%
 Contractual & Sundry	 3,617,348	 3,286,548	 90.86%	 9.14%	 2,845,451	 441,097	 0.00%
TOTAL EXPENDITURES	\$3,617,348	\$3,286,548	90.86%	9.14%	2,845,451	\$441,097	0.00%
 EXCESS REVENUE OVER (UNDER) EXPENDITURES	 (\$40,148)	 \$184,136			 \$142,098	 \$42,038	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2023
For the period ending: April 30, 2023 (3rd FY Qtr.)

WATER & SEWER - 40

	CURRENT BUDGET	4/30/2023 YTD ACTUAL	% USED	% REMAINING	4/30/2022 YTD ACTUAL	\$ CHG 23 vs 22	% CHG 23 vs 22
REVENUE:							
WATER SALES	4,900,000	2,698,082	55.06%	44.94%	2,788,857	(90,775)	-3.25%
SEWER SALES	4,140,000	2,344,845	56.64%	43.36%	2,369,660	(24,814)	-1.05%
MISCELLANEOUS	276,000	163,011	59.06%	40.94%	163,373	(362)	-0.22%
PENALTY	175,000	101,586	58.05%	41.95%	93,907	7,679	8.18%
INTEREST	10,000	66,584	665.84%	-565.84%	3,935	62,648	1591.93%
TRANSFERS	10,000	8,986	89.86%	10.14%	611	8,376	1371.71%
TAP FEES	-	13,800	-	-	1,125	12,675	0.00%
SALE OF ASSETS	-	-	-	-	-	-	-
TOTAL REVENUE	\$9,511,000	\$5,396,894	56.74%	43.26%	\$5,421,468	(\$24,574)	-0.45%
ADMINISTRATIVE	170,100	95,007	55.85%	44.15%	77,853	17,153	22.03%
NON-DEPARTMENTAL	745,280	480,597	64.49%	35.51%	445,556	35,041	7.86%
BILLING & COLLECTIONS	585,760	316,451	54.02%	45.98%	289,354	27,097	9.36%
MGT. INFO SYSTEMS	112,990	68,507	60.63%	39.37%	48,036	20,471	42.62%
WATER DISTRIBUTION	2,818,615	1,350,535	47.91%	52.09%	1,405,860	(55,325)	-3.94%
WASTEWATER COLLECTION	2,745,114	1,708,777	62.25%	37.75%	1,480,602	228,175	15.41%
TRANSFERS	2,416,000	2,144,385	88.76%	11.24%	2,110,151	34,234	1.62%
TOTAL EXPENDITURES	9,593,859	6,164,259	64.25%	35.75%	5,857,413	\$306,846	5.24%
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(\$82,859)	(\$767,365)			(\$435,945)	(\$331,420)	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2023
For the period ending: April 30, 2023 (3rd FY Qtr.)

STORM DRAIN FUND - 15

	CURRENT BUDGET	4/30/2023 YTD ACTUAL	% USED	% REMAINING	4/30/2022 YTD ACTUAL	\$ CHG 23 vs 22	% CHG 23 vs 22
REVENUE:							
USERS FEE	1,480,000	865,194	58.46%	41.54%	863,057	2,138	0.25%
OTHER REVENUE	-	-	-	-	-	-	-
INTEREST INCOME	2,000	91,125	4556.23%	-4456.23%	3,134	87,990	2807.36%
TOTAL REVENUE	\$1,482,000	\$956,319	64.53%	35.47%	\$866,191	\$90,128	10.41%
PERSONNEL	468,500	231,189	49.35%	50.65%	\$205,405	25,785	12.55%
SUPPLIES	37,400	9,318	24.91%	75.09%	\$9,130	188	2.06%
MAINTENANCE	37,000	7,216	19.50%	80.50%	\$1,680	5,536	329.55%
CONTRACTUAL & SUNDRY	198,500	123,529	62.23%	37.77%	\$85,073	38,456	45.20%
CAPITAL	2,706,160	11,098	0.41%	99.59%	\$140,282	(129,184)	-92.09%
TRANSFERS TO OTHER FUNDS	73,500	43,259	58.86%	41.14%	\$43,152	107	0.25%
TOTAL EXPENDITURES	\$3,521,060	\$425,610	12.09%	87.91%	\$484,721	(\$59,112)	-12.19%
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(\$2,039,060)	\$530,709			\$381,470	\$149,239	

**CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2023
For the period ending: April 30, 2023 (3rd FY Qtr.)**

CRIME CONTROL DISTRICT - 18

	ORIGINAL BUDGET	4/30/2023 YTD ACTUAL	% USED	% REMAINING	4/30/2022 YTD ACTUAL	\$ CHG 23 vs 22	% CHG 23 vs 22
REVENUE:							
SALES TAX	1,875,000	1,091,900	58.23%	41.77%	1,046,292	45,608	4.36%
INTEREST EARNING/OTHER	70,000	63,462	90.66%	9.34%	1,519	61,943	4078.45%
TRANSFERS	-	-	-	-	-	-	-
TOTAL REVENUE	\$1,945,000	\$1,155,362	59.40%	40.60%	\$1,047,811	\$107,551	10.26%
PERSONNEL SERVICES	1,204,800	676,073	56.11%	43.89%	\$616,596	59,477	9.65%
SUPPLIES	175,600	70,543	40.17%	59.83%	\$84,175	(13,632)	-16.19%
MAINTENANCE	264,200	205,448	77.76%	22.24%	\$95,417	110,031	115.32%
CONTRACTUAL & SUNDRY	209,800	124,606	59.39%	40.61%	\$116,979	7,627	6.52%
TRANSFERS	38,000	21,837	57.47%	42.53%	\$20,530	1,307	6.37%
CAPITAL OUTLAY	150,250	119,134	0.00%	0.00%	\$0	119,134	0.00%
TOTAL EXPENDITURES	2,042,650	1,217,640	59.61%	40.39%	\$933,696	\$283,944	30.41%
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(\$97,650)	(\$62,279)			\$114,115	(\$176,393)	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2023
For the period ending: April 30, 2023 (3rd FY Qtr.)

STREET MAINTENANCE FUND - 14

	ORIGINAL BUDGET	4/30/2023 YTD ACTUAL	% USED	% REMAINING	4/30/2022 YTD ACTUAL	\$ CHG 23 vs 22	% CHG 23 vs 22
REVENUE:							
SALES TAX	-	-	-	-	-	-	-
INTEREST EARNINGS	-	14,331	0.00%	0.00%	1,113	13,218	1187.10%
INTEREST/ESCROW	-	-	-	-	-	-	-
CONTRIBUTIONS/OTHER	-	-	-	-	-	-	-
TOTAL REVENUE	\$0	\$14,331	0.00%	0.00%	1,113	\$13,218	1187.10%
MAINTENANCE	185,000	41,753	22.57%	77.43%	5,458	36,295	665.04%
CONTRACTUAL & SUNDRY	10,000	3,665	36.65%	63.35%	2,075	1,590	76.63%
CAPITAL OUTLAY	400,000	137,645	34.41%	65.59%	582,159	(444,514)	-76.36%
TOTAL EXPENDITURES	\$595,000	\$183,064	30.77%	69.23%	\$589,692	(\$406,628)	-68.96%
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(\$595,000)	(\$168,732)			-\$588,578	\$419,846	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2023
For the period ending: April 30, 2023 (3rd FY Qtr.)

WATAUGA ECONOMIC DEVELOPMENT CORP - 04

	CURRENT BUDGET	4/30/2023 YTD ACTUAL	% USED	% REMAINING	4/30/2022 YTD ACTUAL	\$ CHG 23 vs 22	% CHG 23 vs 22
REVENUE:							
SALES TAX	952,000	544,624	57.21%	42.79%	527,551	17,073	3.24%
INTEREST EARNINGS	2,500	36,295	1451.81%	-1351.81%	1,537	34,758	2261.10%
INTEREST/ESCROW	-	-	-	-	-	-	-
CONTRIBUTIONS/OTHER	5,000	1,500	30.00%	70.00%	-	1,500.00	-
TOTAL REVENUE	\$959,500	\$582,419	60.70%	39.30%	\$529,088	\$53,331	10.08%
PERSONNEL SERVICES	-	-	0.00%	0.00%	-	-	0.00%
NON-DEPARTMENTAL	-	-	0.00%	0.00%	-	-	0.00%
SUPPLIES	900	-	0.00%	100.00%	(13)	13	0.00%
MAINTENANCE	2,000	-	0.00%	100.00%	-	-	0.00%
CONTRACTUAL & SUNDRY	84,950	42,517	50.05%	49.95%	55,201	(12,684)	-22.98%
TRANSFERS	419,700	244,825	58.33%	41.67%	234,429	10,396	4.43%
CAPITAL OUTLAY	1,200	-	0.00%	100.00%	-	-	0.00%
TOTAL EXPENDITURES	\$508,750	\$287,342	56.48%	43.52%	\$289,617	(\$2,275)	-0.79%
EXCESS REVENUE OVER (UNDER) EXPENDITURES	\$450,750	\$295,078			\$239,472	\$55,606	

