



**REGULAR MEETING OF THE  
SALADO BOARD OF ALDERMEN**

**REGULAR MEETING AGENDA**

**6:30 P.M., THURSDAY, MAY 5, 2016  
MUNICIPAL BUILDING  
301 NORTH STAGECOACH, SALADO, TX  
BOARD OF ALDERMEN CHAMBERS**

**I. CALL TO ORDER**

1. Invocation/Moment of Silence
2. Pledge of Allegiance, Texas Pledge of Allegiance

("Honor the Texas flag: I pledge allegiance to thee, Texas, one state under God, one and indivisible.")

**II. PROCLAMATIONS / SPECIAL RECOGNITION**

None.

**III. PUBLIC COMMENTS**

3. Citizens who desire to address the Board of Aldermen on any matter may sign up to do so prior to this meeting. Public comments on issues not listed on the agenda will be received during this portion of the meeting. Comments related to items on the agenda will be received during consideration of the individual agenda item. Please limit comments to 3 minutes. No discussion or final action will be taken by the Board of Aldermen.

**IV. REPORTS**

Mayor's Report

Department Reports

- Police Department Report, Chief Jack Hensley
- Fire Department Report, Chief Shane Berrier
- Chamber of Commerce/Tourism Bureau Report, Executive Director Mary Poche'

Village Administrator's Report

- Hidden Glen drainage

**V. CONSENT AGENDA**

All items listed under this section, Consent Agenda, are considered to be routine by the Board of Aldermen and may be enacted by one motion. If discussion is desired by the Board of Aldermen, any item may be removed from the Consent Agenda at the request of an Alderman and will be considered separately.

4. Consider approving the Consent Agenda item:
  - a. Minutes, April 21, 2016, Regular Meeting.
  - b. Minutes, April 28, 2016, Workshop Meeting

**VI. REGULAR AGENDA**

5. Presentation, discussion, and possible action to accept the Village of Salado Annual Financial Report for the Fiscal Year ending September 30, 2015, as prepared by Don Allman, CPA, PCA.
6. Discussion and possible action on an appointment to the Planning & Zoning Commission.
7. Presentation, discussion, and possible action on a Contract between the Village of Salado and Perdue Brandon Fielder Collins & Mott, LLP, for Collection of Delinquent Court Fines and Fees.
8. Presentation, discussion, and possible action on a professional services agreement with Kasberg, Patrick and Associates, LP, for the final design, bidding, and construction administration for the Wastewater Treatment Plant and Effluent Pump Station and Pipeline in the amount of \$490,550.

**VII. WORKSHOP AGENDA**

9. Discussion on Parkland Dedication Provisions of the Subdivision Ordinance.
10. Discussion on the purchase of a site for a wastewater treatment plant west of Interstate 35.

**VIII. EXECUTIVE SESSION**

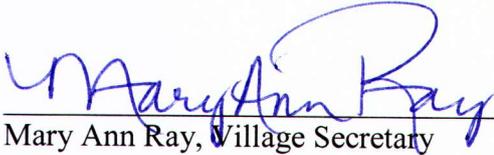
11. Discuss economic development projects as authorized by Texas Government Code § 551.087, Economic Development, for incentive agreements with Stagecoach 1943 Limited Partners.

**IX. ADJOURN**

The Village of Salado reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

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 Village Secretary's office at (254) 947-5060 for further assistance.

I hereby certify that a true and correct copy of this Notice of Meeting was posted in a public place at 5:00 p.m. on **Monday, May 2, 2016**.



Mary Ann Ray, Village Secretary

Removed from display: \_\_\_\_\_

**POLICE DEPARTMENT**

**MONTHLY REPORT**

**April 30, 2016**

<b>GOALS / WORK PLAN</b>	<b>UPDATE</b>
Update General Orders	Have been reviewing the current operations manual and updating the policies to meet the Best Practices guideline. There are currently 169 sections in the Best Practices manual. 91 sections have been completed and pending committee review.
Emergency Operations	<ul style="list-style-type: none"> <li>• The Emergency Operations Plan has been Updated.</li> <li>• The Annexes "A" thru "V" have been updated.</li> <li>• Sample Ordinances and Resolutions have been added.</li> <li>• Need to complete Inter local Agreements with partners who will assist during an emergency</li> <li>• Need to assign someone to serve as Emergency Management Coordinator</li> <li>• Need to assign Annexes</li> <li>• Identify resource list and arrangements for goods and materials necessary during emergency</li> <li>• Pending Committee Review</li> <li>• Training</li> </ul>
Develop 5 year action/strategic plan	The construction of a Police Department strategic plan 2014 / 2018 Has been completed. Pending committee review

<b>SPECIAL PROJECTS</b>	
Early Outdoor Warning Systems	Starting to gather information about vendors and types of programs. Turned over to Public Safety Committee
Traffic Control	Ultra-Triathlon 4-29/30-5-1
TCOLE	Audit

ACTIVITIES / PERFORMANCE MEASURES	
Calls For Service	297 (9 99% in city,1% outside city)
<b>BREAKDOWN OF TYPE OF CALLS FOR SERVICE</b>	
Average response time	3:55
Offenses	4
Arrests	1
Motor Vehicle Accidents	3
Alarm Calls	7 (6 residential,1 business, 0 medical)
Citations	50
Warning Citations	17
Violator Contacts	79

Citations Chart (Total 67 Citations)		
Number of Citations	Charge	Location
3	Use of Wireless Comm in school	West Village
2	Failed to Maintain Financial Res.	West Village
1	No Driver's License	Pace Park Road
15	Speeding	IH35
3	No Driver's License	IH35
2	Failed to Yield to Emergency Veh	Main
2	No Driver's License	Main
1	No Driver's License	Stagecoach Road
1	VCO Parks	Pace Park
1	Poss. Drug Paraphernalia	Pace Park
1	Expired Vehicle Registration	Main
9	Speeding	Main
13	Speeding	West Village
2	Disregard stop Sign	Chisholm Trail
2	No Driver's License	West Village
1	Disregard Barricade	Southridge
2	Fail to Yield ROW	Main
1	Defective Equipment	Stagecoach Road
2	Defective Equipment	Main
1	Back W/O Safety	Royal
	Speeding	Chisholm Trail
	Fail to Signal Turn	Royal
<b>CONTINUING PROGRAMS</b>		
House watch	Physically check the house while Citizen is out of town	Positive feedback from citizens



# Salado Fire Department

P.O. Box 503

Salado, Texas 76571

Tel. 254-947-8961 • Fax 254-947-1006

In the month of April Salado VFD has responded to the following calls

## **In the Village**

18 - EMS

6 - Fire Calls

7 - MVA

## **County calls**

34 - EMS

11 - Fire

9 - MVA

A handwritten signature in black ink, appearing to read 'Shane Berrier', is written in a cursive style.

Shane Berrier

Fire Chief, Salado Vol. Fire Dept.

## Salado Chamber of Commerce/Tourism Bureau 2016-2017 ACTION PLAN UPDATE – May 5, 2016

CATEGORY	DESCRIPTION	CURRENT STATUS	EXPECTED OUTCOME
Chamber	Grand Opening/Ribbon Cutting Barrow Brewing Co.	June 4, 2016 Official Grand Opening – Noon – 10PM Ribbon Cutting occurring at Noon	Increase Ambassador and other business attendees to show support; reinforce open communication and Chamber programs
Chamber	Quarterly Breakfast	Upcoming: 1. Business Media Package Program – June 1, 2016 2. Social Media and Growing Your Business – date TBD 3. Common Causes of Lost Profits: Solutions to Stop the Leaks and Maximize Profits.” - date TBD	Providing quality programs that can directly impact business growth and profit should support the overall Chamber program and goals
Chamber	Pocket Music Series	Occurs the 2 <sup>nd</sup> Saturday April through September. Consists of chosen musicians by committee to play at locations sanctioned and requested by merchants.	Provide
Chamber	Membership Budget & Membership Committee	Through March 2016 have exceeded budget by \$2100 Membership Committee re-formed with first meeting the first week of May	Continue to push membership with new program of work and new membership committee
Chamber	Event(s)	<ol style="list-style-type: none"> <li>1. Wildflower Weekend includes Spring Pub Crawl, Edgy Art Competition and arts and crafts fair – April 1-3, 2016- currently conducting a survey with Pub Crawl attendees for more information about their spending, potential lodging and returning habits</li> <li>2. Dog Daze – June 18<sup>th</sup></li> <li>3. Salado Swirl – July 8<sup>th</sup></li> <li>4. Art Fair – August 6-7 Golf Tournament</li> <li>5. Golf Tournament – Oct. 6</li> <li>6. Christmas Stroll</li> </ol>	<ol style="list-style-type: none"> <li>1. Wildflower came up about \$500 short to budget primarily due to less vendors who chose to go to other similar events; upside is there were more people in Salado</li> <li>2. Committee formed, sponsorships coming in</li> <li>3. Committee forming</li> <li>4. Desire to “return to the roots” of the fair and make it really big; —work has begun with committee for 50<sup>th</sup> anniversary</li> <li>5. Committee formed – work begun</li> <li>6. Committee forming – first meeting first week of May</li> </ol>

## Salado Chamber of Commerce/Tourism Bureau 2016-2017 ACTION PLAN UPDATE – May 5, 2016

<b>Chamber/Tourism</b>	New P/T Employee	Paulette Chandler is officially retiring; will continue in volunteer capacity; worked with Village HR to recruit and hire her replacement	Successful hire and should start in 2 weeks
<b>Chamber/Tourism</b>	Website Revamp	Copy writing and data collection continues	Still tracking for an early June soft launch and hard launch by June 15
<b>Tourism</b>	Tourism Venue Plan	Data gathering continues; set meeting with lodging properties to discuss how to work together and decide how and who to approach; draft plan in the works	Use for direct marketing for tours, meetings etc.; working to make up deficit (tracking at approx.. 30%) for lost HOT Tax Revenue
<b>Tourism</b>	Texas Travel Industry Association (TTIA)	Marketing/Event Manager attended last week in Destination Central Texas Booth	Handed out literature to those members that interface with travelers in Texas – Salado well received
<b>Tourism</b>	Destination Central Texas	Attending the May 12-14 Rally in Sherman Dennison- sending Salado marketing materials with the team	Commitment for this rally for 2017 in Belton at the Expo—working to get them acquainted with things to do and where to stay in Salado through regional marketing approach
<b>Tourism</b>	Tour Texas Website	All Salado material and pictures updated; banner ad currently running	More brand awareness for Salado using the Creativity, Community Culture tagline
<b>Chamber/Tourism</b>	Visitor's Center	Visitors coming into Salado continues to increase- dismayed at shops closed during the week---always asking "what is open" especially mid-week	Supply them with information, directions and a "welcome"

Village of Salado, Texas  
**Board of Aldermen**  
**Minutes**  
**Regular Meeting and Workshop**  
6:30 p.m. Thursday, April 21, 2016  
Municipal Building, 301 N. Stagecoach Road

**Present:** Mayor Skip Blancett, Mayor Pro Tempore Fred Brown, Alderman Frank Coachman, Alderman Amber Preston Dankert, Alderman Michael McDougal, Alderman David Williams.

**Others Present:** Kim Foutz, Village Administrator; Mary Ann Ray, Village Secretary.

**I. Call to Order.**

Mayor Blancett called the meeting to order at 6:30 p.m.

1. James Haney, Salado Church of Christ, delivered the invocation.
2. The Mayor led the Pledge of Allegiance and the Texas Pledge of Allegiance.

**II. Proclamations/Special Recognition.**

None.

**III. Public Comments.**

3. Linda Reynolds, 507 Santa Rosa, thanked the Chamber of Commerce for the Candidate Forum that took place Monday, April 19, 2016.

**IV. Reports.**

**Mayor's Report.**

Mayor Blancett reported on a meeting between Village leaders and officials with the Texas Department of Transportation. Several topics were covered, including the progress of construction on Interstate 35, grants, Main Street improvements, and the loss of Salado Volunteer Fire Department equipment in fiery accidents along the interstate. He reported that the cleanout of the low-water crossing will be done in the near future, and that Mill Creek Gold Club wishes to expand its annual Fourth of July celebration to be a more community-wide event. He said meetings will take place with the developers of subdivisions in the ETJ, and he invited all to attend the Earth Day celebration at Pace Park on Saturday.

**Committee Reports.**

Environmental/Deer Committee: Alderman Dankert said the committee has had its kickoff meeting. The discussion focused on the deer population. The next meeting will be at 6:30 p.m. Wednesday, May 18, 2016, and she invited all who are interested to attend.

ETJ/Annexation Committee: Alderman McDougal said the committee has not yet had its kickoff meeting yet.

Ordinance Committee: Alderman Williams said the committee conducted its kickoff meeting. The committee will start with a review of the Subdivision Ordinance. In addition, the new Wastewater Pre-Treatment Ordinance is in legal review. The committee's next meeting will be Monday, May 2, 2016.

Main Street Committee: Mayor Pro Tempore Brown reported that the grant application paperwork for engineering services for Main Street has been sent to TxDOT.

Street Improvements Committee: Alderman McDougal showed a PowerPoint about street improvements, including crack seal, potholes, drainage, and point repairs for roads that are failing.

Economic Development: Alderman Coachman reported that the committee attended an informal briefing about various types of Public Improvement Districts and Tax Increment Reinvestment Zones. The committee will conduct its kickoff meeting at 6:30 p.m. Wednesday, April 27, 2016.

Trails and Parks Committee: Alderman Dankert reported that the committee had an "on the ground" meeting to walk the proposed route of the multi-modal trail. She said one of the land owners has expressed a desire to change the appearance of the trail; such changes would have to be made in such a way that the grant is not compromised. A bridge is available for purchase, and it is possible that the bridge could be incorporated into the trail plan and design.

Public Safety/Emergency Management Committee: Alderman McDougal reported that the committee conducted its kickoff meeting and established priorities, with the top two being the General Orders of the Salado Police Department and an Emergency Management Plan. Other tasks are a flood warning system, long-range plan, and a safety plan. He said the committee will meet once a month.

Stagecoach Wastewater Committee: Mayor Pro Tempore Brown thanked the BOA for approving the funds to make necessary repairs at the Stagecoach plant. Administrator Foutz reported that the contracts for the blower and the clarifier have been sent to the respective vendors and that parts and equipment have been ordered.

### **Financial Report.**

Administrator Foutz reviewed the Sales Tax and Hotel/Motel Tax revenues to date. She said Sales Tax revenues are higher than last year at this time, whereas Hotel/Motel Taxes are lower, primarily because of the closing of the Stagecoach Inn. There was general discussion about the financial statements (see attached).

## **V. Consent Agenda.**

4. Consider approving the Consent Agenda items:
  - a. Minutes, April 7, 2016, Regular Meeting.
  - b. Minutes, April 14, 2016, Special Called and Workshop Meeting

*Mayor Pro Tempore Brown made a motion to approve the Consent Agenda as presented. Alderman Williams seconded. The motion carried unanimously.*

## **VI. Regular Agenda.**

5. Consider and take action on a waiver to Section 3.9 Water and Wastewater Facility Design (fire protection) of the Village of Salado Subdivision Ordinance 2009.03 for a replat of Terra Bella Phase III, a subdivision in the ETJ.

Administrator Foutz explained the request for a replat that will enlarge two existing lots and create an additional lot on a cul-de-sac. The original plat was approved by Bell County only; the original plat was not a part of the Village's ETJ, but the development has since joined the ETJ.

She explained the options for mitigation offered to the developer, all of which were declined:

- a. Install residential fire alarm systems on new construction and install a hydrant to a 6" line at Armstrong Road or at some point within the subdivision such that it is no further than 1,800'.
- b. Install residential fire alarm systems on new construction and install fire hydrants in the subdivision connected to 4" lines (if allowed by Armstrong Water Supply Corporation), and get certification from a fire engineer that the system will operate sufficiently.
- c. Replace existing 4" line with a 6" line and install fire hydrants within the subdivision.
- d. Install a ground storage tank that can be filled by the 4" waterline and is accessible to a pumper truck. Size and location to be determined by the design engineer.

Chief Shane Berrier of the Salado Volunteer Fire Department said he supports a one-time waiver but strongly recommends the developer install a dry hydrant connected to an existing pond. The pond remains at a constant level, thereby affording an adequate water supply for a dry hydrant.

There was discussion about insurance ratings and how they can affect the Village. The possibility of annexation of the development also was discussed. Developer Joe Ritchie said he has agreed to the installation of the dry hydrant, which will be placed so that it is not more than 900 feet from any home in the subdivision.

*Mayor Pro Tempore Brown made a motion to approve a waiver to Section 3.9 Water and Wastewater Facility Design (fire protection) of the Village of Salado Subdivision Ordinance 2009.03 for a replat of Terra Bella Phase III, a subdivision in the ETJ, as presented. Alderman McDougal seconded.*

*Alderman Coachman made a motion to amend the original motion to include the language "with the dry hydrant stipulation." Mayor Pro Tempore Brown seconded. The amendment to the original motion carried unanimously.*

*The amended motion a motion to approve a waiver to Section 3.9 Water and Wastewater Facility Design (fire protection) of the Village of Salado Subdivision Ordinance 2009.03 for a replat of Terra Bella Phase III, a subdivision in the ETJ, as presented, with the dry hydrant stipulation, carried unanimously.*

**VII. Executive Session.**

None.

**VIII. Adjourn.**

Mayor Pro Tempore Fred Brown made a motion to adjourn. Alderman Dankert seconded. The meeting was adjourned at 7:45 p.m.

---

Skip Blancett, Mayor

---

Mary Ann Ray, Village Secretary

Village of Salado, Texas  
**Board of Aldermen**  
**Minutes**  
**Workshop Meeting**  
6:30 p.m. Thursday, April 28, 2016  
Municipal Building, 301 N. Stagecoach Road

**Present:** Mayor Skip Blancett, Mayor Pro Tempore Fred Brown, Alderman Frank Coachman, Alderman Amber Dankert, Alderman Michael McDougal, Alderman David Williams.

**Others Present:** Kim Foutz, Village Administrator; Mary Ann Ray, Village Secretary.

**I. Call to Order.**

Mayor Blancett called the meeting to order at 6:30 p.m. with prayer.

**II. Workshop Agenda.**

1. Discussion and update on drainage issues in the area of Chisholm Trail and Stagecoach Circle.

Administrator Foutz provided an update on the issue of poor drainage in the area. She said that new drainage plans have been submitted by the Hidden Glen senior housing development and approved by the Village engineer. There was general discussion about the detention pond on the Hidden Glen property, Village liability, and the downstream effects of efforts to alleviate flooding in the affected area. A suggestion was made for Hidden Glen to use the excess water in the detention pond for irrigation or capture excess water and store it for Village use. Mayor Blancett directed Administrator Foutz to make the Hidden Glen plans available; the first phase is available now, but further phases are not complete as of now.

2. Discussion on an appointment to the Planning & Zoning Commission.

Administrator Foutz explained that Josh Bratton's term has expired. It was determined that the appointment of Jim Reed would be put on the Agenda for consideration at the May 5, 2016, Board of Aldermen meeting.

The Mayor closed the Workshop Session at 7:18 p.m. He opened the Executive Session at 7:20 p.m.

**III. Executive Session.**

3. Discuss economic development projects as authorized by Texas Government Code §551.087, Economic Development, for incentive agreements with Stagecoach 1943 Limited partners.

The Mayor closed the Executive Session at 8:23 p.m. He adjourned the meeting at 8:23 p.m.

---

Skip Blancett, Mayor

---

Mary Ann Ray, Village Secretary

# BOARD OF ALDERMEN

## AGENDA ITEM MEMORANDUM

---

5/5/16  
Item #5  
Regular Agenda  
Page 1 of 1

**DEPT/DIVISION REVIEW:** Kim Foutz, Village Administrator/Donald Allman, CPA, PC

**ITEM DESCRIPTION:** Presentation, discussion, and possible action to accept the Village of Salado Annual Financial Report for the Fiscal Year ending September 30, 2015, as prepared by Donald Allman, CPA, PCA.

**STAFF RECOMMENDATION:** Staff recommends approval.

**ITEM SUMMARY AND ANALYSIS:** Pursuant to Chapter 103 of the Texas Local Government Code, the Village is required to have an annual audit and to have an annual financial statement prepared based on the audit. The annual financial report for fiscal year ending September 30, 2015, will be presented by Donald Allman, CPA. Mr. Allman is with the accounting firm of Donald L. Allman, and will be available to address any questions that the Aldermen may have. The annual financial report is presented in three sections:

*Basic financial statements*, which includes the balance sheet for all governmental accounts, reconciliation of the governmental funds balance sheet to the statement of net assets, statement of revenues, expenditures, and changes in fund balances, as well as reconciliation of the governmental funds statements of revenues, expenditures, and changes in fund balance to the statement of activities, statement of net position-proprietary fund, statement of revenues, expense and change in net position-proprietary fund, and statement of cash flows-proprietary fund, as well as notes to the financial statements.

*Required supplementary information*, which includes the statement of revenues, expenditures, and changes in the fund balance budget and actual for both general fund and proprietary fund, as well as the schedule of changes in net pension liability and related ratios.

*Internal control and compliance*, which includes the report on internal control over financial reporting and compliance and other matters based on the audit of financial statements performed in accordance with the government auditing standards.

**FISCAL IMPACT:** The fee for the FY 2015 annual audit is \$ 8,000.00. The audit fee is proportionally allocated to each department.