Group Summary

Department	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Encumbrances	Variance Favorable (Unfavorable)	Percent Remaining
010 - CITY SECRETARY OFFICE	369050.00	369,050.00	26,642.03	201,767.56	1,870.73	165,411.71	44.82 %
011 - HUMAN RESOURCES	222600.00	222,600.00	15,200.37	108,207.05	22,969.36	91,423.59	41.07 %
013 - DEVELOPMENT SERVICES DIVISION	223510.00	223,510.00	17,306.13	120,977.54	1,827.99	100,704.47	45.06 %
015 - CITY MANAGER	279280.00	279,280.00	21,227.04	151,511.79	75.00	127,693.21	45.72 %
016 - BUSINESS RETENTION/EDC	8650.00	8,650.00	121.07	2,909.84	119.10	5,621.06	64.98 %
017 - BUSINESS ATTRACTION/EDC	24200.00	24,200.00	0.00	20,850.00	0.00	3,350.00	13.84 %
018 - GENERAL ADMINISTRATION/EDC	56200.00	56,200.00	250.00	18,756.74	1,200.00	36,243.26	64.49 %
020 - NON-DEPARTMENTAL	1647760.00	1,647,760.00	81,904.32	1,106,207.20	12,006.68	529,546.12	32.14 %
021 - CITY ATTORNEY	110000.00	110,000.00	13,568.47	38,003.00	0.00	71,997.00	65.45 %
030 - MUNICIPAL COURT DIVISION	424960.00	424,960.00	30,303.70	225,988.31	600.00	198,371.69	46.68 %
040 - FINANCE	668520.00	668,520.00	30,070.12	382,587.26	11,499.50	274,433.24	41.05 %
045 - BILLING & COLLECTIONS	585760.00	585,760.00	39,932.47	316,451.15	0.00	269,308.85	45.98 %
050 - INFORMATION TECHNOLOGY	728750.00	728,750.00	45,900.35	458,050.51	7,305.32	263,394.17	36.14 %
060 - LIBRARY	1066400.00	1,066,400.00	64,283.68	534,095.57	78,051.91	454,252.52	42.60 %
070 - RECREATION	395710.00	395,710.00	25,697.66	206,170.72	16,578.96	172,960.32	43.71 %
075 - PARKS DEPARTMENT	629030.00	629,030.00	43,656.67	293,491.37	132,356.34	203,182.29	32.30 %
080 - POLICE	6678050.00	6,678,050.00	594,536.80	3,979,352.28	74,651.45	2,624,046.27	39.29 %
085 - FIRE/MIS	3805980.00	3,805,980.00	300,858.21	2,090,488.42	70,948.49	1,644,543.09	43.21 %
090 - PUBLIC WORKS	1282800.00	1,282,800.00	87,598.86	642,339.16	136,340.91	504,119.93	39.30 %
093 - WATER DISTRIBUTION	2818615.00	2,818,615.00	223,232.09	1,350,535.31	39,250.20	1,428,829.49	50.69 %
094 - WASTEWATER COLLECTION	2745114.00	2,745,114.00	228,326.60	1,708,776.86	11,829.03	1,024,508.11	37.32 %
097 - FLEET MAINTENANCE	324250.00	324,250.00	24,520.08	137,259.74	28,480.99	158,509.27	48.88 %
098 - BUILDING MAINTENANCE	1042300.00	1,042,300.00	72,445.21	506,573.56	28,141.34	507,585.10	48.70 %
Report Total:	26,137,489.00	26,137,489.00	1,987,581.93	14,601,350.94	676,103.30	10,860,034.76	41.55 %



AGENDA MEMORANDUM

DATE: May 31, 2023
TO: Honorable City Council Members
FROM: Juliet Rodriguez, Human Resources and Civil Service Director
THROUGH: Joshua Jones, City Manager
SUBJECT: Consider action to approve the proposed resolution amending policy 6.04 Classification and Compensation Plan of the Personnel, Administration and Financial Policies and Procedures Manual.

BACKGROUND/INFORMATION:

It is requested that an amendment be made to Policy 6.04 Classification and Compensation Plan, Section 3a. Merit Increases. Merit increases are given to an employee based on an assessment of their work performance based on their annual written performance evaluation.

The current policy includes a rating scale that scores performance from 1 to 5. This proposed revision would add decimal ranges to further define the rating scale and differentiate pay increases for performance. This revised rating scale starts broadly and narrows higher in the range. This requested change will have a positive impact on employee compensation.

FINANCIAL IMPLICATIONS:

Funding for merit increases is reviewed during the annual budget process.

RECOMMENDATION/ACTION DESIRED:

It is respectfully requested that City Council approve revision of Policy 6.04 of the Personnel, Administration and Financial, Policies and Procedures Manual as presented.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Resolution Classification and Compensation Plan 2023
2. Exhibit A 6.04 Classification and Compensation Clean
3. Exhibit A 6.04 Classification and Compensation redline

REVIEWED BY:

Juliet Rodriguez, Human Resources and Civil Service Director	Approved - 6/2/2023
David Berman, City Attorney	Approved - 6/2/2023
Joshua Jones, City Manager	Approved - 6/7/2023



AGENDA MEMORANDUM

Sandra Gibson, Director of Finance
Linda Proskey, City Secretary
Approved as to form for inclusion on Agenda

Approved - 6/7/2023
Final Approval - 6/7/2023

CITY OF WATAUGA, TEXAS
RESOLUTION NO. 2023-3000

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS AMENDING POLICY 6.04 CLASSIFICATION AND COMPENSATION PLAN OF THE PERSONNEL, ADMINISTRATION AND FINANCIAL POLICIES AND PROCEDURES MANUAL REGARDING PROCEDURES FOR ALL LISTED PERSONNEL POLICIES; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Article III, Section 3.07(m) of the Home Rule Charter of the City of Watauga, Texas (hereinafter “the City”) provides that the City Council fix the salaries and compensation of the city officers and employees, and establish qualifications, rules and standards of and for all employees of the City; and

WHEREAS, the City wishes to revise current Policy 6.04 Classification and Compensation Plan to update the rating scale for performance evaluations; and

WHEREAS, the City has amended the rating scale in the policy to allow more flexibility to supervisory staff when scoring. The proposed policy taking effect on June 15, 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS AS FOLLOWS:

I.

The City Council of the City of Watauga hereby finds that the statements set forth in the recitals of this Resolution are true and correct and hereby incorporates such recitals as a part of this Resolution.

II.

Policy 6.04 Classification and Compensation Plan of the City's Personnel, Administration and Financial Policies and Procedures Manual as set forth in Exhibit "A" attached hereto and incorporated by reference, is hereby adopted.

III.

This Resolution shall be and is hereby cumulative of all other Resolutions of the City of Watauga, Texas, and this Resolution shall not operate to repeal or affect any such other Resolutions except insofar

as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event, such conflicting provisions, if any, in such other Resolutions are hereby repealed.

IV.

If any section, sub-section, sentence, clause, or phrase of this Resolution shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of the Resolution.

V.

This Resolution shall become effective and shall be in full force and effect from and after the date of passage and adoption by the City Council of the City of Watauga, Texas, and upon application of law and in accordance with Section 3.13 of the Charter of the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 12th day of June, 2023.

APPROVED:

ARTHUR L, MINER, Mayor

ATTEST:

LINDA PROSKEY, City Secretary

APPROVED AS TO FORM AND LEGALITY:

DAVID BERMAN, City Attorney
NICHOLS | JACKSON, LLP



CITY OF WATAUGA – PERSONNEL, ADMINISTRATION AND FINANCIAL POLICIES AND PROCEDURES MANUAL

POLICY TITLE	Classification and Compensation Plan
INITIAL EFFECTIVE DATE	October 24, 2016
LAST REVISION DATE	June 15, 2023
POLICY NUMBER	6.04

OBJECTIVE It is the policy of the City of Watauga to provide a systematic and organized approach for the administration of salaries for classified employees in a uniform, city-wide basis and to provide equitable and competitive compensation based on position classification, performance, and market analysis. It is the philosophy of the City to compensate employees in direct relation to the value of the position and their contributions to the success of the City and their department goals and objectives.

SCOPE This policy applies to all employees. Police Officers and Fire Fighters are subject to the applicable provisions of Texas Local Government Code Chapter 143, the Rules of the City of Watauga Firefighters and Police Officers Civil Service Commission, and the general and special orders of the Police and Fire Departments, which may incorporate some or all of the provisions of this policy.

POLICY

A. Definitions

1. **Regular Full-Time Employee:** Employees who are scheduled to work a full work week (40 hours/week) or a full work period on a regular basis and have successfully completed probation with the city. These employees are eligible for full benefits.
2. **Regular Part-Time Employee:** Employees who are scheduled to work less than a full work week schedule or less than a full work period and have successfully completed probation with the city. These employees whose positions are scheduled to work at least 1,000 hours per year (20 hours/week but less than 40 hours/week) must participate in TMRS retirement plan.
3. **Probationary Employee:** Full-time or part-time employees who have not yet completed their initial probationary period, which is generally six (6) months but may be extended up

to one (1) year from hire date. Probationary employees can be either full-time or part-time. See **Policy 3.03 Probation Period**.

4. **Part Time Employee Under 20 Hours** – Employees who are scheduled to work 20 hours or less are not eligible for Benefits such as Vacation, Holiday, and Sick. Employees work less than 1000 hours per year will participate in a retirement plan with the City through PARS (Public Agency Retirement Service) provider.
5. **Temporary Employee:** Full-time or part-time employees who are hired for a specific period of time, determined at the onset of employment and is usually twelve (12) months or less. Part-time employees whose function is to supplement the regular work force on a sporadic as-needed basis. Employees must work less than 1,000 hours per calendar year (19 hours/week or less). Temporary employees do not accrue benefits; however, they must participate in the Part-time, Temporary, or Seasonal (PTS) retirement plan through the city's PARS (Public Agency Retirement Service) provider.
6. **Dual Employment:** No employee may hold more than one position within the City of Watauga at any given time.
7. **Range:** A designation within the structure; linked through the midpoint (control point) to the external prevailing wage; all positions within an assigned grade have similar relative internal and external value.
8. **Minimum:** Typically, the rate at which an employee is paid who has acquired the minimum qualifications.
9. **Midpoint:** Statistical average of the surveyed data for positions assigned to that grade. Calculation = (Minimum + Maximum)/2
10. **Maximum:** Typically, the maximum value of a position and above which an incumbent's pay should not exceed; long-tenured staff with little position movement typically will have a pay rate toward the top end of the assigned grade.
11. **Exempt Position:** Positions paid on a salaried basis as determined by Human Resources based on job analysis to ensure compliance with Fair Labor Standards Act (FLSA). Exempt from coverage of the overtime rule; therefore, not eligible for compensation for hours worked in excess of 40 in the work week.
12. **Non-Exempt Position:** Positions paid on an hourly basis as determined by Human Resources based on job analysis to ensure compliance with Fair Labor Standards Act (FLSA). Compensation of all hours worked including hours in excess of 40 in a work week either through overtime (time and ½) or compensatory time.

B. City of Watauga Classification and Compensation Plan

1. The Human Resources Department maintains the City's Classification and Compensation Plan. The plan includes the positions and salary ranges for all employees of the City of Watauga. When extensive changes occur, Department Directors may submit written requests to the City Manager through the Director of Human Resources to reclassify current position(s). **Policy 6.06 Position Classification and Evaluation** provides direction regarding the reclassification process.
2. The administration of the pay system is under the direction of the Director of Human Resources, who is responsible for the following:
 - a. Communication of pay issues with the workforce, including training, orientation and other processes.
 - b. Conducting salary surveys annually to adjust the salary structure as established through budgetary guidelines and eligibility criteria.
 - c. Utilizing comparator cities adopted by the City Council to evaluate compensation for its Non-Civil Service (Exempt/ Non-Exempt) and Civil Services positions.
3. The classification plan comprises a list of job titles supported by written job descriptions setting forth the duties and responsibilities of each job and the qualifications necessary for appointment to a position of that job. The classification plan shall:
 - a. Provide equal pay for equal work under the provisions of the Equal Pay Act.
 - b. Establish qualification requirements for recruiting applicants.
 - c. Provide supervisors with a means of analyzing work distribution, areas of responsibility, lines of authority and other relationships between positions.
 - d. Assist departments in determining budget requirements.
 - e. Provide a basis for developing standards of work performance.
 - f. Provide uniform titles for positions.

C. Employee Compensation

1. Compensation Plan
 - a. The Human Resources Department maintains the compensation plan. The plan includes a schedule listing pay at the minimum, midpoint and maximum for each salary range. The minimum represents the minimum salary level for a new employee meeting the minimum qualifications of the job.

- b. Salaries are listed on an annual, monthly and hourly basis for both exempt and non-exempt positions. Part-time employees are classified as non-exempt.

2. Starting Salary

New employees meeting the minimum job requirements are hired at the “minimum” salary. There may be circumstances where a new employee offers an unusual skill level, the number of qualified applicants is lacking, or there may be market conditions or specific job duties requiring higher compensation levels, in which the employee may be offered compensation above the “minimum,” contingent upon available funding. Starting salaries above the minimum require the approval of the City Manager.

3. Changes in Compensation

The City Manager must authorize all salary adjustments, except for adjustments to zero during a separation of employment. The City Council must authorize compensation adjustments for the City Manager.

The City Manager is prohibited from authorizing any change in any employee's salary or wages that exceeds the pay ranges approved in the Classification Plan that has been approved by the City Council. Any change in salary or wages outside of the Classification Plan requires the prior consent and approval of the City Council in an open meeting.

The following types of increases may be given as approved through the budgetary process.

a. Merit Increase (Non-civil service employees)

The compensation plan is designed to allow pay increases to employees rewarding ability, education and efficiency with consideration given to market factors for each job. Dependent upon budgetary appropriations individual increases may be granted upon recommendation of Department Directors, who shall give careful consideration to the performance record of each employee. Merit increases are given to an employee based on an assessment of their work performance based on their annual written performance evaluation. Evaluations are based on calendar year, due March 1st of each year. For employees who have received a probationary evaluation within 60 days of the end of the calendar year, annual evaluations are not required.

The amount of merit increase is determined annually through the budgeting process. The schedule for the ratings is determined by the City Manager using this format:

Rating Scale:

- 4.5—5.0 - Far Exceeds 3%
- 3.8 – 4.4 - Exceeds Expectations 2%
- 3.0 – 3.7 - Meets Expectations 1%
- 2.0 – 2.9 - Below Expectations
- < 2.0 - Needs Improvement

b. Market Increase

Market increases are based on results of an annual compensation market study. It occurs when an assigned grade of the job is adjusted to a grade higher and the affected position's current salary falls below the minimum of the new grade.

c. Cost of Living Adjustments

Across-the-board pay rate increases occur at the beginning of the fiscal year if approved by City Council. Typically, these types of increases are given as Cost of Living Adjustment (COLA). A COLA adjusts salaries based on changes in the Consumer Price Index or some other measurement.

d. Equity Adjustment

Equity adjustments are intended to correct a pay disparity within a job classification. Equity adjustments will be made on a case-by-case basis and must be approved by the City Manager subject to fund availability.

Employees under active disciplinary action may have their increases withheld until performance returns to acceptable standards. These will be reviewed by the Department Director and City Manager on case-by-case basis. This section does not apply to Civil Service employees.

D. Promotions

If an employee is promoted to another classification in a higher salary range, the employee's rate of pay may be increased in accordance with the same criteria outlined for new hires in **Section C. 2. Starting Salary** of this policy. In no case shall the employee's rate of pay be less than the minimum of the higher pay range. **See Section 3.02 Selection Process, D. Promotions** for more information.

E. Demotions

1. An employee who is either voluntarily or involuntarily demoted to a classification with a lower pay range or lower maximum salary shall have their salary reduced by a minimum of 5% unless otherwise authorized by the City Manager.
2. The salary for employees receiving voluntary or involuntary demotions must be placed below the maximum pay level of the assigned salary range.

3. **See Policy 3.02 Selection Process, F. Demotions and Policy 11.01 Discipline Section B.5. Demotions** for more information.

F. Lateral Transfers

1. When an employee applies and is selected for a position in the same salary range this is considered a lateral transfer. In most cases of lateral transfers, the employee's rate of pay will remain unchanged unless otherwise authorized by the City Manager.
2. **See Section 3.02 Selection Process, E. Lateral Transfers** for more information.

G. Compensation At or Exceeding Top of Pay Range

Employees whose base salary is at, or exceeds, the maximum of their pay range, shall receive an annual one time lump sum in lieu of any across-the-board or merit increases. Lump sum payments shall be approved by the City Manager. The lump sum payment shall not be included in the employee's annual salary. As such, it will not be considered in calculating any rate-based pay increases, determining the amount of life insurance or disability insurance provided to the employee by the City or any other salary-based considerations unless required by law or City policy.

H. Completion of Probationary Period Increase

A newly hired or promoted employee who successfully completes the six (6) month probationary period may be authorized an increase up to five percent (5%) of their salary based on their 6-month evaluation by their respective Department Director as approved by the City Manager.

I. Compensation for Supervisors

All supervisors shall be paid at a higher rate than their subordinates. In the event that a supervisor is paid a rate of pay equal to or less than one or more of their assigned subordinates, the supervisor shall be advanced to a rate of pay five percent (5%) higher than any subordinate.

J. Temporary Assignment Pay

An employee who is required to serve in a position of a higher classification shall receive a minimum of ten percent (10%) above the present salary of the employee as approved by the City Manager. The amount will be based on the employee's knowledge, skills, abilities, experience, training, and education.

The following must occur to qualify for the higher pay:

1. The employee must be able to perform the duties of the position of higher classification.

2. The employee is asked to serve in a position of a higher classification.
3. The employee accepts the responsibility for work in a higher position.
4. The assignment to a higher-class position is regular and continuous in character for at least thirty (30) days.
5. The assignment is approved by the Department Director. If it is a Department Director position, the City Manager or their designee will make the determination.

Duty Assignments for Civil Service employees are governed by Chapter 143 of the Local Government Code and the City of Watauga Firefighters' and Police Officers' Civil Service Rules and Regulations, Chapter 7.

Employees who separate employment while on Temporary Assignment Pay will not be paid previously accrued hours at Temporary Assignment pay.

An employee may be temporarily assigned to the work of any position of the same or lower-class grade without change in pay.

K. Sign-on Bonuses

Police Officer applicants who are certified Peace Officers and meet the qualifications and requirements of the Watauga Police Department may receive a sign-on bonus. The amount will be subject to available funds. Applicants will receive half of the bonus at the time of hire. The other half will be paid upon successful completion of the Field Training Officer (FTO) program.

L. Employee Recruitment Compensation

Employees who expend time and effort to recruit prospective Police Officer applicants, who possess the credentials of being a certified peace officer in Texas and who meet the qualifications and requirements of the Watauga Police Department, may receive Employee Recruitment Compensation. The amount will be subject to available funds.

The following policies apply:

1. The Police Applicant Candidate must be hired by the City of Watauga Police Department and successfully complete the Field Training Officer (FTO) program. Once this is satisfied, the recruiting employee will be eligible to receive Employee Recruitment Compensation.
2. The recruiting employee must complete and submit the Police Candidate Recruitment Form (**See Appendix A**) to Human Resources prior to the date the applicant takes the department entrance examination.
3. The recruiting employee must be employed with the City of Watauga to receive Employee Recruitment Compensation.
4. The first employee to complete the Police Candidate Recruitment Form will be the only employee eligible for payment.
5. All information regarding the hiring decision will remain strictly confidential.

Appendix A



Police Candidate Recruitment Form

Entrance Examination Date: _____

Police Candidate's Name: _____

Date Candidate Applied: _____

Recruiting Employee's Name: _____

Recruiting Employee's Phone Number: _____

I have read and understand the City of Watauga policy *Employee Recruitment Compensation* found in Policy 6.04 Classification and Compensation Plan, Section L.