**ATTACHMENTS:**

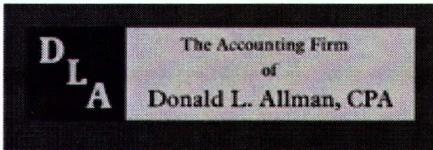
- Annual Financial Report for fiscal year ending September 30, 2015

**VILLAGE OF SALADO, TEXAS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL SCHEDULES**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**VILLAGE OF SALADO, TEXAS**

**TABLE OF CONTENTS**

Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 7
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
<i>Government-wide Financial Statements</i>	
Statement of Net Assets	9
Statement of Activities	10
<i>Fund Financial Statements</i>	
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	15
Statement of Net Position – Proprietary Fund	16
Statement of Revenues, Expenses and Change in Net Position – Proprietary Fund	17
Statement of Cash Flows- Proprietary Fund	18
Notes to Financial Statements	19-35
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	37
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Proprietary Fund	38
Schedule of Changes in Net Pension Liability and Related Ratios	39
Schedule of Contributions and Related Notes	40
<b><u>INTERNAL CONTROL AND COMPLIANCE</u></b>	
Report on Internal Control over Financial Reporting and Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	42-43



Donald Allman, CPA, PC  
205 East University Ave., Ste. 165  
Georgetown, Texas 78626  
Email: dallman@donallmancpa.com

CERTIFIED PUBLIC ACCOUNTANT

## Independent Auditor's Report

To the Honorable Mayor  
And Members of the City Council  
Village of Salado, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Salado, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. Accordingly, we express no such opinion. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Salado, Texas, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Governmental Accounting Standards (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 37-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Salado, Texas' basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2016, on our consideration of the Village of Salado, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Salado, Texas' internal control over financial reporting and compliance.

Donald L. Allman, CPA, PC

Georgetown, TX  
April 8, 2016

**VILLAGE OF SALADO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

As management of the Village of Salado, Texas ("the Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2015. We encourage readers to consider information presented here in conjunction with additional information that we have furnished in the Village's financial statements, which follow this narrative.

***Financial Highlights:***

- The assets of the Village of Salado exceeded its liabilities as of September 30, 2015, by \$3,273,558 (Net Assets). Of this amount, \$686,498 represents unrestricted net assets. Unrestricted net assets may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net assets increased by \$1,300,774 during the year.

***Overview of Financial Statements:***

This discussion and analysis is intended to serve as an introduction to the Village of Salado's basic financial statements. The Village's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes additional supplementary information in addition to the basic financial statements.

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

The Statement of Net Assets presents information on all of the Village's assets and liabilities, with the difference between the two reported in net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. This statement combines and consolidates governmental funds current financial resources (short-term spendable resources), capital assets, and long-term liabilities of the Village.

The statement of Activities presents information showing how the Village's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both the Statement of Net Assets and the Statement of Activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis of accounting used in prior reporting models.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village uses two fund type – governmental and proprietary (business-type).

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources. The governmental fund statements provide a detailed short-term view of the Village's general government operations and help you determine whether resources are available in the near future to finance Village programs. Comparing the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements will help the readers to better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

**VILLAGE OF SALADO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

The Village adopts an annual appropriated budget for its general fund and hotel/motel tax fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

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

***Government-wide Financial Analysis:***

As noted earlier, net assets may serve over time as a useful indicator of the Village's financial position. As of September 30, 2015, the Village's net assets exceeded liabilities by \$3,246,652.

A portion of the Village's net assets \$698,984, reflects its unrestricted net assets which are available for spending at the Village's discretion.

**Summary of Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$ 1,115,370	\$ 1,453,058	\$ 8,235,978	-	\$ 9,351,348	\$ 1,453,058
Deferred Outflow of Resources	21,801	40,329	-	-	21,801	40,329
Capital Assets (Net)	<u>1,165,439</u>	<u>722,098</u>	<u>1,421,621</u>	-	<u>2,587,060</u>	<u>722,098</u>
Total Assets	\$ 2,302,610	\$ 2,215,485	\$ 9,657,599	0	\$ 11,960,209	\$ 2,215,485
Short-Term Liabilities	\$ 345,789	\$ 44,073	\$ 48,464	-	\$ 394,253	\$ 44,073
Net Pension Liability	1,833	-	-	-	1,833	-
Long-Term Liabilities	<u>90,565</u>	<u>78,846</u>	<u>8,200,000</u>	0	<u>8,290,565</u>	<u>78,846</u>
Total Liabilities	\$ 438,187	\$ 122,919	\$ 8,248,464	-	\$ 8,686,651	\$ 122,919
Net Assets:						
Invested in Capital Assets	\$ 1,165,439	\$ 722,098	\$ 1,421,621	-	\$ 2,587,060	\$ 722,098
Restricted	-	206,904	-	-	-	206,904
Unrestricted	<u>698,984</u>	<u>1,163,564</u>	<u>(12,486)</u>	-	<u>686,498</u>	<u>1,163,564</u>
Total Net Assets	\$ 1,864,423	\$ 2,092,566	\$ 1,409,135	(0)	\$ 3,273,558	\$ 2,092,566

Governmental activities increased the Village's net assets by \$1,300,774 in 2015. The following table provides a comparison of the Village's operations for the year ended September 30, 2015 to the year ended September 30, 2014.

**VILLAGE OF SALADO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Summary of Changes in Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Program Revenues:						
Charges for Services	\$ 71,228	\$ 74,547	\$ 17,033	-	\$ 88,261	\$ 74,547
General Revenues:	\$ -			-	\$ -	
Ad Valorem Taxes	338,596	226,864	-	-	338,596	226,864
Sales Taxes	361,538	266,490	-	-	361,538	266,490
Franchise Fees	218,182	200,587	-	-	218,182	200,587
Mixed Beverage Taxes	14,579	13,986	-	-	14,579	13,986
Court Fines and fees	105,177			-	105,177	
Occupancy Taxes	-	212,044	235,165	-	235,165	212,044
Investment Earnings	3,897	3,925	1,967	-	5,864	3,925
Donations	-	-	1,233,506	-	1,233,506	-
Other Revenues	9,194	36,012	1,279	-	10,473	36,012
<b>Total Revenues</b>	<b>\$ 1,122,391</b>	<b>\$ 1,034,455</b>	<b>\$ 1,488,950</b>	<b>-</b>	<b>\$ 2,611,341</b>	<b>\$ 1,034,455</b>
Expenses:						
General Government	\$ 544,776	\$ 195,693	\$ -	-	\$ 544,776	\$ 195,693
Judicial	41,696	27,248	-	-	41,696	27,248
Police	325,216	196,121	-	-	325,216	196,121
Fire Protection & EMS	36,304	41,476	-	-	36,304	41,476
Total Pension Expense	20,857		-	-	20,857	
Public Works	76,131	61,738	-	-	76,131	61,738
Parks	14,228	2,905	-	-	14,228	2,905
Tourism	-	233,177	251,359	-	251,359	233,177
<b>Total Expenses</b>	<b>\$ 1,059,208</b>	<b>\$ 758,358</b>	<b>\$ 251,359</b>	<b>-</b>	<b>\$ 1,310,567</b>	<b>\$ 758,358</b>
Change in Net Assets	\$ 63,183	\$ 276,097	\$ 1,237,591	-	\$ 1,300,774	\$ 276,097
Prior Period Adjustment	(291,326)	40,329	171,544	-	(119,782)	40,329
Net Assets - Beginning	\$ 2,092,566	\$ 1,776,140	\$ -	-	\$ 2,092,566	\$ 1,776,140
Net Assets - Ending	\$ 1,864,423	\$ 2,092,566	\$ 1,409,135	-	\$ 3,273,558	\$ 2,092,566

**Financial Analysis of the Government's Funds:**

**General Fund** – The Village utilizes a general fund to account for the basic services provided to citizens by the Village. At September 30, 2015, the Village's general fund reported an ending fund balance of \$1,864,423. Of this balance, \$698,984 constitutes undesignated, unreserved fund balance which is available for spending at the Village's discretion. During the current year, General Fund balance increased by \$63,183.

**Proprietary Fund** – The Village collects an occupancy tax equal to 7%, less an administrative fee, of adjusted hotel and motel collections for the purpose of promoting tourism, and has also added a Wastewater Treatment Facility. At September 30, 2015, the Village's Proprietary fund reported an ending fund balance of \$1,409,135. The Wastewater Treatment Facility is in progress and was not in service as of 9/30/15.

**VILLAGE OF SALADO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Capital Assets:**

The Village's investment in capital assets for its governmental activities as of September 30, 2015 amounts to \$1,165,439 (net of accumulated depreciation) in the general fund and \$1,421,621 in the business-type fund. The investment in capital assets includes infrastructure, equipment, vehicles, land, and buildings. The following table summarizes the Village's investment in fixed assets.

	Governmental Activities
Land	\$ 45,577
Buildings	275,676
Vehicles and Equipment	165,593
Infrastructure	678,593
Total Capital Assets, Net	\$ 1,165,439
	Business-Type Activities
Wastewater Treatment Facility	\$ 1,233,506
Engineering fees	33,203
Bond Issuance Costs	154,912
	1,421,621

During 9/30/15, major asset additions for the Village were a Wastewater Treatment Facility and Street Improvements.

**Long-Term Liabilities**

For the year ended September 30, 2015 activity related to long-term liabilities is as follows:

	Balance at 9/30/2014	Additions	Retirements	Balance at 9/30/2015
Compensated Absences Payable	\$ 78,846	\$ 11,719	\$ -	\$ 90,565

**American National Bank of Texas, Permanent Improvement Bond, \$8,200,000.** Payments begin in 2017.

**Budget Analysis:**

The Village prepares its budgets on the modified accrual of accounting, which is a method of accounting prescribed by generally accepted accounting principles (GAAP). During the current year, the Village had one amendment to each budget to allow for unanticipated expenditures.

The following is a budget to actual comparison for the general fund for the year ended September 30, 2015.

**VILLAGE OF SALADO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
Budget to Actual Variances  
For the Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes	\$ 698,000	\$ 698,000	\$ 714,713	\$ 16,713
Franchise Fees	197,760	197,760	218,182	\$ 20,422
Fines	44,100	44,100	105,177	61,077
Investment Income	3,000	3,000	3,897	897
Grant Revenue	-	-	-	-
Other Revenue	21,000	21,000	80,422	59,422
Total Revenue	<u>\$ 963,860</u>	<u>\$ 963,860</u>	<u>\$ 1,122,391</u>	<u>\$ 158,531</u>
<b><u>Expenditures</u></b>				
General Government	\$ 367,703	\$ 367,703	\$ 544,776	\$ (177,073)
Judicial	21,500	21,500	41,696	(20,196)
Public Safety	362,571	362,571	361,520	1,051
Public Works	317,101	317,101	76,131	240,970
Parks	6,900	6,900	14,228	(7,328)
Total Pension Expense			20,857	
Tourism	-	-	-	-
Total Expenditures	<u>\$1,075,775</u>	<u>\$ 1,075,775</u>	<u>\$ 1,059,208</u>	<u>\$ 37,424</u>
Excess (Deficiency) of Revenues Over Expenditures:	\$ (111,915)	\$ (111,915)	\$ 63,183	\$ 195,955
Other Financing Sources (Uses):				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ (111,915)	\$ (111,915)	\$ 63,183	\$ 175,098
Prior Period Adjustments			(291,326)	
Fund Balances - Beginning of Year	2,092,566	2,092,566	2,092,566	-
Fund Balances - End of Year	<u>\$1,980,651</u>	<u>\$ 1,980,651</u>	<u>\$ 1,864,423</u>	<u>\$ 175,098</u>

**Significant budget to actual variances** – The budget for the general fund of the Village experienced expenditures under budget by \$37,424. The actual revenues were under expectations by \$158,531, yielding an overall positive budget variance of \$195,955. Significant items contributing to the variance can be briefly summarized as follows:

- Higher than expected other revenues.
- Higher than anticipated tax collections
- Less than budgeted public safety expenditures.
- Less than budgeted public works expenditures.

***Economic Factors and Next Year's Budget:***

Due to the State acquiring property along Interstate 35, a decrease in businesses in that area is expected; leading to decreased collections from sales tax used for Village operations. Ad valorem tax increased tremendously due to development. Hotel/Motel occupancy tax revenues are expected to remain the same.

There are no major changes expected during the 2015-16 budget year.

***Request for Information:***

The financial report is designed to provide our citizens, investors, and creditors with a general overview of the Village's finances. If you have any questions about this report or need any additional information, please contact the Village Administrator Kim Foutz, at P.O. Box 219, Salado, Texas 76571, or call 254-947-5060.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**VILLAGE OF SALADO, TEXAS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2015**

**Primary Government**

	<b>Governmental</b>	<b>Business-Type</b>	
<b><u>ASSETS:</u></b>	<b><u>Activities</u></b>	<b><u>Activities</u></b>	<b><u>Total</u></b>
Current Assets:			
Cash and Cash Equivalents	\$ 60,444	\$ 41,539	101,983
Investments	877,658	8,150,926	9,028,584
Intergovernmental & Fiduciary Receivable	25,341		25,341
Receivables	151,927	43,513	195,440
Total Current Assets	\$ 1,115,370	\$ 8,235,978	9,351,348
Deferred Outflows of Resources	21,801		21,801
Non-Current Assets:			
Capital Assets:			
Land	\$ 45,577	\$ -	45,577
Infrastructure, Net	678,593	1,233,506	1,912,099
Buildings, Net	275,676	-	275,676
Bond Issuance Costs		154,912	154,912
Machinery and Equipment, Net	165,593	33,203	198,796
Total Non-Current Assets	\$ 1,165,439	\$ 1,421,621	2,587,060
<b>Total Assets</b>	\$ 2,302,610	\$ 9,657,599	11,960,209
<b><u>LIABILITIES:</u></b>			
Current Liabilities:			
Accounts Payable	\$ 337,686	\$ 2,491	340,177
Intergovernmental Payable	-	25,341	25,341
Net Pension Liability	1,833	-	1,833
Other Current Liabilities	8,103	20,632	28,735
Total Current Liabilities	\$ 347,622	\$ 48,464	396,086
Non Current Liabilities:			
Permanent Improvement Bond, Series 2015	-	8,200,000	8,200,000
Compensated Absences Payable	90,565	-	90,565
Total Non-Current Liabilities	\$ 90,565	\$ 8,200,000	8,290,565
<b>Total Liabilities</b>	\$ 438,187	\$ 8,248,464	8,686,651
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets	\$ 1,165,439	\$ 1,421,621	2,587,060
Restricted for:	\$ -		-
Restricted for Bond		-	-
Unrestricted Net Assets	698,984	(12,486)	686,498
<b>Total Net Assets</b>	\$ 1,864,423	\$ 1,409,135	3,273,558

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

**VILLAGE OF SALADO, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental	Business- Type Activities
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 544,776	\$ 60,233	\$ -	\$ -	\$ (484,543)
Judicial	41,696	105,177	-	-	63,481
Police	325,216	-	-	-	(325,216)
Fire Protection	36,304	995	-	-	(35,309)
Public Works	76,131	-	-	-	(76,131)
Parks	14,228	10,000	-	-	(4,228)
Total Pension Expense	20,857	-	-	-	(20,857)
Total Primary Government:	\$ 1,059,208	\$ 176,405	\$ -	\$ -	\$ (882,803)
Business-Type Activities:					
Wastewater & Hotel	251,359	1,251,818			1,000,459
 General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes				\$ 338,596	
Sales Taxes				361,538	
Hotel Occupancy Tax				-	235,165
Franchise Fees				218,182	
Mixed Beverage Taxes				14,579	
Other Income				9,194	
Investment Earnings				3,897	1,967
Total General Revenues				\$ 945,986	237,132
Change in Net Assets				\$ 63,183	1,237,591
Prior Period Adjustment				(291,326)	171,544
Net Assets - Beginning				\$ 2,092,566	-
Net Assets - Ending				\$ 1,864,423	1,409,135

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

**FUND FINANCIAL STATEMENTS**

**VILLAGE OF SALADO, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 60,444	\$ 60,444
Investments	877,658	877,658
Interest Receivable	-	-
Property Taxes Receivable	6,256	6,256
Other Receivables	145,671	145,671
Intergovernmental Receivables	-	-
Due from Business-Type Activities	25,341	25,341
<b>Total Assets</b>	<b>\$ 1,115,370</b>	<b>\$ 1,115,370</b>
 <b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts Payable	\$ 43,558	\$ 43,558
Payroll expenses Payable	8,102	8,102
Intergovernmental Payable	-	-
Due to General Fund	-	-
Deferred Revenues	-	-
Other Current Liabilities	-	-
<b>Total Liabilities</b>	<b>\$ 51,660</b>	<b>\$ 51,660</b>
 <b>Fund Balances:</b>		
Nonspendable		
Restricted		
Committed	-	-
Assigned		
Unassigned	1,063,710	1,063,710
<b>Total Fund Balances</b>	<b>\$ 1,063,710</b>	<b>\$ 1,063,710</b>
 <b>Total Liabilities and Fund Balances</b>	<b>\$ 1,115,370</b>	<b>\$ 1,115,370</b>

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

**VILLAGE OF SALADO, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2015**

---

<b>Total Fund Balances - Governmental Funds</b>	\$	1,063,710
---	----	-----------

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$1,592,655 and the accumulated depreciation was \$427,216. The net effect of including the balances for capital assets (net of depreciation) in the governmental activities is to increase net assets.	\$	1,165,439
---	----	-----------

Deferred Outflows of Resources are not recognized in Governmental Funds		21,800
---	--	--------

Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected. Deferred property taxes not collected within 60 days.	\$	-
---	----	---

Accounts payable for Capital Outlay items removed from Governmental Funds		(294,128)
---	--	-----------

The Net Pension Liability is not recognized in Governmental Funds accounting	\$	(1,833)
--	----	---------

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue and recording the current change in compensated absences payable. The net effect of these reclassifications and recognitions is to decrease net assets. Compensated absences	\$	(90,565)
--	----	----------

<b>Net Assets of Governmental Activities</b>	<b>\$</b>	<b>1,864,423</b>
--	-----------	------------------

---

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

**VILLAGE OF SALADO, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b><u>Revenues</u></b>		
Taxes:		
Property Taxes	\$ 338,596	\$ 338,596
General Sales and Use Taxes	361,538	361,538
Hotel Occupancy Tax	-	-
Franchise Fees	218,182	218,182
Mixed Beverage Taxes	14,579	14,579
Licenses and Permits	41,935	41,935
Intergovernmental Revenue and Grants	-	-
Charges for Services	10,995	10,995
Fines	105,177	105,177
Investment Earnings	3,421	3,421
Other Revenue	27,968	27,968
	<u>\$ 1,122,391</u>	<u>\$ 1,122,391</u>
<b><u>Expenditures</u></b>		
Current:		
General Government	421,927	421,927
Judicial	41,696	41,696
Public Safety:		
Police	304,850	304,850
Fire Protection	36,304	36,304
Public Works	65,971	65,971
Culture and Recreation:		
Parks	6,615	6,615
Tourism	-	-
Capital Outlay:		
Capital Outlay	127,435	127,435
	<u>\$ 1,004,798</u>	<u>\$ 1,004,798</u>
<b>Net Changes in Fund Balances</b>	\$ 117,593	\$ 117,593
<b>Prior Period Adjustment</b>	(291,326)	(291,326)
<b>Fund Balances - Beginning</b>	<u>\$ 1,237,443</u>	<u>\$ 1,237,443</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,063,710</u>	<u>\$ 1,063,710</u>

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

**VILLAGE OF SALADO, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

---

**Total Net Change in Fund Balances - Governmental Funds** \$ 117,593

Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2015 capital outlays is to increase net assets. \$ 127,435

Total Pension Expense is not included in Governmental Funds 20,857

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets. \$ (52,479)

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recording the current change in other receivables. The net effect of these reclassifications and recognitions is to increase (decrease) net assets. \$ 6,717

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes not collected \$6,256

Less prior year \$(163196) (156,940)

**Change in Net Assets of Governmental Activities** \$ 63,183

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

**Village of Salado**  
**Statement of Net Position – Proprietary Funds**  
**For the Year Ended September 30, 2015**

	Business-Type Activities Enterprise Fund
<b>Assets</b>	
Current Assets:	
Cash and cash equivalents	\$ 41,539
Investments - Restricted Funds for Construction & Bonds	8,150,926
Accounts receivable	43,513
Total Current Assets	8,235,978
Non-Current Assets:	
Wastewater Treatment Facility	1,233,506
Bond Issuance Costs	154,912
Machinery & Equipment - Not yet in service	33,203
	-
Total Assets	<u>\$ 9,657,599</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts payable	2,491
Accrued expenses	20,632
Intergovernmental payables	25,341
Total Current Liabilities	48,464
Long-term Liabilities	
Permanent Improvement Bond Series 2015	8,200,000
Total Liabilities	8,248,464
<b>Net Position</b>	
Invested in capital assets, net of related debt	1,421,621
Unrestricted net position	(12,486)
Total Net Position	1,409,135
Total Liabilities and Net Position	<u>\$ 9,657,599</u>

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

**Village of Salado**  
**Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds**  
**For the Year Ended September 30, 2015**

	Business-Type
	Activities
	Enterprise
	Fund
<b>Revenues</b>	
Hotel Occupancy Tax	\$ 235,165
Donation of Wastewater Treatment Plant	1,233,506
Tourism Income	18,312
Miscellaneous	-
<b>Total Revenues</b>	<b>1,486,983</b>
<b>Expenses</b>	
Tourism Overhead	165,076
Tourism Sales & Marketing	57,038
Special Projects	3,250
Way Finding Signage	11,007
Festivals and Events	14,988
<b>Total Expenses</b>	<b>251,359</b>
<b>Net Operating Income (Loss)</b>	<b>1,235,624</b>
<b>Non-Operating Revenue and (Expenses)</b>	
Interest income	1,967
<b>Total Non-Operating Revenue and (Expenses)</b>	<b>1,967</b>
<b>Net Income (Loss)</b>	<b>1,237,591</b>
<b>Total Net Position, Beginning of Year</b>	<b>-</b>
Prior Period Adjustment	171,544
<b>Total Net Position, End of Year</b>	<b>\$ 1,409,135</b>

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

**Village of Salado**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended September 30, 2015**

	Business-Type
	Activities
	Enterprise
	Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 278,704
Payments to suppliers	(180,644)
Payments to employees	(90,991)
Net cash provided (used) by operating activities	7,069
Cash flows from Capital and Related Financing Activities	
Loan Proceeds	8,200,000
Acquisition of capital assets	(188,115)
Net cash provided (used) by capital and related financing activities	8,011,885
Cash Flows from Investing Activities	
Interest on investments	1,967
Net cash provided (used) by investing activities	1,967
Net Increase (Decrease) in Cash and Cash Equivalents	8,020,921
Cash and Cash Equivalents at Beginning of Year Prior Period Adjustment	171,544
Cash and Cash Equivalents at End of Year	\$ 8,192,465
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income	\$ 1,235,624
Adjustment to reconcile operating income to net cash provided by operating activities	
Non-Cash Donation	(1,233,506)
(Increase) decrease in accounts receivable	(43,513)
Increase (decrease) in accounts payable	2,491
Increase (decrease) in accrued liabilities	20,632
Increase (decrease) in intergovernmental payables	25,341
Net cash provided (used) by operating activities	\$ 7,069

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

**VILLAGE OF SALADO, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Salado, Texas (the “Village”) was incorporated August 12, 2000, and operates as a general law type A municipality. The Village operates under a mayor-aldermen form of government and provides the following services as authorized by its charter: general government, public safety, streets, community development (planning and zoning, licensing, permitting, and inspection), and culture and recreation.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village’s accounting policies are described below:

**A. Reporting Entity**

The accompanying financial statements comply with the provisions of the GASB statements No. 14 and 39, “The Financial Reporting Entity,” in that the financial statements include all organizations, activities, functions, and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization’s governing body and either (1) the Village’s ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the Village. There are no component units which satisfy requirements for blending within the Village’s financial statements or for discreet presentation.