Recruiting Employee's Signature

Date

INTERNAL USE ONLY

Date form was received: _____ HR Initials: _____

Was candidate hired by WPD? Yes No (Circle)

Date of Hire: _____ HR Initials: _____

Date Candidate completed Field Training Officer Program: _____

Payroll Date for Employee Recruitment Compensation: _____

Approved Amount: _____

Approvals:

HR Director

Date

City Manager

Date



CITY OF WATAUGA – PERSONNEL, ADMINISTRATION AND FINANCIAL POLICIES AND PROCEDURES MANUAL

POLICY TITLE	Classification and Compensation Plan
INITIAL EFFECTIVE DATE	October 24, 2016
LAST REVISION DATE	January 1, 2023 <u>June 15, 2023</u>
POLICY NUMBER	6.04

OBJECTIVE

It is the policy of the City of Watauga to provide a systematic and organized approach for the administration of salaries for classified employees in a uniform, city-wide basis and to provide equitable and competitive compensation based on position classification, performance, and market analysis. It is the philosophy of the City to compensate employees in direct relation to the value of the position and their contributions to the success of the City and their department goals and objectives.

SCOPE

This policy applies to all employees. Police Officers and Fire Fighters are subject to the applicable provisions of Texas Local Government Code Chapter 143, the Rules of the City of Watauga Firefighters and Police Officers Civil Service Commission, and the general and special orders of the Police and Fire Departments, which may incorporate some or all of the provisions of this policy.

POLICY

A. Definitions

1. **Regular Full-Time Employee:** Employees who are scheduled to work a full work week (40 hours/week) or a full work period on a regular basis and have successfully completed probation with the city. These employees are eligible for full benefits.
2. **Regular Part-Time Employee:** Employees who are scheduled to work less than a full work week schedule or less than a full work period and have successfully completed probation with the city. These employees whose positions are scheduled to work at least 1,000 hours per year (20 hours/week but less than 40 hours/week) must participate in TMRS retirement plan.
3. **Probationary Employee:** Full-time or part-time employees who have not yet completed their initial probationary period, which is generally six (6) months but may be extended up

to one (1) year from hire date. Probationary employees can be either full-time or part-time. See **Policy 3.03 Probation Period**.

4. **Part Time Employee Under 20 Hours** – Employees who are scheduled to work 20 hours or less are not eligible for Benefits such as Vacation, Holiday, and Sick. Employees work less than 1000 hours per year will participate in a retirement plan with the City through PARS (Public Agency Retirement Service) provider.
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6. **Dual Employment:** No employee may hold more than one position within the City of Watauga at any given time.
7. **Range:** A designation within the structure; linked through the midpoint (control point) to the external prevailing wage; all positions within an assigned grade have similar relative internal and external value.
8. **Minimum:** Typically, the rate at which an employee is paid who has acquired the minimum qualifications.
9. **Midpoint:** Statistical average of the surveyed data for positions assigned to that grade. Calculation = (Minimum + Maximum)/2
10. **Maximum:** Typically, the maximum value of a position and above which an incumbent's pay should not exceed; long-tenured staff with little position movement typically will have a pay rate toward the top end of the assigned grade.
11. **Exempt Position:** Positions paid on a salaried basis as determined by Human Resources based on job analysis to ensure compliance with Fair Labor Standards Act (FLSA). Exempt from coverage of the overtime rule; therefore, not eligible for compensation for hours worked in excess of 40 in the work week.
12. **Non-Exempt Position:** Positions paid on an hourly basis as determined by Human Resources based on job analysis to ensure compliance with Fair Labor Standards Act (FLSA). Compensation of all hours worked including hours in excess of 40 in a work week either through overtime (time and ½) or compensatory time.

B. City of Watauga Classification and Compensation Plan

1. The Human Resources Department maintains the City's Classification and Compensation Plan. The plan includes the positions and salary ranges for all employees of the City of Watauga. When extensive changes occur, Department Directors may submit written requests to the City Manager through the Director of Human Resources to reclassify current position(s). **Policy 6.06 Position Classification and Evaluation** provides direction regarding the reclassification process.
2. The administration of the pay system is under the direction of the Director of Human Resources, who is responsible for the following:
 - a. Communication of pay issues with the workforce, including training, orientation and other processes.
 - b. Conducting salary surveys annually to adjust the salary structure as established through budgetary guidelines and eligibility criteria.
 - c. Utilizing comparator cities adopted by the City Council to evaluate compensation for its Non-Civil Service (Exempt/ Non-Exempt) and Civil Services positions.
3. The classification plan comprises a list of job titles supported by written job descriptions setting forth the duties and responsibilities of each job and the qualifications necessary for appointment to a position of that job. The classification plan shall:
 - a. Provide equal pay for equal work under the provisions of the Equal Pay Act.
 - b. Establish qualification requirements for recruiting applicants.
 - c. Provide supervisors with a means of analyzing work distribution, areas of responsibility, lines of authority and other relationships between positions.
 - d. Assist departments in determining budget requirements.
 - e. Provide a basis for developing standards of work performance.
 - f. Provide uniform titles for positions.

C. Employee Compensation

1. Compensation Plan
 - a. The Human Resources Department maintains the compensation plan. The plan includes a schedule listing pay at the minimum, midpoint and maximum for each salary range. The minimum represents the minimum salary level for a new employee meeting the minimum qualifications of the job.

- b. Salaries are listed on an annual, monthly and hourly basis for both exempt and non-exempt positions. Part-time employees are classified as non-exempt.

2. Starting Salary

New employees meeting the minimum job requirements are hired at the “minimum” salary. There may be circumstances where a new employee offers an unusual skill level, the number of qualified applicants is lacking, or there may be market conditions or specific job duties requiring higher compensation levels, in which the employee may be offered compensation above the “minimum,” contingent upon available funding. Starting salaries above the minimum require the approval of the City Manager.

3. Changes in Compensation

The City Manager must authorize all salary adjustments, except for adjustments to zero during a separation of employment. The City Council must authorize compensation adjustments for the City Manager.

The City Manager is prohibited from authorizing any change in any employee's salary or wages that exceeds the pay ranges approved in the Classification Plan that has been approved by the City Council. Any change in salary or wages outside of the Classification Plan requires the prior consent and approval of the City Council in an open meeting.

The following types of increases may be given as approved through the budgetary process.

a. Merit Increase (Non-civil service employees)

The compensation plan is designed to allow pay increases to employees rewarding ability, education and efficiency with consideration given to market factors for each job. Dependent upon budgetary appropriations individual increases may be granted upon recommendation of Department Directors, who shall give careful consideration to the performance record of each employee. Merit increases are given to an employee based on an assessment of their work performance based on their annual written performance evaluation. Evaluations are based on calendar year, due March 1st of each year. For employees who have received a probationary evaluation within 60 days of the end of the calendar year, annual evaluations are not required.

The amount of merit increase is determined annually through the budgeting process. The schedule for the ratings is determined by the City Manager using this format:

Rating Scale:

- 4.5—5.0 - Far Exceeds 3%
- 3.8—4.4 - Exceeds Expectations 2%
- 3.0—3.7 - Meets Expectations 1%
- 2.0—2.9 - Below Expectations
- < 2.0 1 - Needs Improvement

b. Market Increase

Market increases are based on results of an annual compensation market study. It occurs when an assigned grade of the job is adjusted to a grade higher and the affected position's current salary falls below the minimum of the new grade.

c. Cost of Living Adjustments

Across-the-board pay rate increases occur at the beginning of the fiscal year if approved by City Council. Typically, these types of increases are given as Cost of Living Adjustment (COLA). A COLA adjusts salaries based on changes in the Consumer Price Index or some other measurement.

d. Equity Adjustment

Equity adjustments are intended to correct a pay disparity within a job classification. Equity adjustments will be made on a case-by-case basis and must be approved by the City Manager subject to fund availability.

Employees under active disciplinary action may have their increases withheld until performance returns to acceptable standards. These will be reviewed by the Department Director and City Manager on case-by-case basis. This section does not apply to Civil Service employees.

D. Promotions

If an employee is promoted to another classification in a higher salary range, the employee's rate of pay may be increased in accordance with the same criteria outlined for new hires in **Section C. 2. Starting Salary** of this policy. In no case shall the employee's rate of pay be less than the minimum of the higher pay range. **See Section 3.02 Selection Process, D. Promotions** for more information.

E. Demotions

1. An employee who is either voluntarily or involuntarily demoted to a classification with a lower pay range or lower maximum salary shall have their salary reduced by a minimum of 5% unless otherwise authorized by the City Manager.
2. The salary for employees receiving voluntary or involuntary demotions must be placed below the maximum pay level of the assigned salary range.

3. **See Policy 3.02 Selection Process, F. Demotions and Policy 11.01 Discipline Section B.5. Demotions** for more information.

F. Lateral Transfers

1. When an employee applies and is selected for a position in the same salary range this is considered a lateral transfer. In most cases of lateral transfers, the employee's rate of pay will remain unchanged unless otherwise authorized by the City Manager.
2. **See Section 3.02 Selection Process, E. Lateral Transfers** for more information.

G. Compensation At or Exceeding Top of Pay Range

Employees whose base salary is at, or exceeds, the maximum of their pay range, shall receive an annual one time lump sum in lieu of any across-the-board or merit increases. Lump sum payments shall be approved by the City Manager. The lump sum payment shall not be included in the employee's annual salary. As such, it will not be considered in calculating any rate-based pay increases, determining the amount of life insurance or disability insurance provided to the employee by the City or any other salary-based considerations unless required by law or City policy.

H. Completion of Probationary Period Increase

A newly hired or promoted employee who successfully completes the six (6) month probationary period may be authorized an increase up to five percent (5%) of their salary based on their 6-month evaluation by their respective Department Director as approved by the City Manager.

I. Compensation for Supervisors

All supervisors shall be paid at a higher rate than their subordinates. In the event that a supervisor is paid a rate of pay equal to or less than one or more of their assigned subordinates, the supervisor shall be advanced to a rate of pay five percent (5%) higher than any subordinate.