**B. Financial Statement Presentation**

These financial statements comply with the reporting requirements of Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments. Certain aspects of the reporting model are as follows:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the Village’s overall financial position and changes in financial position.
- Government-wide financial statements prepared using the accrual basis of accounting for all of the Village’s governmental and business type activities.
- Fund financial statements focusing on the major funds.
- Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net assets and a statement of activities. It requires the reclassification of net assets into three components-invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:
  - Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
  - Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through contractual provisions or enabling legislation.
  - Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or invested in capital assets, net of related debt.”

VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information about the Village as a whole. These statements include all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (if any), even though the latter are excluded from the government-wide financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Taxes, license fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the government.

The Village reports the following major governmental funds:

The **General Fund** is the general operating fund of the Village. It is used to account for all the financial resources of the Village.

The **Proprietary Fund** is used to account for the receipt of occupancy taxes levied by the Village, a Wastewater Treatment Facility, and Chamber of Commerce Fiduciary Funds. The proceeds are used to promote business opportunities, tourism, culture, and recreation within the Village.

**VILLAGE OF SALADO, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Measurement focus and basis of accounting (continued)**

Unless otherwise noted, the figures represented in the *Notes to Financial Statements* are for the combined governmental funds.

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

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first to the extent available.

**E. Cash and Temporary Investments**

*Cash and Cash Equivalents*

Cash and cash equivalents consist of demand deposits and time deposits with initial maturities of three months or less.

*Investments*

Investments maturing within one year of date of purchase are stated at cost. All other investments are stated at fair value, which is based on quoted market prices.

**F. Compensated Absences**

The Village permits employees to accumulate earned but unused vacation pay benefits. Vacation pay is accrued when incurred in the governmental activities statement of net assets. In addition, sick leave accrued by employees prior to January 31, 2013 will be paid to employees upon separation of service. Sick leave accrued after that date is not subject to accrual. A liability for these amounts is only reported in the fund financial statements if they have matured, for example, as a result of an employee resignation or retirement.

**G. Budgets**

The Village adopts annual budgets covering its governmental and hotel/motel tax fund operations. The budget is amended as required. The budgets are adopted on the *modified accrual basis* of accounting, a basis consistent with generally accepted accounting principles (GAAP).

For the year ending September 30, 2015, general fund expenditures were more than budgeted in the administrative department by \$1,323 and Judicial expenses were \$20,196 more than budgeted. General fund revenues were \$158,531 more than budgeted.

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. The Village defines capital assets as assets with initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Capital Assets (continued)**

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Village has elected, under the provisions of GASB Statement 34, to report infrastructure using the prospective method. General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all streets and other infrastructure assets acquired subsequent to October 1, 2003.

Property, plant, and equipment are depreciated using the straight line method over the following useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings	20 to 40
Machinery and Equipment	5 to 10
Infrastructure	40

**Pensions**

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Pension contributions after measurement date – these contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and municipal court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**I. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**J. Net Assets**

Net Assets in the government-wide financial statements represent the difference between assets and liabilities. *Net assets invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

**K. Use of Estimates**

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

**L. Tax Administration**

The Village is a general law type A municipality with a maximum tax rate for all purposes of \$1.5 per \$100 assessed valuation. This maximum tax rate is imposed by the Constitution of the State of Texas.

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Tax Administration (continued)**

All taxes due the City on real or personal property are collected by the Bell County Tax Assessor-Collector and may be paid at any time after the tax rolls have been completed and approved, which is not later than October 1. Current taxes become delinquent on February 1 following the tax year. There are various penalties for delinquent taxes. There are no discounts allowed on taxes. The procedure for collecting delinquent taxes is to refer to a collection attorney after sending delinquent notices. All properties located within the Village limits on January 1 of each year are charged with a special lien in favor of the Village from such date for taxes due thereon.

**NOTE 2 – CASH AND INVESTMENTS**

**Cash and Cash Equivalents**

Cash and cash equivalents for financial reporting includes funds invested in money market accounts and all certificates of deposit with a maturity of three months or less from the date of purchase. At September 30, 2015, the Village had total cash balances of \$9,154,314 held by six local financial institutions.

Deposits at year-end are representative of the types of deposits maintained by the Village during the year. The Village's deposits at year-end were entirely covered by federal depository insurance or by acceptable pledged collateral held by the Village's agent in the Village's name. During the entire year ending September 30, 2015, the Village's deposits were fully collateralized in accordance with state law.

**Deposits in Tex Pool and Tex Pool Prime**

Organized in 1989, Tex Pool is the largest and oldest local government investment pool in the State of Texas. Tex Pool currently provides investment services to over 2,000 communities throughout Texas. The State Comptroller of Public Accounts oversees Tex Pool. Federated Investors is the full service provider to the pools, managing the assets, providing Participant Services, and arranging for all custody and other functions in support.

Tex Pool and Tex Pool *Prime* are managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act. Tex Pool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. Tex Pool *Prime* invests in the above plus, commercial paper and certificates of deposits. Tex Pool and Tex Pool *Prime* are each rated AAA by Standard & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pools cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. Tex Pool and Tex Pool *Prime*, like its participants, are governed by the Texas Public Funds Investment Act, and are in full compliance with the Act.

At September 30, 2015 the Village had deposits with Tex Pool in the amount of \$58,621 included in investments in the financial statements. The TexPool assets qualify as Cash and Cash Equivalents under the definition presented. The Village of Salado had Certificates of Deposit for \$600,000 with First State Bank with a maturity over 3 months.

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS (continued)**

**Compliance with the Public Funds Investment Act**

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The Village is in compliance with the requirements of the Act and with local policies.

**Custodial Credit Risk for Deposits**

State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the Village and held by the Village or its agent. The Village's deposits are not subject to custodial credit risk, as all deposits are insured or covered by pledged securities.

**Credit Risk**

To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the Village limits investments to Tex Pool and Certificates of Deposit, either insured by the Federal Deposit Insurance Corporation, or its successors or fully collateralized as described above, with maturities not exceeding one year (see "*Custodial Credit Risk for deposits*" above).

**Concentration of Credit Risk**

To limit the risk of loss attributable to the magnitude of the Village's investment in a single issuer, the Village deposits/investments in only those entities who fully insure such deposits/investments or with Tex Pool, as described above. The Village has no concentration of credit risk as all deposits/investments are either insured or fully collateralized.

**Interest Rate Risk**

To limit the risk that changes in interest rates will adversely affect the fair value of investments, the Village does not invest in anything with a maturity date exceeding one year.

**Foreign Currency Risk for Investments**

The Village does not make investments denominated in any foreign currency.

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 3 – RECEIVABLES**

The following is a breakdown of the September 30, 2015, receivables, reported in the government-wide Statement of Net Assets:

Sales Tax Receivable	\$ 23,364
Occupancy Tax Receivable	43,513
Franchise Fees Receivable	56,585
Other Governmental Receivables	25,341
Grant Proceeds Receivable	-
Ad Valorem Taxes Receivable	6,256
Other Amounts Due to Village	40,381
Total Receivables	<u>\$ 195,440</u>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2015, was as follows:

	<b>Balance October 1, 2014</b>	<b>Additions</b>	<b>Deletions and Adjustment</b>	<b>Balance September 30, 2015</b>
General Fund				
Capital Assets, not Being Depreciated				
Land and Improvements	\$ 45,577	\$ -	\$ -	\$ 45,577
Total Capital Assets not Being Depreciate	<u>\$ 45,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,577</u>
Capital Assets, Being Depreciated				
Building and Improvements	\$ 344,325	\$ 45,941	\$ -	\$ 390,266
Infrastructure	326,147	385,061	-	711,208
Vehicles and Equipment	380,786	64,818	-	445,604
Total Capital Assets Being Depreciated	<u>\$ 1,051,258</u>	<u>\$ 495,820</u>	<u>\$ -</u>	<u>\$ 1,547,078</u>
Less Accumulated Depreciation for:				
Buildings	\$ (85,121)	\$ (8,692)	\$ -	\$ (93,813)
Infrastructure	(32,616)	(18,314)	-	(50,930)
Vehicles and Equipment	(257,000)	(25,473)	-	(282,473)
Total Accumulated Depreciation	<u>\$ (374,737)</u>	<u>\$ (52,479)</u>	<u>\$ -</u>	<u>\$ (427,216)</u>
Total Capital Assets Being Depreciated-N	<u>\$ 676,521</u>	<u>\$ 443,341</u>	<u>\$ -</u>	<u>\$ 1,119,862</u>
Total Net Capital Assets	<u>\$ 722,098</u>	<u>\$ 443,341</u>	<u>\$ -</u>	<u>\$ 1,165,439</u>

	<b>Business-Type Activities</b>
Wastewater Treatment Facility	\$ 1,233,506
Engineering fees	33,203
Bond Issuance Costs	154,912
	<u>1,421,621</u>

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 – CAPITAL ASSETS (continued)**

Depreciation expense was charged to programs for the year ended September 30, 2015, as follows:

Administration	\$ 14,370
Police	20,336
Parks	7,613
Judicial	-
Public Works	10,160
	<u>\$ 52,479</u>

**NOTE 5 – LONG-TERM LIABILITIES**

The Village's long-term liabilities consists of an accrual for compensated absences payable. The changes in long-term debt during the year ended September 30, 2015 are as follows:

	<u>Balance 9-30-14</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 9-30-15</u>
Compensated Absences Payable	\$ 78,846	\$ 11,719	\$ -	\$ 90,565

American National Bank of Texas-Loan in the amount of \$8,200,000 interest of 2.94% with interest payments due March 1 and September 1 and principal due September 1, principal payments range from \$335,000 to \$560,000.

September 30,	Principal	Interest	Total
2017	335,000	241,080	576,080
2018	345,000	231,080	576,080
2019	355,000	221,080	576,080
2020	365,000	211,080	576,080
2021	375,000	201,080	576,080
2022-2035	6,425,000	1,765,120	8,190,120
totals	8,200,000	2,870,520	11,070,520

**NOTE 6 – RESERVATION AND DESIGNATION OF FUND BALANCES AND NET ASSETS**

At September 30, 2015, the Village had reserved net assets in the amount of \$0. Purposes for the reservation are as follows:

In accordance with GASB 34, net assets reserved for court technology and court security are reported as deferred revenue under the modified accrual basis of accounting therefore, are not included in *Reserved Fund Balance*.

**NOTE 7 – PRIOR PERIOD ADJUSTMENTS**

The GASB has issued Statement No. 68 Accounting and Financial Reporting for Pensions an amendment of GASB Statement # 27 which became effective for fiscal year 2015. This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employers financial statements for any actuarially unfunded position of benefits earned to date. The implementation of Statement No. 68 resulted in restatement of beginning net position for the elimination of the previously reported net pension obligation, the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date. The Village of Salado has actually overfunded their pension obligation thus far, and no prior pension amounts were recorded in previous financial statements. The Net Pension Liability, and Deferred Outflow of Resources, have been recorded for 2014 and 2015 which record a prior period adjustment of \$40,329 to Unrestricted Net Position in the general fund balance for 2014. Additionally, Property Tax receivables were overstated previously requiring a \$79,453 reduction and prior period adjustment of the General Fund Net Assets. Finally, \$171,544 was removed from the General Fund net assets for prior year Hotel Motel tax fund net assets balance, and recorded as a positive prior period adjustment to the Proprietary Fund net assets balance.

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 7 – PROPERTY TAXES**

The Village's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real and business personal property located in the Village. The assessed value at January 1, 2015, upon which the 2015 levy was based, was \$164,114,979. The total levy assessed was \$338,596.

The tax assessment of September 15, 2015 set a tax levy at \$0.3395 per \$100 of assessed valuation at 100 percent of assumed market value. The Village may levy a tax of up to \$1.5 per \$100 of assessed valuation. Taxes are due by January 31 following the October 1 levy date, at which time a lien attaches to the property.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. At September 30, 2015, property taxes receivable are \$6,256.

**NOTE 8 – RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village's risk management program encompasses obtaining property and liability insurance through Texas Municipal League (TML), an Intergovernmental Risk-Pool. The Village has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the Village in TML is limited to payment of premiums. During the year ended September 30, 2015, the Village paid premiums of approximately \$12,833 for provisions of various liability, property, and casualty insurance. The Village has various deductible amounts ranging from \$250 to \$10,000 on various policy cover ages. At year-end, the Village did not have any significant claims outstanding.

The Village also provides workers compensation insurance on its employees through TML. The workers compensation premiums for the year ended September 30, 2015, were approximately \$20,469. Workers compensation is subject to change when audited by TML. At year end September 30, 2015, the Village believed the amounts paid on workers compensation would not change significantly from the amounts recorded.

**NOTE 9 – COMMITMENTS & CONTINGENCIES**

**Fire Department**

The Village is under contract with the Salado Volunteer Fire Department. The contract states that the Fire Department agrees to provide fire protection and emergency services to the Village and its citizens on a 24-hour emergency response and on call basis during the term of the agreement. For consideration of the services, the Village agrees to pay the Fire Department an annual fee of \$36,000. The term of this agreement is on year, commencing November 1, 2014, and ending October 31, 2015.

**NOTE 10 – PENSION PLAN**

**Plan Description**

The Village of Salado participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act)

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 10 – PENSION PLAN (continued)**

as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

**B. Benefits Provided**

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

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

Employees covered by benefit terms.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>13</u>
Total	20

**C. Contributions**

The contribution rate for the employees in TMRS is 5%, 6% and 7% of employee gross earnings, and the City matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is annually determined by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for Village of Salado were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for Village of Salado were 5% and 5% in calendar years 2014 and 2015 respectively. The city's contributions to TMRS for the year ended September 30, 2015 were \$20,740, and were in excess of the required contributions.

**D. Net Pension Liability**

The city's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 10 – PENSION PLAN (continued)**

Actuarial assumptions:

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation 3.0% per year

Overall payroll growth 3.0% per year

Investment Rate of Return 7.0% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB o account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

**VILLAGE OF SALADO, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

<b>Village of Salado</b>		
<b>Schedule of Changes in Net Pension Liability and Related Ratios Current Period</b>		
<b>September 30, 2015</b>		
<b>A.</b>	<b>Total pension liability</b>	
	1. Service Cost	\$ 37,674
	2. Interest (on the Total Pension Liability)	27,570
	3. Changes of benefit terms	-
	4. Difference between expected and actual experience	(1,471)
	5. Changes of assumptions	-
	6. Benefit payments, including refunds of employee contributions	(12,929)
	7. Net change in total pension liability	\$ 50,844
	8. Total pension liability - beginning	381,485
	9. Total pension liability - ending	<u>\$ 432,329</u>
<b>B.</b>	<b>Plan fiduciary net position</b>	
	1. Contributions - employer	\$ 21,261
	2. Contributions - employee	18,572
	3. Net investment income	21,858
	4. Benefit payments, including refunds of employee contributions	(12,929)
	5. Administrative Expense	(228)
	6. Other	(19)
	7. Net change in plan fiduciary net position	\$ 48,515
	8. Plan fiduciary net position - beginning	381,981
	9. Plan fiduciary net position - ending	<u>\$ 430,496</u>
<b>C.</b>	<b>Net pension liability [A.9-B.9]</b>	<u>\$ 1,833</u>
<b>D.</b>	<b>Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]</b>	99.58%
<b>E.</b>	<b>Covered-employee payroll</b>	\$ 371,441
<b>F.</b>	<b>Net pension liability as a percentage of covered employee payroll [C / E]</b>	0.49%

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$69,005	\$1,833	\$(52,889)

**Pension Plan Fiduciary Net Position**

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

<b>VILLAGE OF SALADO</b>			
<b>SCHEDULE OF PENSION EXPENSE</b>			
<b>SEPTEMBER 30, 2015</b>			
1.		Total Service Cost	\$ 37,674
2.		Interest on the Total Pension Liability	27,570
3.		Current Period Benefit Changes	-
4.		Employee Contributions (Reduction of Expense)	(18,572)
5.		Projected Earnings on Plan Investments (Reduction of Expense)	(26,739)
6.		Administrative Expense	228
7.		Other Changes in Fiduciary Net Position	19
8.		Recognition of Current Year Outflow (Inflow) of Resources - Liabilities	(299)
9.		Recognition of Current Year Outflow (Inflow) of Resources - Assets	976
10.		Amortization of Prior Year Outflows (Inflows) of Resources - Liabilities	-
11.		Amortization of Prior Year Outflows (Inflows) of Resources - Assets	-
12.		<b>Total Pension Expense</b>	<b>\$ 20,857</b>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 10 – PENSION PLAN (continued)**

<b>VILLAGE OF SALADO</b>				
<b>SCHEDULE OF OUTFLOWS AND INFLOWS - CURRENT AND FUTURE EXPENSE</b>				
<b>SEPTEMBER 30, 2015</b>				
	Recognition		2014	
	Period (or	Total (Inflow)	Recognized	Deferred
	amortization	or Outflow of	in current	(Inflow) Outflow
	yrs)	Resources	pension expense	in future expense
<b>Due to Liabilities:</b>				
Difference in expected and actual experience [actuarial (gains) or losses]	4.9201	\$ (1,471)	\$ (299)	\$ (1,172)
Difference in assumption changes [actuarial (gains) or losses]	4.9201	\$ -	\$ -	\$ -
			<u>\$ (299)</u>	<u>\$ (1,172)</u>
<b>Due to Assets:</b>				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	5.0000	\$ 4,881	\$ 976	\$ 3,905
			<u>\$ 976</u>	<u>\$ 3,905</u>
<b>Total:</b>				<u>\$ 2,733</u>
<b>Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:</b>				
	Net deferred			
	outflows			
	(inflows) of			
	resources			
2015	\$ 677			
2016	677			
2017	677			
2018	702			
2019	-			
Thereafter	-			
Total	<u>\$ 2,733</u>			

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 10 – PENSION PLAN (continued)**

**Supplemental Death Benefits Fund**

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is on "other postemployment benefit," or OPEB.

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

The City's contributions to the TMRS SDBF for the years ended 2015, 2014, and 2013 were \$7500, \$7500, and \$7500 respectively, which equaled the required contributions each year.

TMRS records indicate the following percentages contributed by the City (as employer contributions) for the following fiscal years ending:

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2012	0.00%	0.00%	100%
2013	0.01%	0.01%	100%
2014	0.01%	0.01%	100%
2015	0.02%	0.02%	100%
2016 provide)	0.02%	(city to provide)	(city to

**VILLAGE OF SALADO, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 11 – SUBSEQUENT EVENTS**

On July 2, 2015, the U.S. Department of Commerce approved the application for a \$1,000,000 EDA Grant. As of September 30, 2015, \$8,693 had been spent and capitalized as construction in progress. As of April 8, 2016, up to the completion date of audit fieldwork, approximately another \$185K had been expended from this grant. The estimated period of completion for this grant is 60 months.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF SALADO, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(GAAP</u> <u>BASIS)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues:</b>				
Taxes				
Ad Valorem Taxes	\$ 315,000	\$ 315,000	\$ 338,596	\$ 23,596
General Sales and Use Taxes	375,000	375,000	361,538	(13,462)
Franchise Fees	197,760	197,760	218,182	20,422
Mixed Beverage Tax	8,000	8,000	14,579	6,579
Licenses and Permits	11,500	11,500	41,935	30,435
Intergovernmental Revenue & Grants	-	-	-	-
Charges for Services	9,500	9,500	10,995	1,495
Fines	44,100	44,100	105,177	61,077
Investment Earnings	3,000	3,000	3,421	421
Other Revenue	-	-	27,968	27,968
<b>Total Revenues</b>	<b>\$ 963,860</b>	<b>\$ 963,860</b>	<b>\$ 1,122,391</b>	<b>\$ 158,531</b>
<b>Expenditures:</b>				
General Government	\$ 420,604	\$ 420,604	\$ 421,927	\$ (1,323)
Judicial	21,500	21,500	41,696	(20,196)
Police	325,446	325,446	304,850	20,596
Fire Protection	37,125	37,125	36,304	821
Public Works	264,200	264,200	65,971	198,229
Capital Outlay	-	-	127,435	(127,435)
Parks	6,900	6,900	6,615	285
<b>Total Expenditures</b>	<b>\$ 1,075,775</b>	<b>\$ 1,075,775</b>	<b>\$ 1,004,798</b>	<b>\$ 70,977</b>
<b>Excess (Deficiency) of</b> <b>Revenues Over (Under)</b> <b>Expenditures</b>	<b>\$ (111,915)</b>	<b>\$ (111,915)</b>	<b>\$ 117,593</b>	<b>\$ 229,508</b>

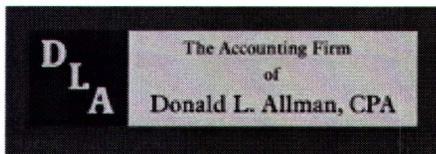
**VILLAGE OF SALADO, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – PROPRIETARY FUND**  
**SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	(GAAP BASIS)	
<b>Revenues:</b>				
Occupancy Tax	\$ 215,000	\$ 215,000	\$ 235,165	\$ 20,165
Interest Income	500	500	1,967	1,467
Other Revenue	87,127	87,127	1,251,818	1,164,691
<b>Total Revenues</b>	<u>\$ 302,627</u>	<u>\$ 302,627</u>	<u>\$ 1,488,950</u>	<u>\$ 1,186,323</u>
<b>Expenditures:</b>				
Overhead	\$ 174,427	\$ 174,427	\$ 165,076	\$ 9,351
Sales & Marketing	84,000	84,000	57,038	26,962
Visitor Services	12,000	12,000	-	12,000
Special Projects	7,000	7,000	3,250	3,750
Contingency	1,000	1,000	-	1,000
Way Finding Signage	16,200	16,200	11,007	5,193
Website	500	500	-	500
Chocolate Festival	2,000	2,000	9,470	(7,470)
Salado Swirl, Salado on the Rocks	5,500	5,500	5,518	(18)
<b>Total Expenditures</b>	<u>\$ 302,627</u>	<u>\$ 302,627</u>	<u>\$ 251,359</u>	<u>\$ 51,268</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,237,591</u>	<u>\$ 1,237,591</u>

<b>Village of Salado</b>				
<b>Schedule of Changes in Net Pension Liability and Related Ratios</b>				
<b>Last ten years (will ultimately be displayed)</b>				
	2014	2015	2016	2017
<b>Total pension liability</b>				
1. Service Cost	\$ 37,674	xxxx	xxxx	xxxx
2. Interest (on the Total Pension Liability)	27,570	xxxx	xxxx	xxxx
3. Changes of benefit terms	-			
4. Difference between expected and actual experience	(1,471)	xxxx	xxxx	xxxx
5. Changes of assumptions	-			
6. Benefit payments, including refunds of employee contributions	(12,929)	xxxx	xxxx	xxxx
7. Net change in total pension liability	\$ 50,844	xxxx	xxxx	xxxx
8. Total pension liability - beginning	381,485	xxxx	xxxx	xxxx
9. Total pension liability - ending	\$ 432,329	xxxx	xxxx	xxxx
<b>Plan fiduciary net position</b>				
1. Contributions - employer	\$ 21,261	xxxx	xxxx	xxxx
2. Contributions - employee	18,572	xxxx	xxxx	xxxx
3. Net investment income	21,858	xxxx	xxxx	xxxx
4. Benefit payments, including refunds of employee contributions	(12,929)	xxxx	xxxx	xxxx
5. Administrative Expense	(228)	xxxx	xxxx	xxxx
6. Other	(19)	xxxx	xxxx	xxxx
7. Net change in plan fiduciary net position	\$ 48,515	xxxx	xxxx	xxxx
8. Plan fiduciary net position - beginning	381,981	xxxx	xxxx	xxxx
9. Plan fiduciary net position - ending	\$ 430,496	xxxx	xxxx	xxxx
<b>Net pension liability [A.9-B.9]</b>	\$ 1,833	xxxx	xxxx	xxxx
<b>Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]</b>	99.58%	xxxx	xxx	xxx
<b>Covered-employee payroll</b>	\$ 371,441	xxxx	xxx	xxx
<b>Net pension liability as a percentage of covered employee payroll [C / E]</b>	0.49%	xxxx	xxxx	xxx

Village of Salado						
Schedule of Contributions						
Last 10 Fiscal Years (will ultimately be displayed)						
September 30, 2015						
	2014	2015	2016	2017		
Actually Determined Contribution	\$ 432,329	xxx,xxx	\$xxx,xxx	\$xxx,xxx		
Contributions in relation to the actuarially determined contribution	430,496	xxx,xxx	xxx,xxx	xxx,xxx		
	-		xxx,xxx	xxx,xxx		
Contribution deficiency (excess)	1,833	xxx,xxx	xxx,xxx	xxx,xxx		
Covered employee payroll	\$ 371,441	xxx,xxx	\$xxx,xxx	\$xxx,xxx		
Contributions as a percentage of covered employee payroll	0.49%	xx.xx%	xx.xx%	xx.xx%		
<b>Noes to Schedule of Contributions</b>						
Valuation Date determined	12/31/2014					
Notes						
<b>Valuation Date:</b>						
Notes	in January 13 months later.					
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>						
Actuarial Cost Method	Entry Age Normal					
Amortization Method	Level Percentage of Payroll, Closed					
Remaining Amortization Period	29 Years					
Asset Valuation Method	10 Year Smoothed Market 15% Soft Corridor					
Inflation	3.0%					
Salary Increases	3.50% to 12.00% Including Inflation					
Investment Rate of Return	7.00%					
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits.					
	Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009					
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB					
<b>Other Information:</b>						
Notes	There were no benefit changes during the year.					

**INTERNAL CONTROL AND COMPLIANCE**



Donald L. Allman, CPA, PC  
205 East University Ave., Ste. 165  
Georgetown, Texas 78626  
Email: dallman@donallmancpa.com

CERTIFIED PUBLIC ACCOUNTANT

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

To the Honorable Mayor and  
Members of the City Council  
Village of Salado, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Salado, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Village of Salado, Texas' basic financial statements, and have issued our report thereon dated April 8, 2016.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Donald. L. Allman, CPA, PC  
Georgetown, TX

April 8, 2016

# BOARD OF ALDERMEN

## AGENDA ITEM MEMORANDUM

---

5/5/16  
Item #6  
Regular Agenda  
Page 1 of 1

**DEPT/DIVISION REVIEW:** Mary Ann Ray, Village Secretary

**ITEM DESCRIPTION:** Discussion and possible action on appointing a member to the Planning and Zoning Commission to fill an expired term.

**STAFF RECOMMENDATION:** n/a

**ITEM SUMMARY AND ANALYSIS:** Josh Bratton's term on the Planning and Zoning Commission expired April 30, 2016. Mr. Bratton has served two consecutive terms and therefore is not eligible for reappointment.

Section 2.2 of the Zoning Ordinance provides for five persons to be appointed to the Planning and Zoning Commission by a simple majority vote of the Board of Aldermen. Two alternates also may be selected by the Board of Aldermen. All appointees and alternates must reside within the city limits. Appointees will serve two-year terms; an appointee also may be reappointed for a second two-year term. Members may serve staggered terms. Vacancies on the Commission shall be filled via appointment by a simple majority vote of the Board of Aldermen.

There were six qualified applicants for the Planning and Zoning Commission; one applicant was appointed in January and one withdrew from consideration.

Below is a summary of current Planning and Zoning Commission members with their respective dates of expiration.

Name	Term Expires
K.D. Hill	January 2018
Larry Wolfe	July 2017
Ron Coleman	November 2016
Josh Bratton	April 2016
Merle Stalcup	February 2017

At the April 28, 2016 Board of Aldermen Workshop, the Aldermen instructed staff to bring forth Jim Reed for consideration for appointment.

**FISCAL IMPACT:** n/a

**ATTACHMENTS:** n/a

# BOARD OF ALDERMEN

## AGENDA ITEM MEMORANDUM

---

05/05/16  
Item #7  
Regular Agenda  
Page 1 of 1

**DEPT/DIVISION REVIEW:** Kim Foutz, Village Administrator; Dan Romo, PBFC&M, LLP

**ITEM DESCRIPTION:** Presentation discussion, and possible action on a Contract between the Village of Salado and Perdue Brandon Fielder Collins & Mott, LLP, for Collection of Delinquent Court Fines and Fees.

**STAFF RECOMMENDATION:** Staff recommends approval.

**ITEM SUMMARY AND ANALYSIS:** The Village is currently under contract with MVBA for the collection of delinquent municipal court fines and fees. The contract began on October 1, 2009 and was for a term of two (2) years. The original contract included only the collection of delinquent Court Fines and Fees at a fee of thirty percent (30%) on all adjudicated/unadjudicated offenses that occurred on or after June, 2003 and a fifteen percent (15%) fee on all unadjudicated offenses that occurred before June, 2003. The current contract with MVBA can terminate with written notice within thirty (30) days.

Perdue Brandon Fielder Collins & Mott, LLP, specializes in the collection of delinquent court fines and fees, property taxes and other government receivables, such as sewer utilities. Perdue charges a thirty percent (30%) collection fee on all adjudicated/unadjudicated cases that occurred on or after June 2003 and a zero percent (0%) collection fee on all unadjudicated cases that occurred before June 2003. This contract, if approved, will begin June 15, 2016, and end when both parties mutually agree; providing a thirty (30) day written notice to terminate. Other advantages are:

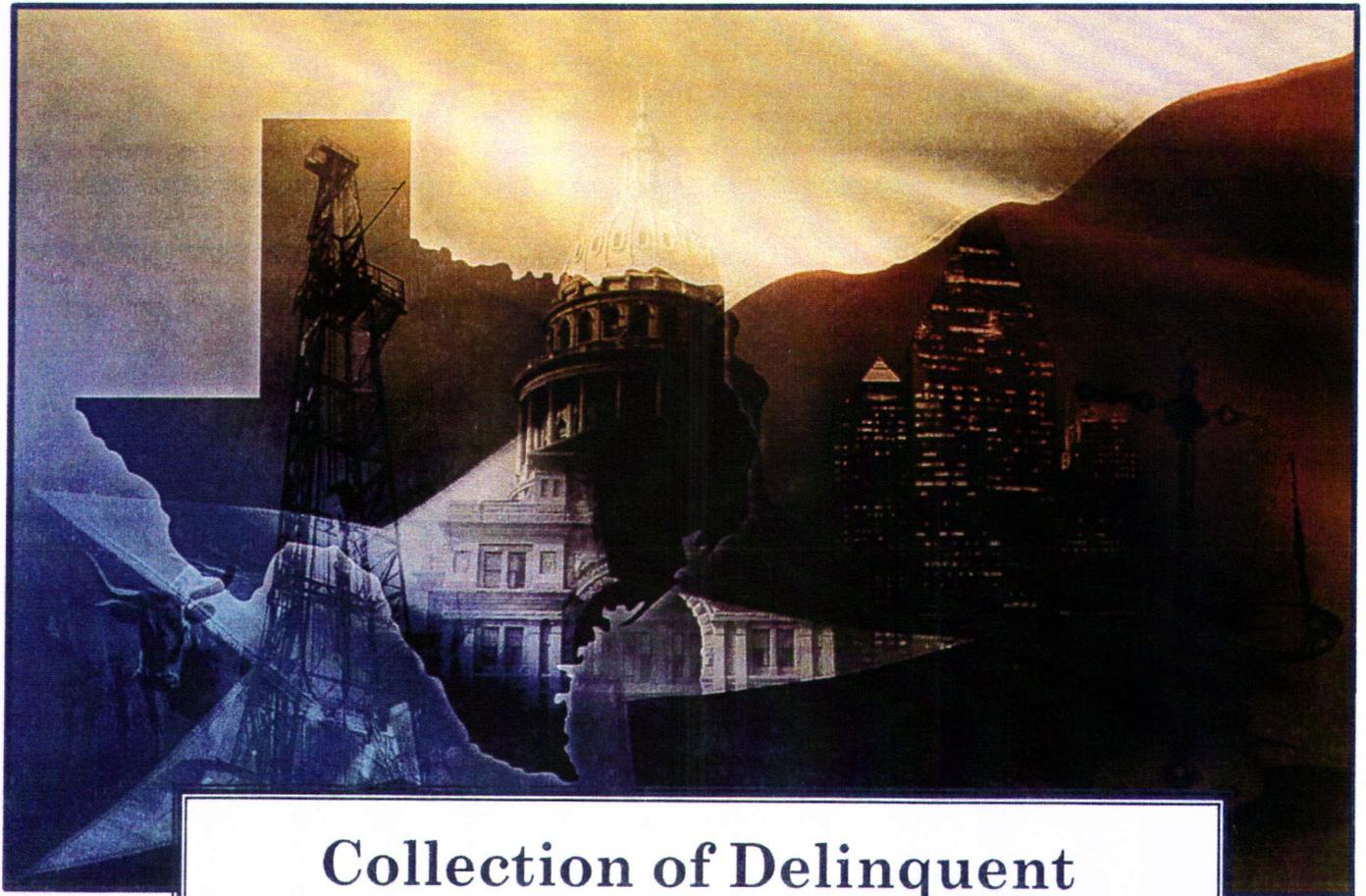
- Conduct delinquent fine and fee collections in compliance with applicable federal, state and local laws.
- Assist in establishing procedures for an efficient and effective collection program.
- Assist in training staff in the preparation and documentation required for referral cases.
- Conduct all invoicing, follow-up collection activity, reporting and payments to clients within requested time frames and in a consistent manner.

Because this contract assesses a 30 percent collection fee, the Village must enact an ordinance to be able to put the contract in force. The ordinance will be brought forth for a public hearing and possible adoption at the May 19, 2016, BOA meeting. In the event the BOA approves the PBFC&M contract, the written notice of termination for the Village's current collections agency will be sent. The contract with PBFC&M, LLP will then start June 15, 2016.

**FISCAL IMPACT:** The thirty percent (30%) collection shall be added to the amount owed by a defendant that is more than 60 days past due. The offender pays the entire thirty percent (30%) collection fee and the court collects 100 percent (100%) of the delinquent fine and fee.

**ATTACHMENTS:**

- Proposal
- Draft of contract



## Collection of Delinquent Fines and Fees for the Village of Salado

Proposal by

PerdueBrandonFielderCollins&Mott LLP  
ATTORNEYS AT LAW



3301 Northland Drive, Suite 505

Austin, Texas 78731

512-302-0190, 800-290-8391

Contact: Partner John Banks, [jbanks@pbfcm.com](mailto:jbanks@pbfcm.com)

Client Liaison Dan Romo, [dromo@pbfcm.com](mailto:dromo@pbfcm.com)

[www.pbfcm.com](http://www.pbfcm.com)

February, 2016

PerdueBrandonFielderCollins&MottLLP  
ATTORNEYS AT LAW

3301 Northland Drive, Suite 505  
Austin, Texas 78731  
Telephone 512-302-0190  
Fax 512-302-1802; Tollfree 800-290-8391  
www.pbfc.com

**John Banks**  
Partner

February 2, 2016

Kim Foutz  
Village Administrator  
Village of Salado  
P. O. Box 219  
Salado, Texas 76571

Re: Delinquent Fine and Fee Collection Services

Dear Ms. Foutz:

Thank you for the opportunity to submit our qualifications for collecting delinquent court and sewer fines and fees for the Village of Salado. Our services will be in accordance with the City's requirements and with all applicable laws of the State of Texas and the United States. We have an excellent record of performance, integrity and ethics.

Perdue Brandon Fielder Collins & Mott, LLP (Perdue Brandon) has **46 years of experience** specializing in the collection of delinquent court fines and fees, property taxes and other government receivables, such as utility, mowing and others. Currently, we provide these services to over 2,000 local and state governmental entities. Since our founding in 1970, we have grown to 12 fully staffed offices in Texas with more than 400 employees, including 56 attorneys. Our clients have **turned over billions of dollars in delinquent debts** owed to them.

Perdue Brandon's Austin office will manage the firm's collection contract with the City, and I will serve as the Project Manager. An experienced team of professionals will work with me on your contract, including two Level II Certified former Municipal Court Clerks. We will work closely with your staff to develop a collection program that will exceed your revenue recovery expectations. Experiences of the key members of your Perdue Brandon team include:

**Reagan McMillan, Director of Operations for Fine and Fee Collections.** Reagan will ensure reliable, consistent and secure data exchanges between Perdue Brandon and the City. Reagan has more than 16 years of experience in working with court fine and fee software.

**When experience, reputation and performance matter.**

***Dan Romo and Melissa Pace, Client Liaisons.*** Dan will interact with your Court staff, including your Court Clerk and Municipal Judge, to develop and execute the customized collection program for your City. Dan has more than 15 years of experience in the fine and fee collection industry. Melissa is a Certified Level II Court Clerk and served as the Court Administrator for the City of Haltom for 17 years before she joined Perdue Brandon.

***Tina Taylor, Legal Assistant.*** Tina will ensure that all of your delinquent mailings are sent according to schedule, will resend returned mail with updated addresses and will send you timely and accurate invoices. Tina is a Certified Level II Court Clerk and has more than 15 years of court clerk experience.

***Haley Murguia, Call Center Manager.*** Haley manages our customer service representatives (CSRs). Our CSRs use a personal approach that is firm yet compassionate to gain payment. They are a diverse group, including multilingual staff members. Our CSRs are continuously trained on collection and research techniques. Supervisors monitor calls, which are recorded for quality assurance and dispute resolution. Unlike other companies, our Call Center initiates outbound collection calls rather than waiting for a call from a defendant. Only handling incoming calls that result from a continuous stream of collection letters does not produce a high rate of collections.

At your direction, we are also available to assist in collecting ***other delinquent receivables***. We have experience in collecting sewer, utilities, mowing, demolition, paving, false alarm violations and other liens.

The collection data for our reference clients in ***Exhibit 4*** reinforces our reputation for delivering superior results. Our experienced team utilizes the latest marketplace technology. The collection program we offer the City is flexible and can be customized to accommodate the City's needs. With your input, we will develop and implement specific collection methods with the goal of improving results.

We currently interface with over 50 different governmental software providers and systems. Our IT Department sets the industry standard and will establish a ***seamless and secure transfer of your case data*** to our collection system at no cost to the City.

We provide regular data updates, customizable collection reports, assistance with the State Warrant Round-Up program, assistance with a second Warrant Round-Up in the fall of each year and access to our ***Automated Assistant***. ***Automated Assistant*** allows your staff to view all of our collection activities on your cases on a 24/7 basis. We provide these services ***at no cost to the City***.

We live by the creed on which our firm began: *Founded on the principles of honesty and ethical conduct, our success is due to our refusal to deviate from these core values.* As your law firm, we view ourselves as an extension of your City. We understand our fiduciary duty to you. Unlike collection agencies, our conduct is governed by the State Bar Rules of Professional Conduct. If we do not abide by the Bar's rules, then we risk losing our ability to practice law in Texas. No partner of Perdue Brandon has ever been indicted or convicted of a felony, nor has any attorney or partner resigned to spare our firm from being indicted for a criminal charge or public embarrassment. No partner of our firm has been sanctioned or disbarred by the State Bar of Texas.

Our Firm also gives back to our clients' communities. We assist in chambers of commerce, fairs, rodeos, police fundraisers, education foundations and troubled youth programs. Many of our attorney and staff members give their time by volunteering with local charitable and civic organizations.

We look forward to telling you more about our firm and our personal approach for the collection of delinquent fines and fees. If you have any questions, do not hesitate to contact me directly at 512-302-0190 or by email at [jbanks@pbfc.com](mailto:jbanks@pbfc.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "John Banks". The signature is fluid and cursive, with the first name "John" and last name "Banks" clearly distinguishable.

John Banks  
Partner

## Introduction

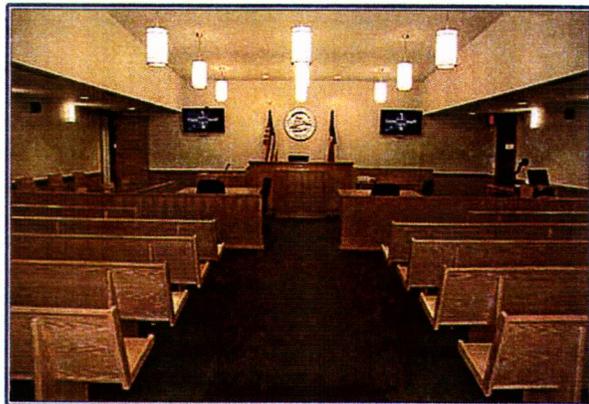
---

Perdue Brandon Fielder Collins & Mott, L.L.P. (Perdue Brandon) is a law firm devoted to the collection of delinquent government receivables. Founded in 1970 in Amarillo, Perdue Brandon has offices in 12 Texas cities. We are one of the largest law firms in the state for our type of practice. We have a solid history of professional and ethical conduct, and our success is due to a simple and steadfast refusal to alter the values maintained since our inception. ***Our continuous motivation lies in exceeding the expectations of each client.***

Our in-depth experience, statewide resources and proven collection record combine to deliver superior results. We have the ability to ***customize a collection plan*** that will increase the collections of your delinquent fines and fees. Our ***“hands-on,” personal approach*** to collecting delinquencies with our team of attorneys and experienced collection staff ensures that we are accurate, aggressive and persistent yet empathetic and sensitive when appropriate. Our considerable investment in our ***technological infrastructure*** enhances our capacity to exceed the demands of our clients. We pioneered the use of specialized collection software and continue to utilize the most advanced tools in the industry.