J. Temporary Assignment Pay

An employee who is required to serve in a position of a higher classification shall receive a minimum of ten percent (10%) above the present salary of the employee as approved by the City Manager. The amount will be based on the employee's knowledge, skills, abilities, experience, training, and education.

The following must occur to qualify for the higher pay:

1. The employee must be able to perform the duties of the position of higher classification.

2. The employee is asked to serve in a position of a higher classification.
3. The employee accepts the responsibility for work in a higher position.
4. The assignment to a higher-class position is regular and continuous in character for at least thirty (30) days.
5. The assignment is approved by the Department Director. If it is a Department Director position, the City Manager or their designee will make the determination.

Duty Assignments for Civil Service employees are governed by Chapter 143 of the Local Government Code and the City of Watauga Firefighters' and Police Officers' Civil Service Rules and Regulations, Chapter 7.

Employees who separate employment while on Temporary Assignment Pay will not be paid previously accrued hours at Temporary Assignment pay.

An employee may be temporarily assigned to the work of any position of the same or lower-class grade without change in pay.

K. Sign-on Bonuses

Police Officer applicants who are certified Peace Officers and meet the qualifications and requirements of the Watauga Police Department may receive a sign-on bonus. The amount will be subject to available funds. Applicants will receive half of the bonus at the time of hire. The other half will be paid upon successful completion of the Field Training Officer (FTO) program.

L. Employee Recruitment Compensation

Employees who expend time and effort to recruit prospective Police Officer applicants, who possess the credentials of being a certified peace officer in Texas and who meet the qualifications and requirements of the Watauga Police Department, may receive Employee Recruitment Compensation. The amount will be subject to available funds.

The following policies apply:

1. The Police Applicant Candidate must be hired by the City of Watauga Police Department and successfully complete the Field Training Officer (FTO) program. Once this is satisfied, the recruiting employee will be eligible to receive Employee Recruitment Compensation.
2. The recruiting employee must complete and submit the Police Candidate Recruitment Form (**See Appendix A**) to Human Resources prior to the date the applicant takes the department entrance examination.
3. The recruiting employee must be employed with the City of Watauga to receive Employee Recruitment Compensation.
4. The first employee to complete the Police Candidate Recruitment Form will be the only employee eligible for payment.
5. All information regarding the hiring decision will remain strictly confidential.

Appendix A



Police Candidate Recruitment Form

Entrance Examination Date: _____

Police Candidate's Name: _____

Date Candidate Applied: _____

Recruiting Employee's Name: _____

Recruiting Employee's Phone Number: _____

I have read and understand the City of Watauga policy *Employee Recruitment Compensation* found in Policy 6.04 Classification and Compensation Plan, Section L.

Recruiting Employee's Signature

Date

INTERNAL USE ONLY

Date form was received: _____ HR Initials: _____

Was candidate hired by WPD? Yes No (Circle)

Date of Hire: _____ HR Initials: _____

Date Candidate completed Field Training Officer Program: _____

Payroll Date for Employee Recruitment Compensation: _____

Approved Amount: _____

Approvals:

HR Director

Date

City Manager

Date



AGENDA MEMORANDUM

DATE: May 10, 2023

TO: Honorable City Council Members

FROM: Jeannette Garcia, Planning and Zoning Coordinator
Randy Richards, CFM, Assistant Director of Public Works
Paul Hackleman, Director of Public Works

SUBJECT: **Z.23-01 wSUP:** Consideration and action on reconsidering the denial of Planning and Zoning case Z.23-01 with specific use permit.

BACKGROUND/INFORMATION:

The Mayor received notice that a council person voted to deny case Z.23-01 with SUP as it was presented before City Council on May 8, 2023 when, in fact, they wanted to vote to approve the item. Legal advised the item may be brought back before the next available City Council meeting for reconsideration.

FINANCIAL IMPLICATIONS:

None

RECOMMENDATION/ACTION DESIRED:

Staff recommends Council reconsider agenda item P&Z Case Z.23-01 wSUP, which was presented during the May 8, 2023 Council meeting.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

None

REVIEWED BY:

Randy Richards, CFM, Assistant Director of Public Works	Approved - 5/30/2023
Paul Hackleman, Director of Public Works	Approved - 5/30/2023
David Berman, City Attorney	Approved - 5/30/2023
Joshua Jones, City Manager	Approved - 6/7/2023
Sandra Gibson, Director of Finance	Approved - 6/7/2023
Linda Proskey, City Secretary	Final Approval - 6/7/2023
<i>Approved as to form for inclusion on Agenda</i>	



AGENDA MEMORANDUM

DATE: May 10, 2023

TO: Honorable City Council Members

FROM: Jeannette Garcia, Planning and Zoning Coordinator
Randy Richards, CFM, Assistant Director of Public Works
Paul Hackleman, Director of Public Works

SUBJECT: **Z.23-01 wSUP:** Consideration and action on Planning and Zoning Case No. Z.23-01 with SUP for a zoning change from General Business (GB) to Commercial (C) with a Specific Use Permit (SUP) to allow for an ice and water kiosk in a Commercial (C) zoned district, if the matter is approved for reconsideration.

BACKGROUND/INFORMATION:

Watermill Express, in conjunction with Woodcrest Marketplace LP, is requesting a zoning change in accordance with Section 115-33 of the City of Watauga Code of Ordinances, from General Business (GB) to Commercial (C) with a specific use permit (SUP) to allow a facility for the storage of ice and water for retail sale to the public at 6633 Watauga Road commonly known as 6601 Watauga Rd., being Block 3 Lot 25, of the Singing Hill Addition.

This business will construct a 107 s.f. building with an additional 27 s.f. of customer approach under a front awning with bollards for customer safety. This will remove 4 parking spaces at no effective loss to the center.

The Public Hearing Notice was duly posted by the City Secretary's office on Friday April 21, 2023 and was held during the May 8, 2023 City Council meeting.

Due to the proximity of an existing type of business in the adjacent shopping center, the Development Review Team (DRT) does not recommend the approval of this zoning change and SUP. The developer was given the option to select other locations, but insisted on moving forward with this location.

FINANCIAL IMPLICATIONS:

None

RECOMMENDATION/ACTION DESIRED:

The Planning and Zoning Commission members recommend approval of the zoning change with SUP. City staff does not support this request.



AGENDA MEMORANDUM

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Final Report - Z.23-01wSUP - 6601 Watauga Rd
2. ORDINANCE - Z.23-01wSUP - 6601 Watauga Rd - Watermill Express
3. EXHIBIT A - 6601 Watauga Rd - Watermill Express - Location marker
4. Response Received - Property owner within 200 feet
5. Proximity Measurement from requested site to adjacent type business
6. 5000 SERIES COLOR ELEVATION and PHOTO
7. PZ Recommendation to Council - 04192023 - Z.23-01wSUP - zoning change - SUP for ice and water kiosk

REVIEWED BY:

Randy Richards, CFM, Assistant Director of Public Works	Approved - 5/30/2023
Paul Hackleman, Director of Public Works	Approved - 5/30/2023
David Berman, City Attorney	Approved - 5/30/2023
Joshua Jones, City Manager	Approved - 6/7/2023
Sandra Gibson, Director of Finance	Approved - 6/7/2023
Linda Proskey, City Secretary	Final Approval - 6/7/2023

Approved as to form for inclusion on Agenda

FINAL REPORT

DATE: April 26, 2023

TO: City Council Members

FROM: Randy Richards, Assistant Public Works Director

SUBJECT: **Z. 23-01 w/SUP:** Public hearing to receive comments for or against a request for a zoning change from General Business (GB) to Commercial (C) with a specific use permit, for property located at 6601 Watauga Road, Lot 25 Block 3, of the Singing Hills Addition; and consider action on the final report to allow for an ice/water kiosk in a Commercial (C) zoning district. Owner(s): Woodcrest Marketplace LP. Applicant/agent: Watermill Express, Rick Kelly.

BACKGROUND/INFORMATION:

Texas Local Government Code 211.007(b) requires the Planning & Zoning Commission make a preliminary report prior to approving changes to the City's Zoning Ordinance. As such, this document now serves as the final report.

The property owner, Woodcrest Marketplace LP, is requesting a zoning change from General Business (GB) to a Commercial (C) zoning district. The applicant/agent, Watermill Express, Rick Kelly, General Manager, is requesting for a specific use permit to allow for a self-serve ice and water kiosk. The subject property is located west of Rufe Snow Drive and north of Watauga Road.

During staff review of existing regulations, items considered, and steps taken include:

- The site plan requirements are to be met as stated in Sec. 115-115. The property requested is for development of an ice and water kiosk at the southeast portion of the Woodcrest Marketplace shopping center parking lot.
- Sec. 115-33. Specific Use Permit. (b) *Amendment to the zoning ordinance*. Every specific use permit granted under these provisions shall be considered as an amendment to the zoning ordinance applicable to such property under construction but shall not be considered as being a permanent change in zoning.
- DRT reviewed the consistency of the zoning change with the Comprehensive Plan.
 1. In accordance with One Watauga Development Strategy, a key objective for the future land use plan, which classifies the property as Regional Retail/Commercial, is to ensure that future redevelopment or infill development meets the needs of the city's level of quality and promote tax-generating regional retail and commercial activities along

FINAL REPORT

our major corridors to diversify and increase the City's tax base.

2. A current development objective in the City of Watauga is to monitor closely the number and location of similar uses to reduce their proliferation and evaluate their effects on the community. One criterion used in this instance has been whether the use replaces and upgrades an existing like-use.
- One sign has been erected on the property which contains a notice of hearing and telephone number of staff from whom dates may be obtained.

CURRENT ACTIVITY:

The public hearing notice for the City Council regular meeting to be held May 8, 2023 was published in the Fort Worth Star Telegram on Friday, April 21, 2023, to receive comments for or against this request. In accordance with State law, property owners receive public notice due to public records available through Tarrant Appraisal District which reflect they are the owner(s) of one or more parcels within two hundred (200) feet of the subject property. A site map was also attached for their information.