These strengths, combined with the collection procedures that we have refined in our ***45 years of experience***, create an effective collection system for increasing your recovery of outstanding fines. We initiate contact with the defendant to stress consequences of failing to pay the amount due. In addition to increasing the collection of your delinquencies, we provide ***professional legal representation to you***. As attorneys at law, we are bound by a code of conduct and subject to professional disciplinary measures if we are less than diligent and ethical.

**As your partner,  
Perdue Brandon will  
collect delinquent fines  
and fees to help you  
with needed revenue.  
We hope that you will  
join our list of 275 fine  
and fee clients.**



The following is a description of our organization and procedures that make us a ***leader*** in the State of Texas in recovering delinquent fines and fees.

## Table of Contents

---

Perdue Brandon's History	4
Statewide Presence	5
Extensive Services Offered	8
Fine and Fee History	10
Fine and Fee Clients	11
Cost and Contract	12
Trained, Experienced Personnel	13
Advanced Computer Infrastructure	14
Proven Collection Methodology	16
In-Depth Research Methods	19
Customized Collection Reports	20
Specific Reasons to Choose Perdue Brandon	21
Our Commitment to You	23
Perdue Brandon's Fine and Fee Client List	Exhibit 1
Sample Contract	Exhibit 2
Sample Demand Letters	Exhibit 3
Specific Client References	Exhibit 4

## Perdue Brandon's History

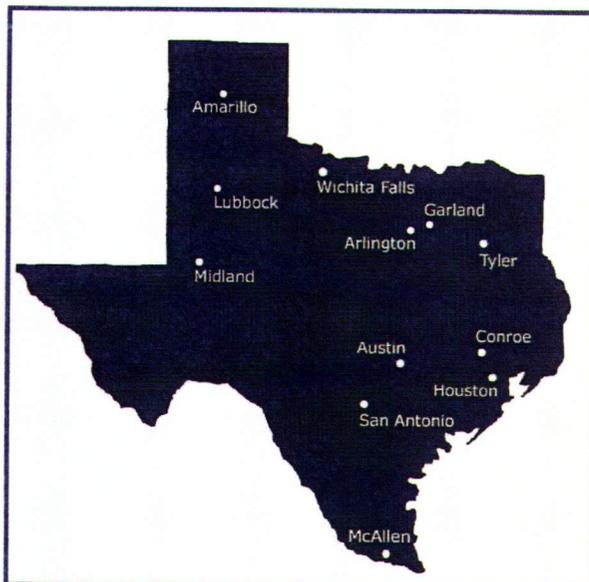
Perdue Brandon has provided our clients with comprehensive legal representation since 1970. We collect delinquent receivables *for more than 2,000 local government clients throughout Texas.*



We pioneered the use of computer technology in our industry. Our fine and fee clients are counties and cities.

Our tax clients include counties, cities, school districts, appraisal districts, special districts, community colleges and hospital districts.

**Perdue Brandon has 46 years of collection experience.**



Perdue Brandon presently has a staff of *more than 400 support personnel, including 56 attorneys*, in our 12 Texas offices. Our experienced in-house computer department allows us to develop, upgrade and maintain our advanced technology. Our firm is grounded upon integrity and ethical conduct. Throughout the years, we have steadfastly refused to diminish our standards.

*Our clients are the best reference regarding our experience, reputation and collection results.*

## Statewide Presence

---

Perdue Brandon operates 12 Texas offices that span Texas, from Amarillo to McAllen and Midland to Tyler, including an office in our state capitol.

### AMARILLO

Kevin Brennen  
[kbrennen@pbfc.com](mailto:kbrennen@pbfc.com)  
1616 S. Kentucky, Building D, Suite 200  
Amarillo, Texas 79102  
806-359-3188 Telephone  
800-692-4053 Toll-free  
806-359-5126 Fax



### ARLINGTON

Elizabeth Banda Calvo  
[eocalvo@pbfc.com](mailto:eocalvo@pbfc.com)  
500 E. Border Street, Suite 640  
Arlington, Texas 76010  
817-461-3344 Telephone  
800-772-5490 Toll-free  
817-860-6509 Fax

### AUSTIN

John T. Banks                      Sandy Griffin  
[jbanks@pbfc.com](mailto:jbanks@pbfc.com)   [sgriffin@pbfc.com](mailto:sgriffin@pbfc.com)  
3301 Northland Dr, Suite 505  
Austin, Texas 78731  
512-302-0190 Telephone  
800-290-8391 Toll-free  
512-302-1802 Fax

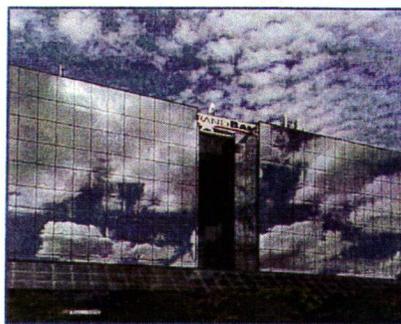


### CONROE

E. Stephen Lee  
[slee@pbfc.com](mailto:slee@pbfc.com)  
2040 North Loop 336 West, Suite 320  
Conroe, Texas 77304  
936-242-6815 Telephone  
936-242-6959 Fax

**GARLAND**

Synda H. Gordon  
[sgordon@pbfcm.com](mailto:sgordon@pbfcm.com)  
1919 S. Shiloh Road,  
Suite 310, LB 40  
Garland, Texas 75042  
972-278-8282 Telephone  
972-278-8222 Fax



**HOUSTON**

Mike Darlow  
[mdarlow@pbfcm.com](mailto:mdarlow@pbfcm.com)  
1235 North Loop West, Suite 600  
Houston, Texas 77008  
713-862-1860 Telephone  
800-833-5886 Toll-free  
713-862-1429 Fax

**LUBBOCK**

James O. Collins  
[jcollins@pbfcm.com](mailto:jcollins@pbfcm.com)  
1204 Avenue R, Suite 200  
Lubbock, Texas 79401  
806-744-5091 Telephone  
800-624-5329 Toll-free  
806-744.9953 Fax

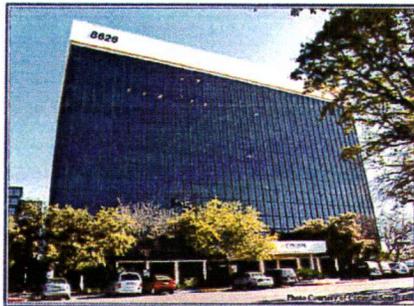


**McALLEN**

Hiram Gutierrez  
[hgutierrez@pbfcm.com](mailto:hgutierrez@pbfcm.com)  
200 South 10th Street, Suite 1500  
McAllen, Texas 78501  
956-631-4026 Telephone  
877-631-4026 Toll-free  
956-994-8042 Fax

**MIDLAND**

Tracy Crites  
[tcrites@pbfc.com](mailto:tcrites@pbfc.com)  
Southwest Plaza  
1031 Andrews Highway, Suite 210  
Midland, Texas 79701  
432-522-2427 Telephone  
866-208-3110 Toll-free  
432-699-7884 Fax

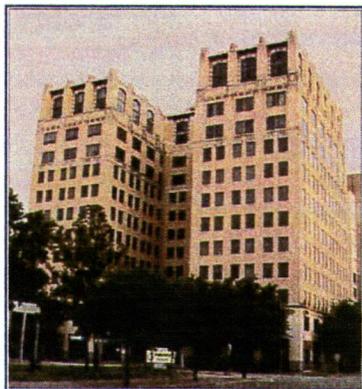
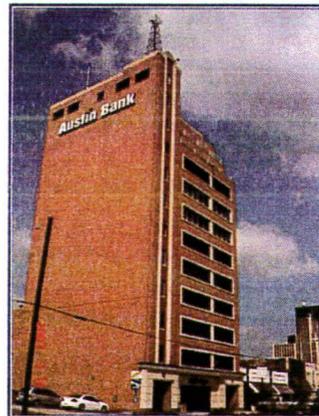


**SAN ANTONIO**

Francesca Howland  
[fhowland@pbfc.com](mailto:fhowland@pbfc.com)  
8626 Tesoro, Suite 816  
San Antonio, Texas 78217  
210-998-3230 Telephone  
210-998-3231 Fax

**TYLER**

Tab Beall  
[tbeall@pbfc.com](mailto:tbeall@pbfc.com)  
305 S. Broadway, Suite 200  
Tyler, Texas 75702  
903-597-7664 Telephone  
800-262-5404 Toll-free  
903-597-6298 Fax



**WICHITA FALLS**

Jeanmarie Baer  
[jbaer@pbfc.com](mailto:jbaer@pbfc.com)  
900 Eighth Street, Suite 1100  
Wichita Falls, Texas 76301  
940-723-4323 Telephone  
800-525-2481 Toll-free  
940-723-8553 Fax

## Extensive Services Offered

---

### Delinquent Fine & Fee Collections

- Specialized collection software programs
- Verbal contacts with violator
- Computerized mass mailings
- Follow-up correspondence
- Ability to accept payment by credit card and electronic check
- Extensive address research capabilities
  
- ❖ Computerized nationwide phone search
- ❖ Department of Public Safety records
- ❖ Current tax rolls statewide
- ❖ Voter registration rolls
- ❖ Social Security records
- ❖ Utility records
- ❖ Credit bureaus
- ❖ Internet subscription services, including Lexis-Nexis, Westlaw, PublicData, Peoplefind, Autotrack and Accurint
  
- Professional legal representation
- Miscellaneous local government collections
- Assistance with Warrant Round-Up Program

Perdue Brandon assists its clients in any way possible, including help in conducting **Warrant Round-Up programs**. We arrange for law enforcement just prior to the initiation of a round-up, with defendant information obtained through our research. For example, we provide law enforcement with cases where addresses are known to be valid. We sort fines by certain parameters, such as balances owed to maximize the effectiveness of the process by targeting the largest cases first. To the right is a sample public service ad for local media.

#### Got a warrant for your arrest?

Time to pay it or find yourself in the  
**CLIENT NAME Warrant Round-Up.**

Pay by (DATE) your outstanding  
fines, most are traffic related.

**Warning: Pay your fine or risk going to jail.**

Public Service Announcement



## Delinquent Tax Collections

- Complete computer-assisted collections
- Taxpayer notification
- Lienholder notification
- Active litigation
- Bankruptcy collections
- Tax warrants – seizures
- Tax lien foreclosure and resale
- Appellate representation
- Representation in condemnation cases
- State and federal agency collections

## Appraisal District Representation

- Assistance in negotiating settlements
- Counsel in all ad valorem tax matters
- Assistance in negotiating and drafting tax abatement agreements
- Opinions and memorandums
- Legislative updates and proposed bill drafting

**Perdue Brandon has developed a strategy that increases the recovery of delinquent fines and fees while being flexible and specifically tailored for our clients.**

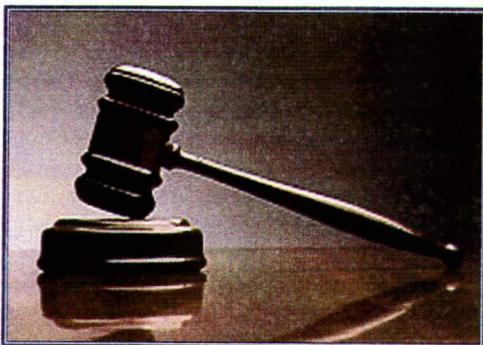
### *Perdue Brandon has:*

- *Legal expertise*
- *Proven results*
- *Multilingual staff*
- *Training in both legal & collection requirements*
- *Toll-free numbers*
- *Effective notices in English & Spanish*
- *Payments options*
- *Website links*
- *State of the art collection software*
- *Customized elements to client specifications*
- *No cost to client*

## Fine and Fee History

---

Due to our success in delinquent property tax collections and the demand from many existing clients, we entered the fine and fee collection arena in 2000 with a commitment to provide the same high level of service and intensity which we have dedicated to our delinquent property tax collection efforts. Our endeavor has been a tremendous success and continues to grow. ***We currently represent 275 cities and counties across Texas, working with 394 active courts, in the recovery of delinquent fines and fees.***



This area of focus was a natural addition to our practice as we have decades of experience collecting delinquent government receivables. Many of our attorneys have served as County Attorneys, District Attorneys, Assistant City Attorneys and Municipal Prosecutors. Others came from private firms with broad experience in civil and criminal matters. The knowledge

acquired from serving in all of these capacities is an invaluable asset for recovering delinquent receivables. ***Our attorneys are familiar with the legal distinctions of each type of case and warrant submitted for collection effort.***

Our success is based on two distinct services. First, we provide personnel and our numerous resources to assist the judges, clerks and their staff. Second, we utilize our professional staff, extensive resources and considerable experience to contact individuals who have not paid their fines and fees.

We partner with our clients to supplement the efforts of the courts to increase collections. Our collection system is enhanced by our technology infrastructure, effective contact methods, processes to simplify and expedite payments, proven research techniques and a detailed reporting process.

We can provide historical collection figures from our clients to assist you in forecasting results. We ask that you let us know what parameters will be used to refer delinquent cases to us. For example, will all cases be immediately referred after becoming 60 days past due, or will referrals be limited to older cases, out of state offenders or bad addresses? Once we have such information, we can provide statistics so that you can have a valid basis to predict results.

## Fine and Fee Clients

**Exhibit 1** is a current listing of our 275 fine and fee collection clients for which we serve **394 active courts**. Perdue Brandon represents **173 cities and 102 counties** in this area alone. We encourage you to contact any of our clients about our services and results. We are actively collecting delinquent fines and fees *in the counties highlighted in green* below.

### Court Fine and Fee Collection Presence in 151 Texas Counties June 2015



Perdue Brandon extends the reach of  
the courts to resolve more cases on  
their dockets than ever before.

## Cost and Contract

---

### COST

We propose a collection fee in the amount of 30% of the fine and fee amounts we collect. Such fee is in accordance with Article 103.0031 of the Texas Code of Criminal Procedure. We also offer to collect *at no charge* for all non-adjudicated offenses committed on or before June 18, 2003, which is the effective date of the statute.

We propose that your governing body authorize the addition of a collection fee of 30% to all fines and fees which are more than 60 days delinquent and are referred to us for collection. (The collection fee cannot be assessed on non-adjudicated fines and fees for offenses committed before June 18, 2003). Most of the outstanding delinquent fines and fees will be subject to the assessment of a collection fee, should your governing body choose to impose it. With the assessment of a collection fee, *the offender pays for our services and the courts collect 100% of the delinquent fines and fees.*

### CONTRACT

We propose a contract that may be terminated by either party, at any time, upon written notice of 30 days. We do not ask for a long-term commitment and offer an easy right of termination because we have confidence that you will be pleased with our service and will not choose to end our relationship.

**Our 30-day contract puts our service  
on the line, day-in and day-out.**

**Exhibit 2** is a sample contract. Please note that the contract is a sample and that the terms and conditions are negotiable.

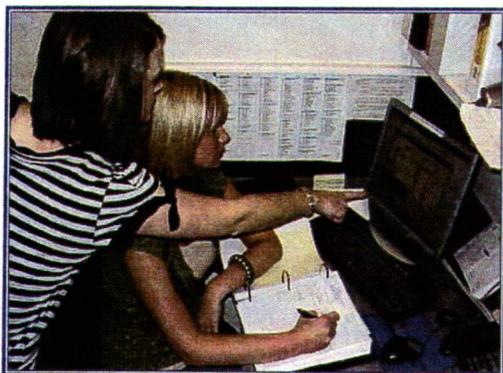
**When you pay for our  
services, such payment  
is based solely upon  
the dollars that you  
have actually received.**



## Trained, Experienced Personnel

---

Our greatest asset is our *fully trained and equipped staff*. We are ready to serve you in a professional, effective manner without placing a demand on



your budget for additional staff, computers, training, etc. Our focus is on locating the defendant, making contact regarding the obligation and stressing the importance of resolving the matter.

From our inception, we have continued to develop, refine and update our collection techniques to maximize the recovery for our clients. Our staff is

*trained weekly* on issues that arise in collections, including constitutional as well as statutory rights of defendants. We review our procedures to assure effectiveness and efficiency.

Perdue Brandon uses a *multi-level team approach*, proven to be extremely successful in collecting delinquent amounts in an efficient, professional manner. Our attorneys are at the top of their respective fields, all having to do with collecting government owed delinquencies. Together with our experienced staff of collection experts and computer programmers, we expect to get off the ground quickly and successfully implement a collection program for you.

Our *attorneys constantly monitor and review* the collection process. Management and technology staff seek to improve our services. As we are an extension of your courts and governance, our utmost priority is being respectful and courteous to all defendants.

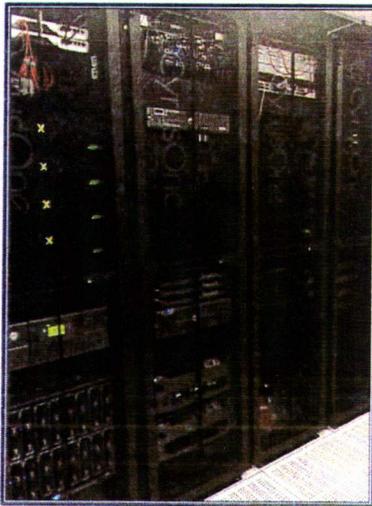
Perdue Brandon pledges a commitment to employment, training and promotion policies which do not discriminate on the basis of race, creed, religion, sex, age or national origin. Such matters have no place in our evaluation of a candidate for employment, promotion, transfer, recruitment, compensation, selection for training, demotion or separation.

Our firm *encourages and supports minority business enterprise*. We are committed to an equal employment opportunity. Our attorneys, including the partners, derive from many cultural and ethnic backgrounds. Such diversity enhances our ability to serve our clients and work with defendants throughout this great state.

## Advanced Computer Infrastructure

---

Perdue Brandon was one of the earliest Texas law firms, specializing in the collection of government receivables, to design and utilize computer software in our practice. We remain committed to utilizing the most **advanced collection tools** in the industry. Our considerable investment in technological capabilities and in-house computer department provides us with the ability to exceed the demands of our clients. An in-depth description of our hardware will be provided upon request.



The firm uses **custom software** which has been designed in-house specifically for our fines and fees collection program. We can supplement our software with commercial products where appropriate. Our software was written in Visual Basic and works in conjunction with the Microsoft SQL Server database. Our IT department has **experience with more than 20 different collections software used by our clients** and can accept data in any format, including but not limited to Microsoft Access databases, dBASE, Microsoft Excel, delimited text, fixed-width text, HTML, SQL tables and XML.

### Flexibility is the key result of our experienced IT staff.

Our software enables us to transmit information to and from our clients with ease. We are able to generate **customized extensive reports** on the status of collections and individual cases, as requested by each client. It also allows our staff to identify, prioritize and monitor the cases turned over to us for collection. Our system is secure and is updated as often as data is available. We offer our **Automated Assistant**, our on-line website access to our collection activities in real time.

Perdue Brandon provides access to your cases with our **Automated Assistant** through our website, [www.pbfcem.com](http://www.pbfcem.com). Your designated staff may log on to a secured site with password protection to view your cases 24/7 on our system and see our activity, progress and the latest information.

Using *Automated Assistant* is simple and requires only access to the Internet. Our menu-drive system is easy to navigate. The following Web screenshot illustrates the type of information available for cases.

PerdueBrandonFielderCollins&Mott LLP  
ATTORNEYS AT LAW  
Where experience, reputation and performance matter.

HOME  
SEARCH  
CARD READER  
PLACEMENT REPORT  
LOGOFF

Court: Combined Brazoria  
Name: \_\_\_\_\_  
Docket: \_\_\_\_\_  
Address: \_\_\_\_\_  
Vehicle License Number: \_\_\_\_\_  
Driver's License Number: \_\_\_\_\_  
Search Clear

Acct: 21879  
License Number: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Current Due: \$405.00  
Court: JP-2-2

Docket	Date	Description	Status	Amount
DT-268422	05-22-2010	DRIVING WHILE LICENSE INVAL ID	N	\$325.00
DI-268422	10-07-2010	Additional Charge At Court	N	\$50.00
DI-268422	10-08-2010	Additional Charge At Court	N	\$30.00

1 to 3 of 3 rows 10

Year	Make	Model	Type	Tax
0				TX

Date	Activity
09/02/2010	Debtor Record Created
09/02/2010	Vehicle Record BF 4M394 Record Created
09/02/2010	Transaction record added for Docket DI-268422--\$325.00
10/07/2010	Debtor status changed from NI. To FP
10/22/2010	Address Changed
10/22/2010	Debtor status changed from FP To NI
11/02/2010	Transaction record added for Docket DI-268422--\$50.00
11/02/2010	Adjustment Received For \$50.00 For Docket DT-268422
11/02/2010	Transaction record added for Docket DI-268422--\$30.00
11/02/2010	Adjustment Received For \$30.00 For Docket DI-268422

1 to 10 of 13 rows 10

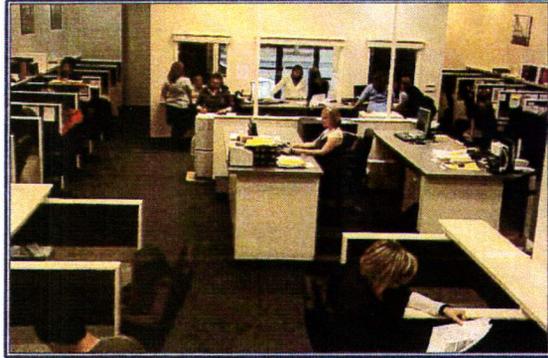
Court Comments To PBFCM  
\_\_\_\_\_  
Save

Our process is flexible and can be tailored to your needs.