RECOMMENDATION/ACTION DESIRED:

During a City Council meeting held September 14, 2020, the governing body approved Ordinance No. 2020-031 to allow for a zoning change from General Business (GB) to Commercial (C) with a specific use permit at the property known as 6531 Watauga Road, Regency Square shopping center to allow a use for the storage of ice and water for retail sale, described in Planning & Zoning case Z.20-02 w/SUP. This property is located to the west in the adjacent shopping center.

As such, the Development Review Team (DRT) does not support the location for this development and recommends selection of an alternate site.

During the Planning and Zoning Commission Regular Meeting held Wednesday, April 19, 2023, commission members approved recommendation to council in support of this item.

4. **Z.23-01 w/SUP:** Public hearing to receive comments for or against a request for a zoning change from General Business (GB) to Commercial (C) with a specific use permit (SUP), for property commonly known as 6601 Watauga Road, being a portion of Lot 25 Block 3, of the Singing Hills Addition; and consider action to allow for a water/ice vending station in the Woodcrest Marketplace Shopping Center. The subject property is located on the north side of Watauga Road and west of Rufe Snow Drive. Owner: Woodcrest Marketplace LP. Applicant/Agent: Rick Kelly, Watermill Express.

Member Giles made a motion to approve as presented. Member Adams seconded the motion. Chairperson Isbell called for a vote. Council Member Taylor called point of

FINAL REPORT

order, advising approving the item as presented, are you voting to reject or approve, or due to recommendation to reject the zoning change. He asked to be more precise as to the motion being made.

To clarify, Member Giles commented that she is voting to approve the request for the zoning change to allow for the business as presented. Chairperson Isbell called for a second. Member Adams seconded.

Chairperson Isbell stated a motion was made by Member Giles and a second by Member Adams to approve the item to be allowed to be built.

With there being no other discussions, Chairperson Isbell called for a vote, with members present voting as follows:

AYES:	Arend, Adams, Giles, Bry, McCauley-Blackburn, Gehle
NAYS:	None
ABSENT:	None
ABSTAIN:	None

The motion carried 6-0-0-0.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

Site Plan

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 2023-_____

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS AUTHORIZING A ZONING MAP AMENDMENT TO THE ZONING ORDINANCE AFFECTING A PORTION OF THE PROPERTY LOCATED IN SINGING HILLS ADDITION, LOT 25 BLOCK 3, COMMONLY KNOWN AS 6601 WATAUGA RD., FROM GENERAL BUSINESS (GB) TO COMMERCIAL (C); AUTHORIZING THE ISSUANCE OF A SPECIFIC USE PERMIT (SUP), PERMITTING A FACILITY FOR THE STORAGE OF ICE AND WATER FOR RETAIL SALE, AS DESCRIBED IN PLANNING AND ZONING CASE Z.23-01W/SUP TO WATERMILL EXPRESS LLC AS THE APPLICANT OF PROPERTY; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; PROVIDING AN EFFECTIVE DATE; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, WOODCREST MARKETPLACE LP owns the Property addressed as 6601 Watauga Rd., commonly known as Woodcrest Marketplace Shopping Center., located in the City of Watauga, Tarrant County, Texas, such real property being more particularly described in **Exhibit “A”** attached hereto and fully incorporated herein for all purposes; and

WHEREAS, for purposes of this Ordinance, Woodcrest Marketplace LP, shall be known as the “Owner”, Watermill Express LLC, Rick Kelly shall be known as “Owner/Agent” and the property described in **Exhibit “A”** attached hereto and made a part hereof for all purposes shall be known as the “Property”; and

WHEREAS, the Property is presently zoned with the classification of General Business (GB) district; and

WHEREAS, under Section 115 of the City of Watauga Code of Ordinances, the City of Watauga, Texas has adopted a comprehensive Zoning Code providing for the development of the City (hereinafter “Zoning Code”); and

WHEREAS, the City Council, pursuant to Section 115-33(a), by an affirmative vote and after public hearing and proper notice to all parties affected have been made, and after recommendations from the Planning and Zoning Commission that the use is in general conformance with the master plan of the city and containing such requirements and safeguards as are necessary to protect adjoining property, may authorize the location of specific uses in certain districts; and

WHEREAS, the Watermill Express LLC, the owner’s authorized agent of the Property has made proper application to the Planning and Zoning Commission, in accordance with Section 115-33(h), to change the zoning classification of the Property from General Business (GB) to

Commercial (C); and

WHEREAS, the specific use permit granted to the “Owner/Agent” of a portion of property shall be considered as an amendment to the zoning ordinance as applicable to such property under construction but shall not be considered as being a permanent change in zoning; and

WHEREAS, in the event the building, premise, or land use under the specific use permit is voluntarily vacated by the Owner/Agent for a period of no less than six months, or if such building, premise, or land is more than 50 percent destroyed by fire or other cause, the use of the same shall thereafter conform to the regulations of the original zoning; and

WHEREAS, in granting a specific use permit, the city council may impose requirements and safeguards as are necessary to protect adjoining property regarding certain uses of land located within the City which shall be complied with by the Owner/Agent; and

WHEREAS, written notice of the Planning Zoning public hearing on the proposed changes was sent to all owners of property, or to the person rendering the same for city taxes, affected by such proposed changes of classification, and to all owners of property, or to the person rendering the same for city taxes located within 200 feet of the Property affected thereby, in accordance with Section 115-35(c)(3)(b); of the 27 notices sent, 26 did not reply and 1 respondent protesting the request; and

WHEREAS, the Planning and Zoning Commission has determined, pursuant to Section 115-85(c) 2, 5 and 7, that certain conditions and special regulations are imposed for the issuance of this SUP to the Owner/Agent; and

WHEREAS, the Planning and Zoning Commission has studied the Property to confirm compliance with the conditions and special regulations associated with the proposed zoning amendment and granting of a SUP; and

WHEREAS, such application, and the required accompanying Site Plan, was presented to and approved by the Planning and Zoning Commission as Planning and Zoning Case Z.23-01 with Specific Use Permit on April 19, 2023; and

WHEREAS, the City of Watauga Planning and Zoning Commission have issued a recommendation regarding the zoning classification of Property, and

WHEREAS, the City of Watauga published, in its designated newspaper of general circulation, legal notice of the public hearing and the consideration of the application for zoning change for the Property and the request for SUP for the Owner/Agent and provided all notices as required by law to adjacent property owners; and,

WHEREAS, the City Council of the City of Watauga, Texas has considered the application and the materials presented referenced herein and now deems it appropriate to grant such requested

map amendment to the zoning classification and approve the issuance of such SUP.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Watauga, Texas that:

I.

The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

II.

The zoning classification of the Property is hereby amended from General Business (GB) to Commercial (C).

III.

The Property shall be developed in accordance with the Site Plan attached hereto as Exhibit "A" and shall comply with the following additional regulations: Section 115-85(c) of the Code of Ordinances:

- (2) A site plan in accordance with section 115-115, Site plan requirements, will only be required in districts which require a specific use permit.
- (5) All outdoor lighting, including parking lot lighting, shall be directional away from any property zoned or developed for residential uses.
- (7) Must provide screening and/or landscaping consisting of fences/walls, beams [berms], or a combination of such from any abutting residentially zoned property.

IV.

The specific use permitted to the Owner/Agent by this Ordinance is to allow a facility for the storage of ice and water for retail sale, pursuant to Section 115-85. If the use authorized by the Specific Use Permit granted is not commenced within one (1) year from the date of issuance for this permit, then this permit shall become void, provided that such limitation may be extended upon application by the owner/agent of such property to the City Council of the City of Watauga.

V.

The Zoning District Map of City of Watauga, Texas shall be revised and amended to show the zoning classification of the Property as provided in Section II hereof and the specific use permitted on the Property as provided in Section III hereof, with the appropriate reference thereon to the number and effective date of this Ordinance and a brief description of the nature of the changes.

VI.

This Ordinance shall be and is hereby cumulative of all other ordinances of the City of Watauga, Texas, and this Ordinance shall not operate to repeal or affect any of such other ordinances, except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event such conflicting provisions, if any, in such other ordinance(s) are hereby repealed. However, to the extent this Ordinance represents any deviation from the 2016 Future Land Use Plan of the City of Watauga City Comprehensive Plan; such map is hereby amended to conform to this Ordinance.

VII.

If any section, sub-section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

VIII.

It shall be unlawful for any person to violate any provision of this Ordinance. Any person who violates, or any person who causes or allows another person to violate any provision of this Ordinance, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than Two Thousand Dollars (\$2000.00). Each occurrence of any violation of this Ordinance shall constitute a separate offense. Each day in which any violation of this Ordinance occurs shall constitute a separate offense.

IX.

This Ordinance shall become effective and be in full force and effect from and after the date of passage and adoption by the City Council and upon approval thereof by the Mayor of the City of Watauga, Texas and publication hereof as prescribed by law and in accordance with Sections 3.11 and 3.13 of the Charter of the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas, the 12th day of June 2023.

APPROVED:

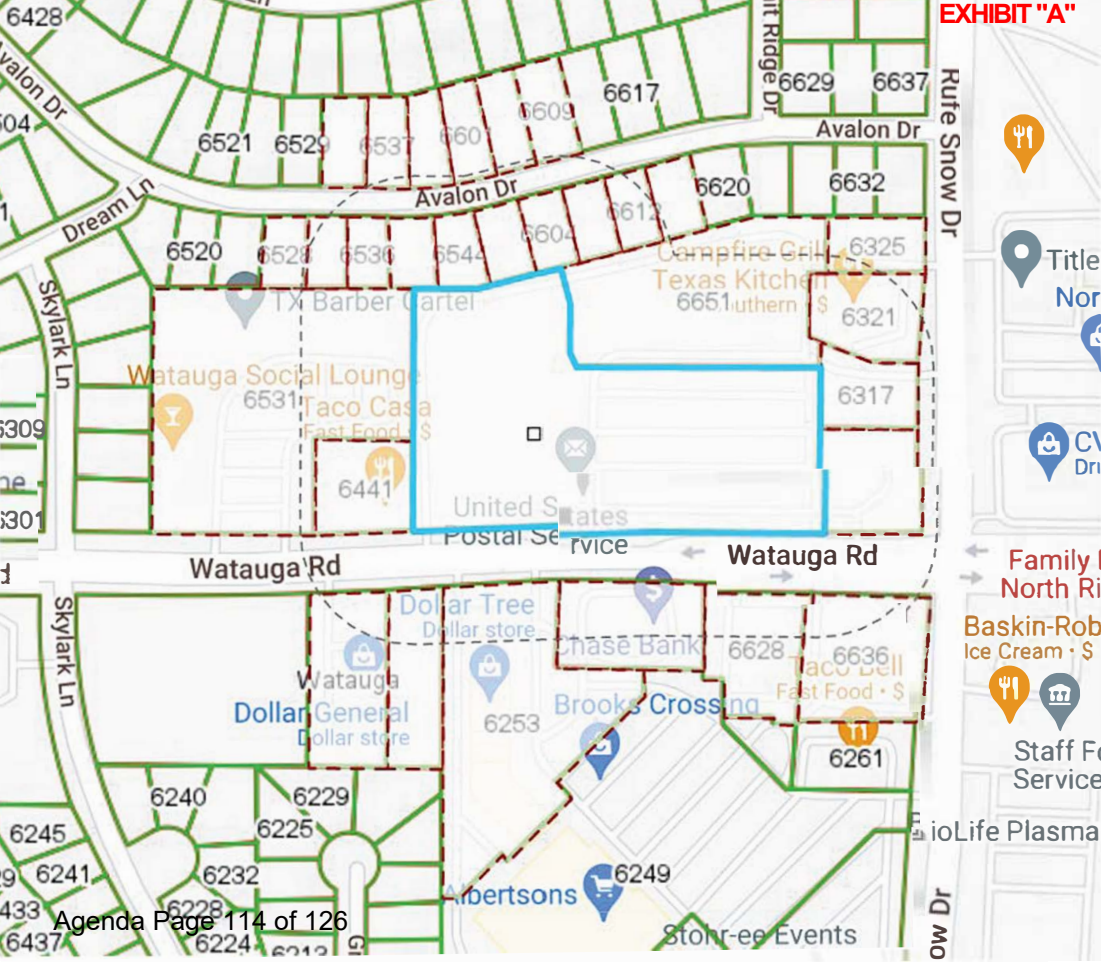
ARTHUR L. MINER, MAYOR

ATTEST:

LINDA PROSKEY, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:

DAVID M. BERMAN, CITY ATTORNEY
NICHOLS JACKSON LLP



To: City of Watauga, Texas

From: ESSA Filsozbulchi

6441 Watauga Rd. Watauga
(Address of Your Property that Could Be Impacted by this Request)

RE: **Z. 23-01 w/SUP:** Public hearing to receive comments for or against a request for a zoning change from General Business (GB) to Commercial (C) with a specific use permit, for property located at 6601 Watauga Road, Lot 25 Block 3, of the Singing Hills Addition, which shall be known as 6633 Watauga Road; and consider action on the preliminary report whether to recommend to Council to allow for an ice/water kiosk in a Commercial (C) zoning district. The subject property is located west of Rufe Snow Drive and north of Watauga Road. Owner(s): Woodcrest Marketplace LP. Applicant/agent: Watermill Express, Rick Kelly.



I PROTEST THE PROPOSED ZONING CHANGE W/SUP



I SUPPORT THE PROPOSED ZONING CHANGE W/SUP

Basis for your protest/support Kiosk is going to bring
The value of other properties down.

ESSA Filsozbulchi
Printed Name

[Signature]
Signature

4/17/23
Date

Return to: City of Watauga Development Services
7800 Vigil R. Anthony Sr. Blvd.
Watauga, TX 76148
Email: jgarcia@wataugatx.org

City of Watauga
Development Services
7800 Virgil R. Anthony Sr. Blvd.
Watauga, TX 76148
<http://www.wataugatx.org>

received
4/20/2023

ESSA Fil002h1CHT
P.O. Box 172212
Arlington, Tx, 76003

North Texas TX PBDC
DALLAS TX 750
18 APR 2023 PM 9 L

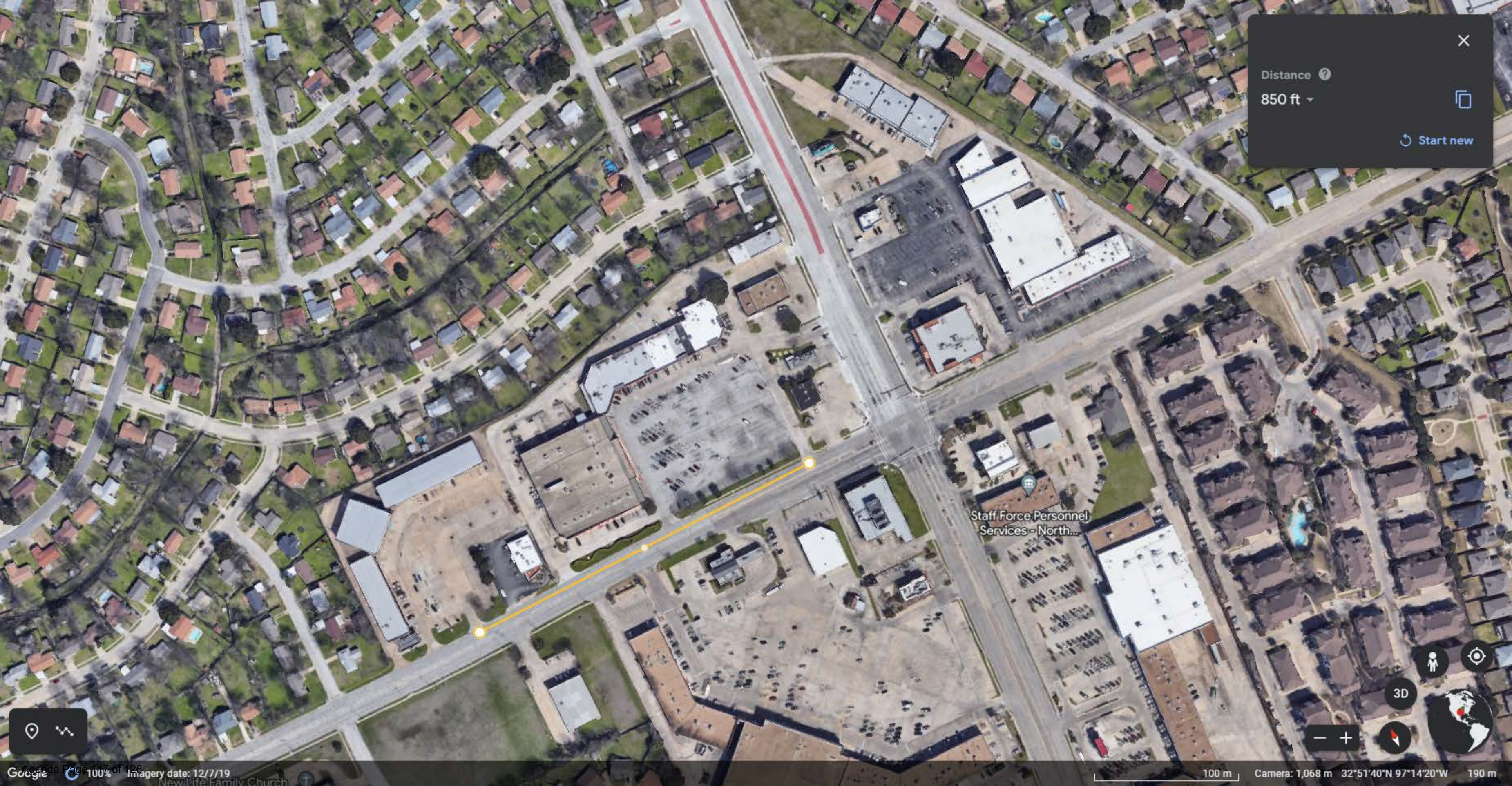


City of Watauga Development Services
7800 Virgil R. Anthony SR. Blvd
Watauga, Tx 76148

received
2022/04/17

76148-245600





✕

Distance ?

850 ft ▼

📄

↻ Start new

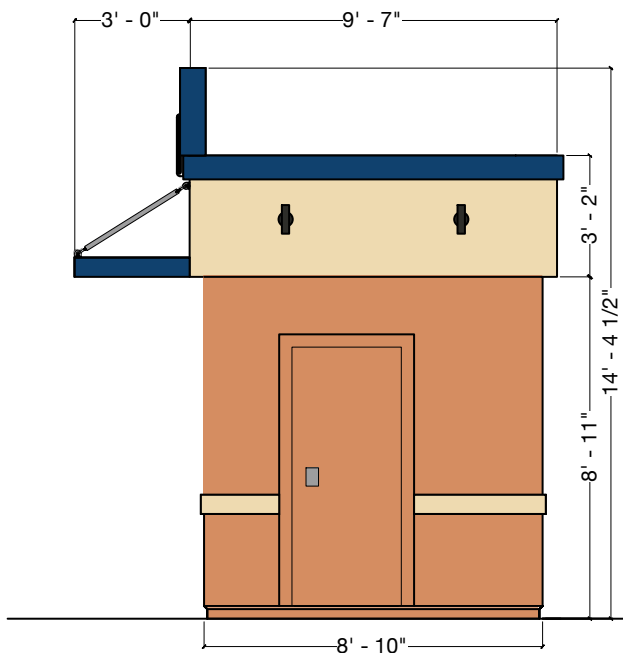
Staff Force Personnel
Services - North...