## Proven Collection Methodology

---

Our collection procedure begins with receipt of your delinquent cases. We can receive cases by magnetic media (in several formats), email or manual entry. Our IT specialists oversee the technical details of the setup to ensure a seamless transfer. We only ask you to *provide delinquent cases on a regular basis and a contact person to answer questions* when needed.

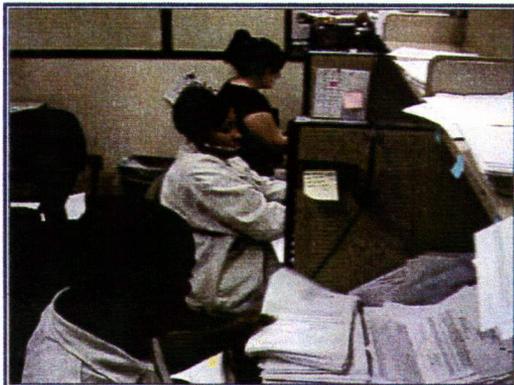


After receiving your delinquent cases, we immediately start work.

*Contact with the defendant* is one of the most crucial first steps of the collection process. We verify the defendant's phone number and address. Many cases become delinquent because the court has an outdated or incomplete address. We document our activities in real time on our system.

After determining the correct location of the defendant through our research, we *simultaneously mail out demand letters and initiate verbal contact*. Our customized demand letters include a detailed listing of all offenses and related charges and are available *in both English and Spanish*.

**Exhibit 3** is samples of our demand letters, including a State of Texas Warrant Round-Up letter. We can *customize these letters* for the courts and with your approval.



Verbal contact with the defendant is a very successful collection method. We utilize a bilingual collection staff, so language is not a barrier in our efforts.

Our customized letters and telephone communications stress consequences of continued failure to pay. *Many defendants recognize our letterhead*. Some know our reputation as a Texas law firm devoted to collecting what our clients are owed.

Experience shows that our demand letters are a significant incentive in motivating individuals to satisfy their obligations after routine notices from the court have failed to generate a response. Once we locate the defendant, **letters and telephone calls** are important collection components and serve to increase your courts' collections and decrease backlogs.

We repeat **address searches** for those we were unable to contact with the first demand letter. Defendants often move without a forwarding address. We renew efforts for verbal and written contact with any new search results.

If our demand for payment is received but ignored, we do not cease work on the case but aggressively continue with our efforts. Our **resourcefulness and persistence** separate us from credit card collection agencies and other law firms. We continue to emphasize consequences of failure to pay. Follow-up letters reflect the seriousness of continued inaction. While our tone is amplified, we never forget our professional and ethical standards.

Perdue Brandon provides **toll-free telephone numbers** so defendants may contact our collectors with any questions. Our offices are staffed with **bilingual staff members** to assist defendants. We insist that our staff members conduct themselves according to high standards of professionalism and ethics befitting a law firm representing courts and governmental entities. In the event a staff member encounters an unruly or abusive citizen, an attorney is sought for assistance.

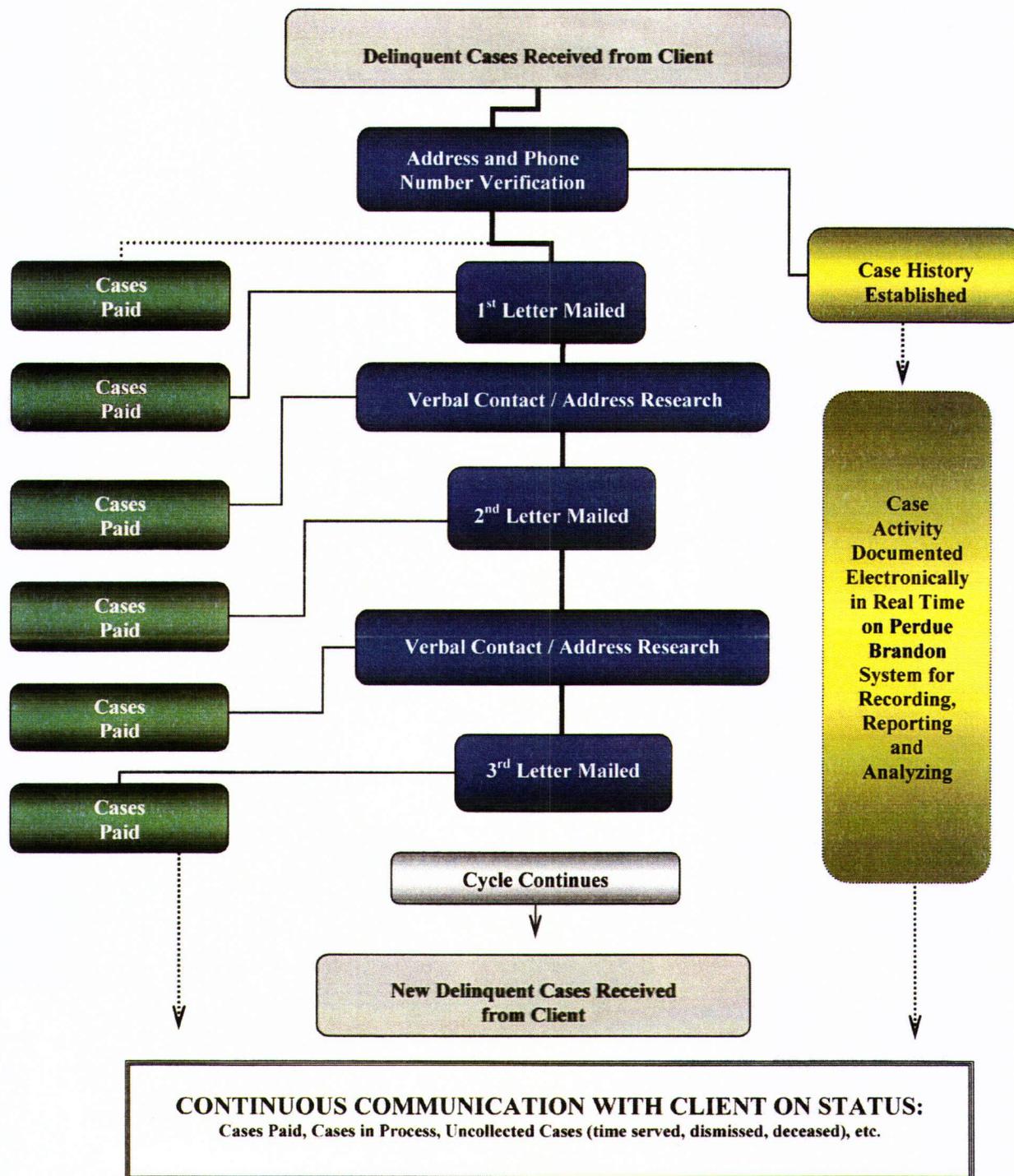
We keep you updated on our progress. We report on cases paid or disposed by the courts, those in process and any we do not believe are collectible. Throughout this cycle, we welcome any questions that may arise.

## **Our contact with defendants is always conducted with the highest degree of professionalism and respect.**

By offering **several payment options**, we encourage receipt of payments. Subject to the preference of the court and/or collection staff, we customize our letters and telephone contacts to request the desired payment method. All of our mailings, notices and staff direct that **payment be made to the respective court**. Letters include a perforated payment coupon directing payment to the court. The coupon includes the necessary information to expedite processing by the court when payment is received.

In the event a payment is sent directly to our office, we promptly forward it to the court. We direct defendants who request payments over time to the respective court staff or address the request as directed by your policies.

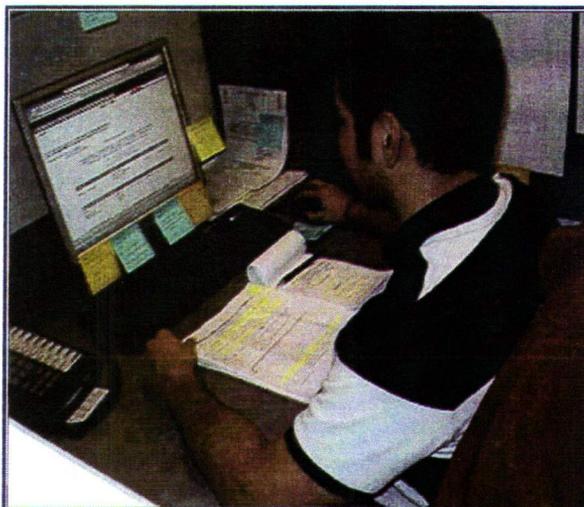
This flowchart summarizes our collection activities. We can suspend case activity immediately at the request of the Court at any point in this process.



## In-Depth Research Methods

---

The most effective collection tool is useless if the contact does not reach the intended party. Our extensive **research efforts** match our experience and expertise in collecting delinquent cases.



We devote a large portion of our investment, in time and resources, to address research using an array of resources, including but not limited to nationwide drivers' license records, voter registration, current tax rolls, utility records, credit bureau agencies, paid subscription services such as LexisNexis, Accurint and others and local, regional and nationwide telephone records. When a case also includes a social security number, we have additional tools for address research.

All of our **activities are documented in real time on our system**, backed up daily for an up-to-date history and communicated to the courts.

**Without extensive research,  
defendants do not get contacted and  
delinquent cases remain uncollected.  
The offender evades justice.**

The courts and collection staff do not have the personnel, time or resources to devote to the extensive research necessary to locate defendants on aged cases. Our research staff excels in this area. ***Our diligence and investment in our staff sets our efforts apart from other firms.***

## Customized Collection Reports

---

In privatizing delinquent collections, some judges and collection staff fear that they will lose control of their dockets to some degree. Our **reporting procedures and communication** with the court and collection staff ensure that **control always remains with the client**. It is neither our desire nor purpose to supplant the authority of the judges and clerks we represent.

We place a **high priority on keeping our clients informed of the progress** of our efforts. By customizing our collection efforts to each court, we can provide reports however requested. Each report is detailed and designed to meet desired data content and frequency of the report as requested by our client. Our reporting allows our clients transparent access to each case, its status, progression and result.



**Perdue Brandon is committed to client satisfaction and can produce any report imaginable at no cost to the client.**

## Specific Reasons to Choose Perdue Brandon

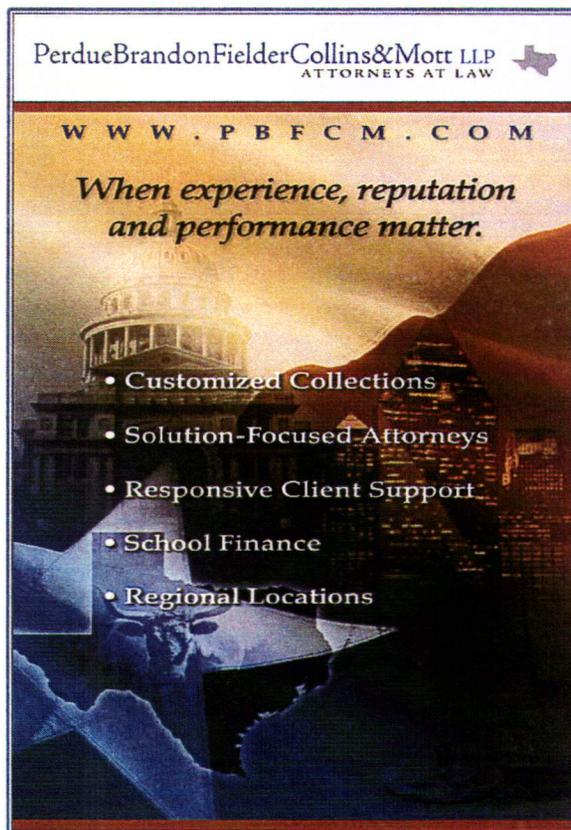
---

Some of the *advantages of using Perdue Brandon* to collect your delinquent fines and fees are:

- Nationwide address research capability;
- Experienced, highly trained staff;
- Procedures designed to methodically work cases to increase collection percentages;
- Increased client revenue;
- Reduction of case backlogs;
- Increased productivity of court staff to devote more time to other tasks;
- Highly effective and cost efficient for the client;
- Fees paid by the delinquent defendants;
- Professional legal advice;
- 30-day termination contract clause;
- Defendant motivation to pay when contacted by a law firm;
- Funds from delinquent collections deposited within the same budget period;
- Experience with the DPS vendor Omnibase;
- Legal expertise with state-of-the-art technology;
- Daily work with large numbers of delinquent cases;
- Toll-free numbers for easy access;
- Bilingual staff to resolve problems and answer questions;
- Attorney oversight of collection activities;
- Attorneys who are directly responsible to you and your courts;
- Attorneys licensed and regulated by the State Bar of Texas;
- Fee based on you getting your money;

- All collection costs, including mass mailings, national data bases, personnel, software development and maintenance, postage and telephone contacts paid by our firm;
- In-house software for customized, extensive reports on the status of collections and individual cases;
- Online access to view activity on any of your cases;
- Active monitoring of each case by firm;
- Assistance with Warrant Round-Up Program;
- Continually review of our performance and service to you; and
- An excellent reputation and commitment to protecting credibility among state and local government officials and local citizens.

**Perdue Brandon  
has developed an  
impeccable  
reputation and a  
solid history of  
professional and  
ethical conduct.**



PerdueBrandonFielderCollins&Mott LLP   
ATTORNEYS AT LAW

WWW.PBFCM.COM

*When experience, reputation  
and performance matter.*

- Customized Collections
- Solution-Focused Attorneys
- Responsive Client Support
- School Finance
- Regional Locations

The graphic features a background image of a state capitol building at night, with a city skyline and mountains visible in the distance. The text is overlaid on this image.

## Our Commitment to You

---

When you *choose Perdue Brandon* to collect your delinquent fines and fees, we commit to:

- Conduct our delinquent fine and fee collections in compliance with applicable federal, state and local laws;
- Assist in establishing procedures for an efficient and effective collection program;
- Assist in training staff in the preparation and documentation required for referral of cases;
- Conduct all invoicing, follow-up collection activity, reporting and payments to the client within requested time frames and in a consistent manner;
- Maintain adequate records for inspection and audit;
- Consult as requested with all affected departments and assist with Warrant Round-Up Program;
- Maintain the highest standards of service and professionalism in dealing with the public while striving to maximize recovery of your delinquent fines and fees.

### IN SUMMARY

**We appreciate the opportunity to submit this statement of qualifications for the collection of your delinquent fines and fees. We will be happy to provide any additional information that you require.**

## **Exhibits**

---

**Exhibit 1. Perdue Brandon's Fine and Fee Client List**

**Exhibit 2. Sample Contract**

**Exhibit 3. Sample Demand Letters**

**Exhibit 4. Specific Client References**

# Texas Fine and Fee Collection Clients

PerdueBrandonFielderCollins&MottLLP  
ATTORNEYS AT LAW

## Cities

<u>Client</u>	<u>Contact</u>	<u>Title</u>	<u>Phone</u>
Abernathy	Krista Adames	Municipal Court Clerk	(806) 298-2546
Alvarado	Vicki Green-McNatt	Court Administrator	(817) 790-3223
Alvin	Sonya Cates	Court Administrator	(281) 388-4250
Andrews	Debbie Gomez	Municipal Court Judge	(432) 524-2791
Angleton	Dana Alsobrook	Court Clerk	(979) 849-2471
Anna	Laura Reeves	Customer Service Supervisor	(972) 924-3325
Anson	Bryan Grimes	City Manager	(325) 823-2411
Archer City	James Whalen	Municipal Court Judge	(940) 574-4570
Azle	Felicia King	Court Administrator	(817) 444-2541
Bartonville	Jeanie Roumell	Court Clerk	(817) 693-5280
Bellaire	Linda Symank	Chief Financial Officer	(713) 662-8251
Benbrook	Stephanie Stevens	Court Administrator	(817) 249-3000
Big Spring	Jeanne Wilson	Assistant	(432) 264-2530
Bloomburg	Carol Solley	City Secretary	(903) 728-5323
Borger	Jack Worsham	Municipal Court Judge	(806) 273-0975
Bovina	Donna Mitchell	Municipal Court Judge	(806) 251-1116
Brazoria	Kenneth Corley	Mayor	(979) 798-2489
Breckenridge	Kim Baggett	Municipal Court Judge	(254) 559-2160
Brenham	Rhonda Kuehn	Court Clerk	(979) 337-7500
Bridgeport	Karen Green	Municipal Court Judge	(940) 683-3420
Bullard	Diana Folmar	Municipal Court Clerk	(903) 894-7263
Burkburnett	Daniel Tompkins	Municipal Court Judge	(940) 569-7331
Burnet	Tina Morgan	Court Administrator	(512) 756-6093
Burton	Patti Schultz	Municipal Court Judge	(979) 289-3402
Cactus	Barbara Mulunax	Municipal Court Judge	(806) 966-5458
Caldwell	Catina Pineda	Court Clerk	(979) 567-7197
Camp Wood	Patsy Ruiz	Municipal Clerk	(830) 597-2265
Canton	Lilia Durham	Municipal Court Judge	(903) 567-1700
Canyon	Randy Criswell	City Manager	(806) 655-5000
Carrizo Springs	Francisco R. Ponce	Municipal Court Judge	(830) 876-2476
Childress	Carter Reed	Municipal Court Judge	(940) 937-6943
Chillicothe	Marsha Jo Stone	City Secretary/Municipal Court Judge	(940) 852-5211
Clarendon	Tommy Waldrop	Municipal Court Judge	(806) 874-1448
Cleveland	Arlene Hutchinson	Court Administrator	(281) 592-5639
Clute	Erika Hernandez	Court Clerk	(979) 265-2541
Cockrell Hill	Luis Carrera	Mayor	(214) 330-6333
Coleman	Lisa Smith	Municipal Court Judge	(325) 625-5114
Columbus	Kaylee Brune	Court Clerk	(979) 732-3981

# Texas Fine and Fee Collection Clients

PerdueBrandonFielderCollins&Mott LLP  
ATTORNEYS AT LAW

## Cities

<u>Client</u>	<u>Contact</u>	<u>Title</u>	<u>Phone</u>
Crane	Cindy Bunyan	Court Clerk	(432) 558-7747
Crosbyton	John Blythe	Municipal Court Judge	(806) 675-2301
Crowell	Beverly Kay Marlow	Municipal Court Judge	(940) 684-1722
Crystal City	James Jonas	City Manager	(830) 374-3222
Dalhart	Coy Gergen	Municipal Court Judge	(806) 244-5511
Dayton	Jennifer Billings	Court Administrator	(936) 258-2642
Dimmitt	Connie Martinez	Municipal Court Judge	(806) 647-2155
Dumas	Barbara Mulunax	Municipal Court Judge	(806) 935-4101
Eastland	Debbie Brinkley	Court Clerk	(254) 629-8227
Electra	Dianne Gribble	Municipal Court Associate Judge	(940) 495-3536
Encinal	Sylvano Sanchez	Mayor	(956) 948-5226
Estelline	Sherry Manley	Municipal Court Judge	(806) 888-1762
Fairview	Teresa Jordan	Court Administrator	(972) 886-4240
Farwell	Pat Howard	Municipal Court Judge	(806) 481-3620
Floydada	Tali Jackson	Municipal Court Judge	(806) 983-2834
Forney	Sandra Bray	Municipal Court Administrator	(972) 564-7311
Freeport	Betty Wells	Court Administrator	(979) 871-0102
Friendswood	Pat Riffel	Court Administrator	(281) 996-3252
Friona	Deborah Campbell	Municipal Court Judge	(806) 250-2198
Fritch	Cindy Irwin	Municipal Court Judge	(806) 857-3143
Graham	Teresa Bishop	Municipal Court Judge	(940) 549-8370
Grandview	Brenna Cram	Court Administrator	(817) 866-2699
Grapeland	Kathy Bush	Municipal Court Judge	(936) 687-2139
Greenville	Karen Armstrong	Chief Municipal Court Clerk	(903) 457-3129
Hale Center	Yolanda Gaitan	Court Clerk	(806) 839-2411
Hamlin	Patrick Finner	Municipal Court Judge	(325) 576-3212
Haskell	Ida Watson	Municipal Court Judge	(940) 864-2903
Hawk Cove	Kristi Turner	City Secretary	(903) 447-5380
Hawkins	Dona Jordan	Municipal Court Judge	(903) 769-2224
Hawley	Regina Thompson	City Secretary/Court Clerk	(325) 537-9528
Hemphill	Laure Morgan	Municipal Court Judge	(409) 787-2251
Henrietta	Jim Humphrey	Municipal Court Judge	(940) 538-6531
Hereford	Jennifer Eggen	Municipal Court Judge	(806) 363-7127
Holliday	Gerri Ayers	Municipal Court Clerk	(940) 586-1313
Howardwick	Tammy Sparks	City Secretary	(806) 874-2222
Iowa Colony	Krista Thompson	Court Clerk	(281) 369-2471
Iowa Park	Mike Price	City Administrator	(940) 592-2131
Jacinto City	Lon Squyres	City Manager	(713) 674-8424