WATERMILL EXPRESS 5000 SERIES

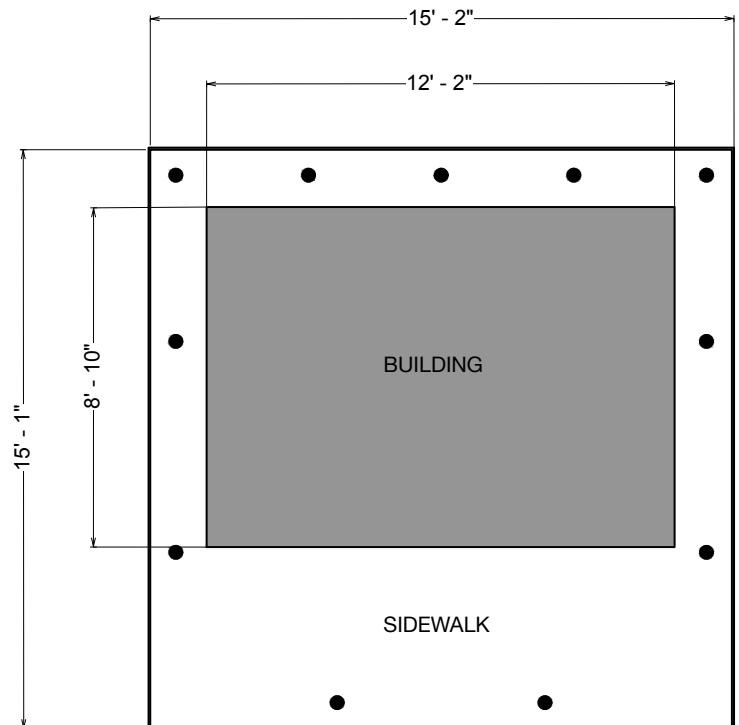
WATER AND ICE VENDING STATION



FRONT ELEVATION



SIDE ELEVATION



FOOTPRINT



PLANNING AND ZONING COMMISSION
RECOMMENDATION TO COUNCIL

PLANNING AND ZONING MEETING: **April 19, 2023**

PLANNING AND ZONING CASE NO: Z.23-01w/SUP: Public hearing to receive comments for or against a request for a zoning change from General Business (GB) to Commercial (C) with a specific use permit (SUP), for property commonly known as 6601 Watauga Road, being a portion of Lot 25 Block 3, of the Singing Hills Addition; and consider action to allow for a water/ice vending station in the Woodcrest Marketplace Shopping Center. The subject property is located on the north side of Watauga Road and west of Rufe Snow Drive. Owner: Woodcrest Marketplace LP. Applicant/Agent: Rick Kelly, Watermill Express.

RECOMMEND APPROVAL OR DENIAL:
APPROVAL ☒ **DENIAL** ☐

COMMENTS:

(REQUIRED FOR DISAPPROVALS)


Cristy McCauley-Blackburn - Secretary


Karen Isbell - Chairperson



AGENDA MEMORANDUM

DATE: May 23, 2023
TO: Honorable City Council Members
FROM: Paul Hackleman, Director of Public Works
THROUGH: Joshua Jones, City Manager
SUBJECT: Consideration of an Interlocal Agreement for pavement striping of New Bursey Road between Tarrant County and the City of Watauga

BACKGROUND/INFORMATION:

Tarrant County offers a program supporting cities with roadway striping. As part of this program, Tarrant County provides the equipment and labor required to perform roadway striping. The City must provide the plan and reimburse the material cost to the county.

The Public Works Department utilized the Interlocal Program in previous years for striping numerous streets with excellent results and would like to take advantage of the program once again for:

1. New Bursey Road - Whitley Road to Rufe Snow Drive

The Interlocal Cooperation Contracts Chapter 791 of the Texas Government Code provides legal authority for the parties to enter into this agreement. Upon City Council approval, Tarrant County shall consider the Interlocal Agreement at their Commissioners Court. If approved, Tarrant County will plan and coordinate the work. The planning phase usually takes several months.

FINANCIAL IMPLICATIONS:

Not to exceed \$5,300 - Funded in 2022 - 23 Budget 01-090-63480

RECOMMENDATION/ACTION DESIRED:

Respectfully recommend the City Council approve the interlocal agreement with Tarrant County

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. ILA - Bursey Rd
2. Notice to Proceed - Bursey Rd

REVIEWED BY:

Paul Hackleman, Director of Public Works

Approved - 5/30/2023



AGENDA MEMORANDUM

David Berman, City Attorney

Deby Woodard, Assistant Director of Finance

Sandra Gibson, Director of Finance

Joshua Jones, City Manager

Sandra Gibson, Director of Finance

Linda Proskey, City Secretary

Approved as to form for inclusion on Agenda

Approved - 5/30/2023

Approved - 6/5/2023

Approved - 6/5/2023

Approved - 6/7/2023

Approved - 6/7/2023

Final Approval - 6/7/2023

THE STATE OF TEXAS

INTERLOCAL AGREEMENT

COUNTY OF TARRANT

This Interlocal Agreement is between Tarrant County, Texas (“COUNTY”), and the City of Watauga (“CITY”).

WHEREAS, the CITY is requesting the COUNTY’s assistance applying permanent roadway striping on the following streets (the “Project”), located within the CITY:

- Bursey Road – From Whitley Road to Rufe Snow – Single Stripe – white edge line stripe/turn lane
- Bursey Road – From Whitley Road to Rufe Snow – Double stripe – yellow center line stripe

WHEREAS, the Interlocal Cooperation Act contained in Chapter 791 of the Texas Government Code provides legal authority for the parties to enter into this Agreement; and

WHEREAS, during the performance of the governmental functions and the payment for the performance of those governmental functions under this Agreement, the parties will make the performance and payment from current revenues legally available to that party; and

WHEREAS, the Commissioners Court of the COUNTY and the City Council of the CITY each make the following findings:

- a. This Agreement serves the common interests of both parties;
- b. This Agreement will benefit the public;
- c. The division of costs fairly compensates both parties to this Agreement; and
- d. The CITY and the COUNTY have authorized their representative to sign this Agreement; and
- e. The COUNTY and CITY acknowledge that they are each a “governmental entity” and not a “business entity” as those terms are defined in Tex. Gov’t Code § 2252.908, and therefore, no disclosure of interested parties pursuant to Tex. Gov’t Code Section 2252.908 is required.

NOW, THEREFORE, the COUNTY and the CITY agree as follows:

TERMS AND CONDITIONS

1. COUNTY RESPONSIBILITY

The COUNTY will furnish the labor, equipment and materials to assist the CITY in completing the Project.

The COUNTY will use waterborne acrylic traffic paint that complies with current Texas Department of Transportation specifications.

The COUNTY will apply the striping during the hours of 8:30 AM to 2:30 PM, Monday to Friday.

2. CITY RESPONSIBILITY

The CITY will pay the COUNTY for the cost of paint materials in an amount not to exceed \$5,300.00. The actual cost to the CITY will be determined upon completion of the Project.

The CITY will provide striping documentation if there are no markings present or no longer visible, and if passing lanes or ANY deviation from the original striping is requested.

The CITY will provide a staging area if needed, and personnel to provide flagging and/or traffic control assistance as necessary.

The CITY will ensure prior to striping that the roadway surface is clean and serviceable for application of paint, and that temporary tabs and construction markings are removed.

The CITY will notify adjacent property owners of the schedule for striping services provided by the COUNTY. The CITY agrees that the CITY will be responsible for damages to adjacent property.

The CITY will pay COUNTY the invoiced amount for all striping, signs and incidental materials, upon completion of the Project.

3. PROCEDURES DURING PROJECT

If the CITY has a complaint regarding the COUNTY's performance of the Project, the CITY must complain in writing to the COUNTY no later than 30 days of the date of Project completion.

4. NO WAIVER OF IMMUNITY

This Agreement does not waive COUNTY rights under a legal theory of sovereign immunity. This Agreement does not waive CITY rights under a legal theory of sovereign immunity.

5. TIME PERIOD FOR COMPLETION

The CITY will give the COUNTY notice to proceed at the appropriate time. However, the COUNTY is under no duty to commence construction at any particular time.

6. THIRD PARTY

This contract shall not be interpreted to inure to the benefit of a third party not a party to this contract. This contract may not be interpreted to waive any statutory or common law defense, immunity, including governmental and sovereign immunity, or any limitation of liability, responsibility, or damage of any party to this contract, party's agent, or party's employee, otherwise provided by law.

7. JOINT VENTURE & AGENCY

The relationship between the parties to this Agreement does not create a partnership or joint venture between the parties. This Agreement does not appoint any party as agent for the other party.

8. EFFECTIVE DATE

This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed.

9. TERMINATION OF AGREEMENT

This Agreement will automatically terminate upon completion of the Project or September 30, 2023, whichever date occurs first. This Agreement may be renewed prior to its expiration upon the mutual consent of the parties in writing.

TARRANT COUNTY, TEXAS

CITY OF WATAUGA

COUNTY JUDGE

Authorized City Official

Date: _____

Date: _____

Recommended for Approval:

COMMISSIONER, PRECINCT 3

APPROVED AS TO FORM*

APPROVED AS TO FORM AND LEGALITY

Criminal District Attorney's Office*

City Attorney

* By law, the Criminal District Attorney's Office may only approve contracts for its clients. We reviewed this document as to form from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.

NOTICE TO PROCEED

The City of Watauga hereby notifies Tarrant County that the County may proceed with this project, as specified in the attached Agreement, on or after

(Month/Date/Year)

Authorized City Official
City of Watauga

Striping for:

- Bursey Road – From Whitley Road to Rufe Snow – Single Stripe – white edge line stripe/turn lane
- Bursey Road – From Whitley Road to Rufe Snow – Double stripe – yellow center line stripe