# Texas Fine and Fee Collection Clients

PerdueBrandonFielderCollins&MottLLP  
ATTORNEYS AT LAW

## Cities

<u>Client</u>	<u>Contact</u>	<u>Title</u>	<u>Phone</u>
Joshua	Carla Bonham	Court Clerk	(817) 558-7447
Keene	Alicia Watts	Court Administrator	(817) 645-7822
Kemp	Regina Kiser	City Administrator	(903) 498-3191
Kenedy	Sandra G. Lundquist	City Secretary	(830) 583-2230
Kirbyville	Lela N. Odom	Municipal Court Judge	(409) 423-5953
Knox City	Sam Watson	City Administrator	(940) 658-3313
La Coste	Lisa Buerger	Municipal Court Clerk	(830) 985-9494
La Joya	Mike Alaniz	City Manager	(956) 581-7002
La Porte	Denise Mitrano	Municipal Court Judge	(281) 471-5020
Lake Jackson	Dottie Zavala	Court Clerk	(979) 415-2400
Levelland	Norma Garza	Municipal Court Judge	(806) 894-7975
Littlefield	Betty Jacops	Municipal Court Judge	(806) 385-5161
Lockney	Ed Marks	Judge	(806) 652-3622
Lone Oak	Twyla Parker	Municipal Court Clerk	(903) 662-5116
Lubbock	Aimee Tayag	Municipal Court Administrator	(806) 775-2460
Lytle	Josie Campa	City Secretary	(830) 709-3692
Magnolia	Victoria Hanson	Court Clerk	(832) 934-0605
Marfa	Cinderela Guevara	Judge	(432) 729-3890
Maud	Pollyanna Moore	City Secretary	(903) 585-2294
Maypearl	Angie Smith	Court Clerk	(972) 435-2380
Meadows Place	Bret Kisluk	Municipal Court Judge	(281) 983-2950
Mineola	Sherry Vann	Municipal Court Clerk	(903) 569-6603
Monahans	Lori Asbury	Municipal Court Judge	(432) 943-6361
Mont Belvieu	Jenny Garcia	Court Administrator	(281) 576-2213
Montgomery	Rebecca Lehn	Court Clerk	(936) 597-6434
Morgan's Point	J.L. Jay	Municipal Court Judge	(281) 471-2171
Mount Pleasant	Adolfo Martinez	Court Administrator	(903) 575-4010
Muleshoe	Juana Shelburne	Municipal Court Judge	(806) 272-7586
Natalia	Richard Loza	Municipal Court Judge	(830) 663-2926
Needville	Susan Brent	Court Administrator	(979) 793-4253
New Deal	Debbie James	City Clerk	(806) 746-6399
Newark	Diane Rasor	Court Administrator	(817) 489-2201
Newton	Ricky Simmons	Judge	(409) 379-5065
Nocona	Christie Halbardier	Municipal Court Judge	(940) 825-3282
Noonday	Dona Jordan	Municipal Court Judge	(903) 561-3351
Oak Ridge North	Michelle Buchanan	Court Clerk	(281) 292-8736
Oak Ridge, Town of	Darlene Nelson	City Secretary	(940) 665-8474
Olney	Stan Mahler	Justice of the Peace Pct 3	(940) 564-5001

# Texas Fine and Fee Collection Clients

PerdueBrandonFielderCollins&Mott LLP  
ATTORNEYS AT LAW

## Cities

<u>Client</u>	<u>Contact</u>	<u>Title</u>	<u>Phone</u>
Overton	Charles Cunningham	City Manager	(903) 834-3171
Ovilla	Cyndy Powell	City Administrator	(972) 617-7262
Paducah	Royce Gann	Municipal Court Judge	(806) 492-3131
Pampa	Kurt Curfman	Municipal Court Judge	(806) 669-5750
Panhandle	Jane Smith	Municipal Court Judge	(806) 537-3733
Panorama Village	Ronda Scarborough	Court Clerk	(936) 856-2821
Pantego, Town of	Thressa Householder	Court Administrator	(817) 617-3733
Pearland	Ro'Vin Garrett	Tax Assessor Collector	(979) 864-1134
Pecos	Federico Reyes	City Manager	(432) 445-2421
Perryton	Bruce Julian	Municipal Court Judge	(806) 435-4014
Post	Andrea Armendariz	Municipal Court Judge	(806) 990-3108
Poth	Hilda Tejada	Municipal Court Judge	(830) 484-2521
Presidio	Dan Bodine	Municipal Court Judge	(432) 229-4551
Quinlan	Jan Stennett	Court Clerk	(903) 356-3306
Richmond	Evelyn Garza	Municipal Judge/Court Administrator	(281) 342-0578
Richwood	Peggy Tyler	Court Clerk	(979) 265-2082
Rio Vista	Brenda Marbut	City Secretary	(817) 373-2588
Rollingwood	Lynn Stender	Court Administrator	(512) 327-1838
Ropesville	Ruben Lemon	Municipal Judge	(806) 562-3531
Rosenberg	James Baker	Municipal Court Judge	(832) 595-3300
Runaway Bay	Mary Beth Henry	Judge	(940) 575-2511
Saint Jo	Cammie Barton	Municipal Court Judge	(940) 995-2337
San Felipe	Sue Foley	City Secretary	(979) 885-7035
San Marcos	Susie Garcia	Court Administrator	(512) 393-8190
San Saba	Leslie Dawson	Municipal Court Judge	(325) 372-5746
Seagraves	Sandra Harper	Municipal Court Judge	(806) 387-2593
Sealy	Fawn Mackey	Court Administrator	(979) 885-6733
Seminole	Mike Shain	Municipal Court Judge	(432) 758-3676
Seymour	Conchita Torrez	City Secretary	(940) 889-3148
Shamrock	Rick Walden	Municipal Court Judge	(806) 256-3281
Shepherd	Harris Blanchette	Municipal Court Judge	(936) 628-6477
Slaton	Don Kendrick	Municipal Court Judge	(806) 828-2004
Snyder	Dan Cotton	Municipal Court Judge	(325) 573-4957
Sonora	James Stephen	Municipal Court Judge	(325) 387-5237
Southside Place	Olga Garza	Court Clerk	(713) 668-2341
Spearman	Gary Ellsworth	Judge	(806) 659-2524
Stagecoach	Brenda Rutt	City Secretary	(281) 259-0224
Sunray	Sue Sims	Municipal Court Judge	(806) 948-5362

# Texas Fine and Fee Collection Clients

PerdueBrandonFielderCollins&MottLLP  
ATTORNEYS AT LAW

---

## Cities

<u>Client</u>	<u>Contact</u>	<u>Title</u>	<u>Phone</u>
Surfside Beach	Barbara Bluejacket	Court Clerk	(979) 233-1531
Sweeny	Tammy Odom	Court Clerk	(979) 548-5189
Tatum	Rhonda Thompson	City Secretary	(903) 947-2260
Taylor Lake Village	Amanda Saenz	Court Clerk	(281) 326-2843
Terrell	Janet Garcia	Court Administrator	(972) 551-6600
Texhoma	Apryl Burleson	City Secretary	(806) 827-7411
Texline	Rita Little	Judge	(806) 362-4849
Tomball	George Shackelford	City Manager	(281) 290-1006
Trinity	Jennifer Priddy	Municipal Court Clerk	(936) 594-2507
Troup	Gene Cottle	City Manager	(903) 842-4109
Tulia	James G. Hodges	Municipal Court Judge	(806) 995-3547
Valley View	Cyndi Ritchie	Municipal Court Clerk	(940) 726-3957
Vega	Jack Moore	Justice of the Peace	(806) 267-2619
Vernon	Lori Adams	Municipal Court Judge	(940) 552-2058
West Columbia	Kelli Kuban	Court Administrator	(979) 345-3123
White Deer	Katrina Warminski	Municipal Court Judge	(806) 883-4191
Whitehouse	Mitch Shamburger	Municipal Court Judge	(903) 839-4914
Whitewright	Beth Woodson	City Secretary	(903) 364-2219
Wichita Falls	Jim Dockery	Assistant City Manager/CFO	(940) 761-7615
Winona	Mitch Shamburger	Municipal Court Judge	(903) 877-3381
Wolfforth	Debra Youngblood	City Secretary	(806) 866-4215

# Texas Fine and Fee Collection Clients

PerdueBrandonFielderCollins&MottLLP  
ATTORNEYS AT LAW

## Counties

<u>Client</u>	<u>Contact</u>	<u>Title</u>	<u>Phone</u>
Andrews County	Neri Flores	Justice of the Peace Pct 2	(432) 524-1413
Archer County	Karren Winter	County Clerk	(940) 574-4302
Armstrong County	Dianne Samaniego	Justice of the Peace Pct County Wide	(806) 226-2041
Austin County	Tim Lapham	Judge	(979) 865-5911
Bailey County	Deborah Redwine	Justice of the Peace Pct County Wide	(806) 272-3077
Bastrop County	Larry Dunne	Justice of the Peace Pct 4	(512) 581-7162
Baylor County	Chris Jakubicek	County Clerk	(940) 888-2662
Borden County	Ross Sharp	Judge	(806) 756-4391
Brazoria County	Richard Davis	Justice of the Peace Pct 2, Place 2	(979) 864-1402
Briscoe County	Henry Simpson	Justice of the Peace Pct 1	(806) 823-2253
Burleson County	Jimmy Mynar	Auditor	(979) 567-2390
Carson County	Jean Hardman	Justice of the Peace Pct 2	(806) 537-3722
Castro County	Oreda Campbell	Justice of the Peace Pct County Wide	(806) 647-2328
Childress County	Randy Rister	Justice of the Peace Pct 1	(940) 937-6145
Clay County	John Swenson	Justice of the Peace Pct County Wide	(940) 538-6531
Coleman County	Nance Campbell	Justice of the Peace Pct County Wide	(325) 625-4223
Collin County	Chuck Ruckel	Justice of the Peace Pct 3, Place 1	(972) 548-4631
Collingsworth County	Jo Rita Henard	Justice of the Peace Pct County Wide	(806) 447-5555
Colorado County	Ty Prause	Judge	(979) 732-2604
Cooke County	Jason Brinkley	Judge	(940) 668-5435
Cottle County	Hank White	Justice of the Peace Pct County Wide	(806) 492-3515
Crane County	Twilah Ward	Justice of the Peace Pct County Wide	(432) 558-1108
Crosby County	Joe Helfin	Former Representative	(806) 675-2523
Dallam County	Carol Smith	Justice of the Peace Pct County Wide	(806) 244-4827
Dawson County	Denise Dyess	Justice of the Peace Pct County Wide	(806) 872-3744
Deaf Smith County	Karen Boren	Justice of the Peace Pct County Wide	(806) 364-0999
Dickens County	Kathy Hughes	Justice of the Peace Pct 1	(806) 623-5233
Donley County	Pam Mason	Justice of the Peace Pct 1 & 2	(806) 874-2016
Fayette County	Scott A. Parker	Justice of the Peace Pct 1	(979) 968-3648
Fisher County	Tammy Morton	Justice of the Peace Pct 1	(325) 776-2482
Floyd County	Tali Jackson	Justice of the Peace Pct 1	(806) 983-4911
Foard County	Beverly Kay Marlow	Justice of the Peace Pct County Wide	(940) 684-1917
Gaines County	Tammy Clark	Justice of the Peace Pct 1	(432) 758-5411
Galveston County	Mark Henry	Judge	(409) 766-2244
Garza County	Angel Massey	Justice of the Peace Pct 2	(806) 495-4420
Gillespie County	Mark Stroehler	Judge	(830) 997-9053
Glasscock County	Donna Kay Machicek	Justice of the Peace Pct County Wide	(432) 354-2382
Gray County	Mary Ann Carpenter	Justice of the Peace Pct 4	(806) 779-2721

# Texas Fine and Fee Collection Clients

PerdueBrandonFielderCollins&MottLLP  
ATTORNEYS AT LAW

## Counties

<u>Client</u>	<u>Contact</u>	<u>Title</u>	<u>Phone</u>
Hall County	Sherrie Stone	Justice of the Peace Pct 1, 2 & 3	(806) 259-3116
Hamilton County	Debbie Rudolph	County Clerk	(254) 386-3518
Hansford County	Bob Davis	Justice of the Peace Pct County Wide	(806) 659-4165
Hardeman County	Linda Hollenbaugh	Justice of the Peace Pct County Wide	(940) 663-5932
Hartley County	Beth Moore	Justice of the Peace Pct County Wide	(806) 235-3442
Haskell County	Lynn Dodson	Justice of the Peace Pct County Wide	(940) 864-2903
Hemphill County	Larry Dunnam	Justice of the Peace Pct County Wide	(806) 323-5123
Henderson County	Kevin Pollock	Justice of the Peace Pct 2	(903) 432-4334
Hockley County	Brenda Nock	Justice of the Peace Pct 5	(806) 894-4104
Houston County	Tresea Land	Chief Justice Court Clerk	(936) 544-2564
Howard County	Robert Fitzgibbons	Justice of the Peace Pct 1, Place 2	(432) 264-2228
Hutchinson County	Faye Blanks	Judge	(806) 878-4000
Irion County	Donna Smith	Justice of the Peace Pct County Wide	(325) 835-4141
Johnson County	Roger Harmon	Judge	(817) 556-6360
Jones County	Franklin Spurgin	Judge	(325) 823-3741
Karnes County	David Sotelo	Justice of the Peace Pct 4	(830) 239-4459
Kaufman County	Mary Bardin	Justice of the Peace Pct 1	(972) 932-9747
Kent County	Jim White	Judge	(806) 237-3373
Kerr County	Robbin Burlew	District Clerk	(830) 792-2281
King County	Melody Pettiet	Justice of the Peace Pct County Wide	(806) 596-4481
Knox County	Augustin Rodriquez	Justice of the Peace Pct County Wide	(940) 454-2191
Lamb County	James M. DeLoach	Judge	(806) 385-4222
Lipscomb County	Willis Smith	Judge	(806) 862-4131
Lynn County	Mike Braddock	Judge	(806) 561-4222
Martin County	Jarrell Hedrick	Justice of the Peace Pct 1	(432) 756-3711
McCulloch County	Billy Robinett	Justice of the Peace Pct County Wide	(325) 597-0733
Midland County	David Cobos	Justice of the Peace Pct 2	(432) 688-4722
Montague County	David Allen	Justice of the Peace Pct 1	(940) 825-6570
Moore County	Barbara Mulanax	Justice of the Peace Pct 1	(806) 935-3920
Motley County	Libby Cruse	Justice of the Peace Pct County Wide	(806) 347-2204
Nolan County	Sharon Gardner	Justice of the Peace Pct County Wide	(325) 235-5482
Oldham County	Kristy Homfeld	Justice of the Peace Pct County Wide	(806) 267-2619
Palo Pinto County	David Nicklas	Judge	(940) 659-1253
Parmer County	Gerri Bowers	County Clerk	(806) 481-3691
Potter County	Gary Jackson	Justice of the Peace Pct 3	(806) 355-3070
Presidio County	Cinderela Guevara	Judge	(432) 729-4076
Reagan County	Patty Creech	Justice of the Peace Pct County Wide	(325) 884-3482
Roberts County	Tresa Seuhs	Justice of the Peace Pct County Wide	(806) 868-4111

**CONTRACT FOR COURT FINES AND FEES COLLECTION SERVICES**

**STATE OF TEXAS**                   §  
  §  
**COUNTY OF BELL**                   §

**SECTION I. PARTIES TO THE CONTRACT**

THIS CONTRACT, hereinafter called “Contract”, is made and entered into by and between the **Village of Salado, Texas**, acting herein by and through its governing body, hereinafter called “the Village” and **Perdue, Brandon, Fielder, Collins & Mott, L.L.P.**, hereinafter called “Perdue”.

THIS CONTRACT supersedes all prior oral and written agreements between the parties, and can only be amended if done so in writing and signed by all parties. Furthermore, this Contract cannot be transferred or assigned by either party without the written consent of all parties.

The Village agrees to employ and does hereby employ Perdue to enforce the collection of delinquent court fines, fees, and court costs pursuant to the terms and conditions described in this Contract.

NOW, THEREFORE, in consideration of the covenants, conditions and agreements hereinafter set forth, the adequacy of which is hereby acknowledged, the Village and Perdue agree as follows:

**SECTION II. VILLAGE’S COLLECTION OBLIGATIONS**

A. The Village agrees to refer all delinquent accounts, as defined below, to Perdue for collection on or about the first (1<sup>st</sup>) or the fifteenth (15<sup>th</sup>) of each month. The Village shall refer all delinquent accounts by electronic or magnetic medium, if available, or in any other way that is most favorable to the Village. All delinquent accounts should be in a specified format that will allow Perdue to process the account data.

B. An account is considered delinquent when not paid within sixty (60) days of the scheduled appearance date (if the defendant failed to appear), or from any granted extension, or from the date of conviction or judgment, or other court specified due date.

C. The Village will provide Perdue with copies of, or access to, the information and documentation necessary to collect the fines, fees, and court costs that are subject to this Contract.

### **SECTION III. PERDUE'S COLLECTION OBLIGATIONS**

A. Perdue agrees to refer all payments and correspondence directly to the court that has assessed or levied the fines, fees, and court costs being collected pursuant to this Contract. Perdue reserves the right to return any accounts not collected within one (1) year of referral by the Village. Neither party will have any obligation to the other with regard to returned accounts.

B. Perdue agrees to use its best efforts to collect the delinquent accounts received from the Village and to comply with all provisions of state and federal law and regulations promulgated pursuant thereto in the rendition of collection services contemplated by this Contract.

C. If requested by the Village, Perdue agrees to provide legal advice to the Village on its delinquent accounts.

### **SECTION IV. COLLECTION FEE**

The Village agrees to pay Perdue as follows:

(1) No charge for the collected fines, fees, and court costs referred to Perdue by the Village imposed on all unadjudicated offenses committed on or before June 18, 2003.

(2) Thirty percent (30%) of the collected fines, fees, and court costs referred to Perdue imposed on all adjudicated offenses committed on or before June 18, 2003; and

(3) Thirty percent (30%) of the collected fines, fees, and court costs referred to Perdue imposed on all offenses occurring after June 18, 2003.

The thirty percent (30%) collection fee shall be added to the amount owed by a defendant that is more than 60 days past due pursuant to Article 103.001, Texas Code of Criminal Procedure.

### **SECTION V. EXCEPTIONS TO THE COLLECTION FEE**

Pursuant to Article 103.0031(b), Texas Code of Criminal Procedure, Perdue cannot collect from a defendant the percentages referred to in Section IV. COLLECTION FEE if the defendant has been determined by the court of original jurisdiction to be indigent, or has insufficient resources or income, or is otherwise unable to pay all or part of the underlying fine or costs. The collection fee does not apply to a case that has been dismissed by a court of competent jurisdiction or to any amount that has been satisfied through time-served credit or community service.

The collection fee shall, however, be applied to any balance remaining after a partial credit for time served or community service if the balance is more than 60 days past due.

## **SECTION VI. METHOD OF PAYMENT**

Absent an agreement otherwise, the Village shall calculate and receive the amount of any collection fee due to Perdue. Said fee shall be paid to Perdue by check on a monthly basis. All compensation shall become the property of Perdue at the time of payment.

## **SECTION VII. COMMENCEMENT AND TERMINATION OF CONTRACT**

This Contract shall commence on the **June 15, 2016** and shall expire on the **June 15, 2018**. Unless prior to sixty (60) days before Expiration Date, the Village or Perdue notifies the other in writing that it does not wish to continue this agreement beyond its initial term, this Agreement shall be automatically extended for an additional one (1) year period without the necessity of any further action by either party. In the absence of any such sixty (60) day notice by either Village or Perdue, the Agreement shall continue to automatically renew for additional and successive one (1) year terms in the same manner at the end of each renewal period. Either party to this agreement shall have the right to terminate this agreement by giving the other party thirty (30) days written notice of their desire and intention to terminate this Contract. Upon termination Perdue shall have an additional six (6) months to complete work on all delinquent accounts referred from the Village prior to the notice of termination and will be entitled to compensation on such accounts if collected.

## **SECTION VIII. NOTICES**

For purposes of sending notice under the terms of this Contract, all notices from the Village shall be sent to Perdue by certified United States mail, or delivered by hand or courier, and addressed as follows:

Perdue, Brandon, Fielder, Collins & Mott, LLP  
Attn: John Banks  
**BY U.S. MAIL OR BY COURIER DELIVERY:**  
3301 Northland Drive, Suite 505  
Austin, Texas 78731  
(512) 302-0190

All notices from Perdue shall be sent to the Village by certified United States mail, or delivered by hand or courier, and addressed as follows:

Village of Salado  
Attn: Village Administrator  
P.O. Box 219  
Salado, Texas 76571  
(254) 947-5060

**SECTION IX. VENUE AND CONTROLLING LAW**

This Contract is made and is to be interpreted under the laws of the State of Texas. Venue for any disputes involving this Contract shall be in the appropriate courts in Burnet County, Texas.

**SECTION X. ACCEPTANCE OF EMPLOYMENT**

In consideration of the terms and compensation herein stated, Perdue hereby accepts said employment and undertakes performance of said Contract as set forth above.

**SECTION XI. SEVERABILITY**

Every provision of this Contract is intended to be severable. If any term or provision hereof is hereafter deemed by a court of competent jurisdiction to be illegal, invalid, void or unenforceable, for any reason or to any extent whatsoever, such illegality, invalidity, or unenforceability shall not affect the validity of the remainder of this Contract, it being intended that such remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the illegal, invalid, void or unenforceable provision or part thereof.

This Contract is executed on behalf of the Village by the presiding officer of its governing body who is authorized to execute this instrument by Ordinance heretofore passed and recorded in its minutes. This Contract may be executed in any number of counterparts, and each counterpart shall be deemed an original for all purposes. Signed facsimiles or electronically signed Contracts executed on behalf of the Village by the presiding officer of its governing body authorized to execute this instrument shall be binding and enforceable.

WITNESS the signature of all parties hereto this \_\_\_\_ day of \_\_\_\_\_, 2016.

**Village of Salado, Texas**

By: \_\_\_\_\_  
Mayor, Village of Salado

**PERDUE, BRANDON, FIELDER, COLLINS & MOTT, L.L.P.**

By: \_\_\_\_\_  
John Banks, Partner

# BOARD OF ALDERMEN

## AGENDA ITEM MEMORANDUM

---

5/5/16  
Item #8  
Regular Agenda  
Page 1 of 1

**DEPT/DIVISION REVIEW:** Kim Foutz, Village Administrator

**ITEM DESCRIPTION:** Presentation, discussion, and possible action on a professional services agreement with Kasberg, Patrick and Associates, LP, in the amount of \$490,550 for the final design, bidding, construction administration, special services, and on-site representation for the Wastewater Treatment Plant and Effluent Pump Station and Pipeline.

**STAFF RECOMMENDATION:** Staff recommends approval.

**ITEM SUMMARY AND ANALYSIS:** The following professional services are included in the proposed professional services agreement and were not included in the first engineering services contract dated November 5, 2015. Please see the attached agreement for details.

***Wastewater Treatment Plant***

**Basic Services:**

- Design Surveys
- Final Design Services
- Bidding Services
- Construction Administration
- Construction Staking

**Special Services**

- Geotechnical Investigations
- Electrical Engineering Services for Stagecoach Emergency Generator
- Material Testing Allowance for All Projects
- On-Site Representation

***Effluent Pump Station and Pipeline***

**Basic Services**

- Design Surveys
- Final Design Services
- Bidding Services (to bid with WWTP)
- Construction Administration
- Construction Staking

**Special Services**

- On-site Representation

*Note:* Services for Easement Field Notes and Sketches for the Effluent Pipeline are not included; KPA recommends that any easement services for this pipeline be invoiced under the existing Wastewater System Improvements contract at \$2,000 each based on the actual number of documents prepared.

**FISCAL IMPACT:** This contract is for \$490,550. Funds are available in the Wastewater Bond Fund.

**ATTACHMENTS:** Proposed Professional Services Agreement



**KASBERG, PATRICK & ASSOCIATES, LP**  
 CONSULTING ENGINEERS  
 Texas Firm F-510

Temple  
 One South Main Street  
 Temple, Texas 76501  
 (254) 773-3731

**RICK N. KASBERG, P.E.**  
**R. DAVID PATRICK, P.E., CFM**  
**THOMAS D. VALLE, P.E.**  
**GINGER R. TOLBERT, P.E.**  
**ALVIN R. "TRAE" SUTTON, III, P.E., CFM**

Georgetown  
 1008 South Main Street  
 Georgetown, Texas 78626  
 (512) 819-9478

May 2, 2016

Ms. Kim Foutz  
 City Administrator  
 Village of Salado  
 P. O. Box 219  
 Salado, Texas 76571

Re: Village of Salado  
 Wastewater Treatment Plant and  
 Effluent Pump Station and Pipeline

Dear Ms. Foutz:

This letter proposal is in response to your request for engineering services required for final design, bidding and construction administration for the Wastewater Treatment Plant (WWTP) and Effluent Pump Station and Pipeline. This proposal also includes an allowance for material testing to be used throughout construction of all projects, electrical engineering services associated with temporary use of the Lift Station No. 2 emergency electric generator for the Stagecoach WWTP and construction staking services for all pipelines along Royal Street and the Sanctuary Property. These construction staking services were not included in the Royal Street Gravity Sewer and Force Main project. Exhibit A is included as an attachment to this proposal letter depicting the general layout of the Wastewater Treatment Plant and Effluent Pump Station and Pipeline. The following are the Opinions of Probable Construction Cost (OPCC) for each of these components:

<u>Description</u>	<u>OPCC</u>
WWTP	\$ 3,675,000
Effluent Pump Station and Pipeline	\$ 403,000 *
Total OPCC	\$ 4,078,000

\* Our OPCC and proposed engineering services for the Effluent Pipeline are based on an approximate length of 2,000 feet as is stated in the TCEQ Discharge Permit for the WWTP.

In order for us to provide the services required for completion of the final design and construction related services (including geotechnical investigations and an allowance for material testing during construction for the overall project), the following not-to-exceed lump sum amounts totaling \$490,550 will be applicable:

**WWTP**

**BASIC SERVICES**

A. Design Surveys (Provided under separate contract with Ron Carroll Surveyors)		
B. Final Design Services		
1. Civil Engineering (KPA)	\$	220,600.00
2. Structural Engineering (Winton Engineering)	\$	20,000.00
3. Electrical Engineering (McCreary & Associates)	\$	35,000.00
		Subtotal Final Design \$ 275,600.00
C. Bidding Services	\$	11,500.00
D. Construction Administration	\$	72,000.00
E. Construction Staking (All County Surveying)		
1. WWTP	\$	2,800.00
2. Royal Street Force Main	\$	4,200.00
3. Royal Street Gravity Sewer	\$	3,000.00
4. Sanctuary Gravity Sewer	\$	4,350.00
		Subtotal Construction Staking \$ 14,350.00
		Total Basic Services \$ 373,450.00

**SPECIAL SERVICES**

A. Geotechnical Investigations (Langerman Foster Engineering Co.)	\$	12,000.00
B. Electrical Engineering Services for Stage Coach WWTP Emergency Generator (McCreary & Associates)	\$	3,000.00
C. Material Testing Allowance for all Projects (Langerman Foster)	\$	10,000.00
D. On-Site Representation (10-months, @ 2.5 hours/day avg.)	\$	42,000.00
		Subtotal Special Services \$ 67,000.00

**WWTP TOTAL \$ 440,450.00**

**Effluent Pump Station and Pipeline**

**BASIC SERVICES**

A. Design Surveys	\$	6,000.00
B. Final Design Services		
a. Civil Engineering (KPA)	\$	23,400.00
b. Structural Engineering (Winton Engineering)	\$	2,000.00
c. Electrical Engineering (McCreary & Associates)	\$	4,000.00
C. Bidding Services (to bid with WWTP)	\$	1,500.00
D. Construction Administration	\$	7,000.00
E. Construction Staking	\$	2,000.00
		Subtotal Basic Services \$ 45,900.00

**SPECIAL SERVICES**

A. On-Site Representation (1-month, @ 2.5 hours/day avg.)	\$	4,200.00
		Subtotal Special Services \$ 4,200.00

**EFFLUENT PUMP STATION AND PIPELINE TOTAL \$ 50,100.00**

**TOTAL \$ 490,550.00**

Ms. Kim Foutz  
May 2, 2016  
Page Three

Services for Easement Field Notes and Sketches for the Effluent Pipeline are not included in this proposal. We recommend that any easement services that are required for this pipeline be invoiced under the existing Wastewater System Improvements contract. Easement(s) Field Notes and Sketches for the Effluent Pipeline will be invoiced at \$2,000 each based on the actual number of documents prepared, as previously outlined in the August 19, 2015 proposal. All services included in this proposal will be invoiced on a lump sum basis. Lump Sum task will be invoiced monthly based on a percent complete.

The cost for on-site representation (OSR) is based on an average of 2.5 hours per day for both WWTP and Effluent Pump Station and Pipeline. These cost are based on normal business hours and do not include after-hour work.

Exhibit B provides a more detailed breakdown and description of the tasks included in our Scope of Services.

The Allowance in the amount of \$10,000 for material testing services will be invoiced on a cost basis plus 10%. These test will be performed by Langerman Foster Engineering Company and will include sieve analysis, concrete slump and cylinder strength tests, field density test, Atterberg Limits and any other test deemed necessary throughout construction of the Collection System and WWTP.

Exhibit C outlines the rates which would be used to charge for special or additional services authorized beyond the scope.

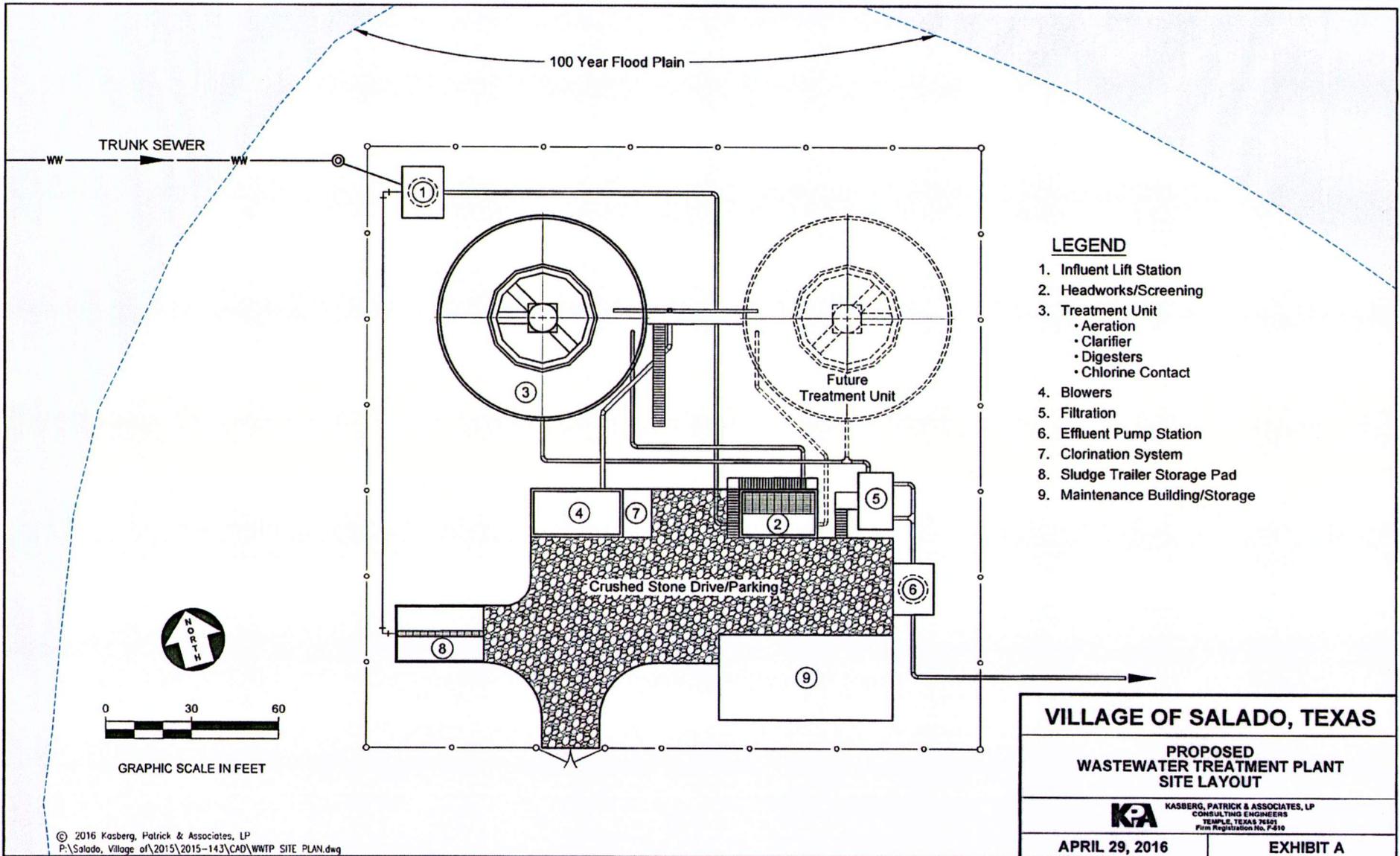
KPA will begin work once a written notice to proceed is received in our office. The Contract Documents and Specifications for the WWTP and Effluent Pump Station and Pipeline will be completed within a 150 calendar days. We are available to address any questions or comments that you may have about this proposal.

Sincerely,



Rick N. Kasberg, P.E.

RNK/crc



© 2016 Kasberg, Patrick & Associates, LP  
P:\Salado, Village of\2015\2015-143\CAD\WWTP SITE PLAN.dwg

## **Exhibit B – Scope of Services**

### **Village of Salado Wastewater Treatment Plant and Effluent Pump Station and Pipeline**

#### **TASK IDENTIFICATION For ENGINEERING SERVICES**

**May 2, 2016**

#### **BASIC DESIGN SERVICES**

##### **TASK 1 – FINAL DESIGN**

1. Prepare construction drawings and specifications showing the character and extent of the project based on the accepted preliminary design documents. The construction plans will be drawn on 11-inch by 17-inch sheets. The 11x17 prints will be used for bidding purposes and for field copies. The 11x17 prints will also be used for record drawings. This proposal includes twenty (20) sets of 11x17 prints for bidding and construction purposes.
2. Prepare plan and profile drawings of the Effluent Pump Station.
3. Prepare structural plans, sections and details for the WWTP and Effluent Pump Station support structures.
4. Prepare electrical schematics and drawings for WWTP Components and Effluent Pump Station controls, panels and wiring, including coordination with Oncor Electric regarding power supply.
5. Prepare a revised opinion of probable total project costs based on the final drawings and specifications.
6. Prepare electrical schematics and drawings for Stagecoach WWTP temporary use of emergency electric generator designated for Lift Station no. 2.
7. Prepare and submit TCEQ 217 Compliance Letter for Approval.
8. Prepare technical specifications, bid schedule and construction contract documents for use in bidding the project.
9. Attend meetings with Village Staff Members for project progress meetings and plan reviews.

## TASK 2 – BIDDING

1. Prepare and submit a signed and sealed Opinion of Probable Construction Cost to the Village of Salado. This OPC will be itemized by typical units of construction.
2. Assist the Village in advertising for and obtaining bids for the construction contract. This includes maintaining a record of prospective bidders to whom bidding documents have been issued and conducting pre-bid conference.
3. Issue addenda as appropriate to interpret, clarify, expand or amend the bidding documents.
4. Assist the Village in determining the qualifications and acceptability of prospective contractors, subcontractors and materials suppliers.
5. Consult with and advise the Village as to the acceptability of alternative materials and equipment proposed by the prospective constructors when substitution prior to the award of contracts is allowed by the bidding documents.
6. Attend the bid opening, prepare bid tabulation sheets, and provide assistance to the Village in evaluating bids and in assembling and awarding contracts for construction, materials, equipment and services.
7. Prepare letter of recommendation for award of the construction contract.

## TASK 3 – CONSTRUCTION ADMINISTRATION

1. Prepare for and conduct pre-construction conference and assist in issuance of a Notice to Proceed on behalf of the Village of Salado.
2. Review, for compliance with design concepts, shop and erection drawings submitted by the contractor.
3. Review laboratory, shop, and mill test reports on materials and equipment. **The cost for these tests are not included in our proposal.**
4. Visit the project sites at appropriate intervals as construction proceeds to observe and report on the progress and quality of the executed work.
5. Issue instructions from the Village of Salado to the contractors, issue necessary interpretations and clarifications of contract documents, prepare change orders requiring special inspections and testing of the work, and make recommendation as to acceptability of the work.
6. Make recommendations to the Contractor on corrective actions or contractual measures that may be exercised by the Village of Salado.
7. Prepare sketches required to resolve problems due to actual field conditions encountered.

8. Assist the Village of Salado in determining amounts of progress payments due for each contract, based on degree of completion of the work.
9. Coordinate and conduct the final walk through for the project. After the final walk through is complete a punch list will be generated and monitored.
10. Prepare monthly assessment of contractor quality, timeliness and cooperation with Village Staff and the public.
11. Prepare record drawings from information submitted by the Contractor.
12. Make a final review and report on completion of the project, including recommendations concerning final payments to contractors and release of retained percentages.
13. Make a written recommendation of final acceptance of the project to the Village.
14. KPA will utilize All County Surveying for construction surveys. Construction surveys will include offset staking at all points of inflection and at 100-foot interval along the pipeline route. Beginning and ending points of encasement pipe will also be staked.
15. Based on construction survey data KPA will prepare cut sheets for submittal to the Contractor.
16. Coordinate material testing services as deemed necessary during construction with Langerman Foster Engineering Co.

### **SPECIAL SERVICES**

#### **TAKS 4 – GEOTECHNICAL INVESTIGATIONS**

1. Prepare geotechnical investigations and soil borings (3 each) at the WWTP Site for use in structural design of civil supports (foundations and built-in-place structures) and soil borings at 6 other locations along the collection system route (Pipelines and Lift Station) to demonstrate subsurface conditions to potential bidders. The Geotechnical Investigations and soil borings will be presented in a Geotechnical Report.

#### **TASK 5 – ON-SITE REPRESENTATION**

1. Conduct and/or coordinate field testing and observation of proper bedding materials for the pipeline, pipe and fittings and joints, valves, electrical conduit and control panels for the meter vault installation and other incidentals associated with daily construction activities.
2. Observe equipment and pipe materials for compliance with the plans and specifications and approved shop drawing submittals.
3. Verify installed quantities and materials on hand for monthly pay estimates to Contractors.
4. Confirm and note changes on as-built plans submitted by Contractors.

5. Observe trench excavations and backfill for compliance with plans and specifications.
6. Prepare written daily reports on construction activities summarizing work performed, quantities installed, number of laborers on site, equipment used, weather conditions and significant activities and test results.
7. Participate in pre-construction meetings, progress meetings and final walkthroughs.
8. Meet with impacted property owners to address concerns and informing them of project schedules and events which may impact access to their property and resolving complaints.

**EXHIBIT C**

**Charges for Additional Services**

**Village of Salado  
Wastewater Treatment Plant and  
Effluent Pump Station and Pipeline**

<u>POSITION</u>		<u>RATES</u>
Principal	\$	165/hour
Engineer	\$	150/hour
Engineer-in-Training (EIT)	\$	100/hour
Draftsman/Technician (CAD)	\$	80/hour
Clerical	\$	45/hour
On-Site Representative	\$	80/hour
Survey Crew	\$	125/hour
Expenses		Cost + 10%

## Contract Agreement for Professional Services

### *Wastewater Treatment Plant And Effluent Pump Station and Pipeline Village of Salado, Texas*

**THIS AGREEMENT** is entered into the 5th day of May, 2016 by and between the Village of Salado, (hereinafter called "OWNER"), and **Kasberg, Patrick & Associates, LP**, (hereinafter called "ENGINEER");

**WHEREAS**, the OWNER desires to obtain professional engineering services for the **Wastewater Treatment Plant and Effluent Pump Station and Pipeline** (hereinafter called the "PROJECT");

**WHEREAS**, the OWNER desires to obtain professional services in connection with the PROJECT; and

**WHEREAS**, the ENGINEER is qualified and capable of performing the professional engineering services proposed herein, is acceptable to the OWNER, and is willing to enter into an Agreement with the OWNER to perform such services.

**NOW, THEREFORE, BE IT RESOLVED**, that the parties hereto do mutually agree as follows:

#### **1.01 Basic Agreement**

- A. Engineer shall provide, or cause to be provided, the services set forth in this Agreement, and OWNER shall pay ENGINEER for such Services as outlined in the Engineer's Proposal Letter dated **May 2, 2016**.

#### **2.01 Payment Procedures**

- A. *Preparation of Invoices.* Engineer will prepare a monthly invoice in accordance with the Engineer's standard invoicing practices and submit the invoice to the Owner.
- B. *Payment of Invoices;* Invoices are due and payable within 30 days of receipt. If Owner fails to make any payment due Engineer for services and expenses within 30 days after receipt of Engineer's invoice, the amounts due Engineer will be increased at a rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, Engineer may, without liability, after giving seven days written notice to Owner, suspend services under this Agreement until Engineer has been paid in full all amounts due for services, expenses and other related charges. Payments will be credited first to the interest and then to the principal.

#### **3.01 Additional Services**

- A. If authorized by Owner, or if required because of changes in the Project, Engineer shall furnish services in addition to those set forth above.

- B. Owner shall pay Engineer for such additional services at the hourly costs shown on Exhibit C of Attachment A – Engineers Proposal Letter dated May 2, 2016.

#### **4.01 Insurance**

- A. The Engineer will maintain at all times professional liability or errors and omissions insurance covering any claim hereunder occasioned by Engineer's negligent act, or error or omission in an amount of not less than \$1,000,000 per claim or annual aggregate. Engineer agrees to maintain professional liability insurance during the term of this agreement and, if the policy is on a claims made basis, for a period of not less than five (5) years after the Project is complete and provide proof of such continuing coverage. Engineer further agrees to provide proof of coverage as needed for prior acts back to the date of execution of this agreement if Engineer changes insurance carriers during this extended indemnity period.
- B. Engineer will further maintain general commercial liability coverage with minimum limits for damages resulting from bodily injury or death of \$250,000 per person and \$500,000 per occurrence, and \$100,000 per occurrence for property damage, or a combined single limit of \$500,000.

Engineer further agrees that with respect to the above required liability insurances, the Owner will:

1. Be named as additional insured for general liability insurance;
2. Be provided with a waiver of subrogation, in favor of the Owner;
3. Be provided with 30 days advance written notice of cancellation, nonrenewal, or reduction in coverage;
4. Prior to execution of this Agreement, be provided with either their original Certificate of Insurance or insurance policy evidencing the above limits and requirements, subject to approval by the Owners Office.

The insurance requirements set out in this section are independent from all other obligations of Engineer under this Agreement and apply whether or not required by any other provision of this Agreement.

#### **5.01 Termination**

- A. The obligation to provide further services under this Agreement may be terminated:
1. For cause,
    - a. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the Agreement's terms through no fault of the terminating party.
    - b. By Engineer:

- 1) Upon seven days written notice if Engineer believes that Engineer is being requested by Owner to furnish or perform services contrary to Engineer's responsibilities as a licensed professional; or
  - 2) Upon seven days written notice if the Engineer's services for the Project are delayed or suspended for more than 90 days for reasons beyond Engineer's control.
  - 3) Engineer shall have no liability to Owner on account of such termination.
- c. Notwithstanding the foregoing, this Agreement will not terminate as a result of a substantial failure under paragraph 5.01.A.1.a if the party receiving such notice begins, within seven days of receipt of such notice, to correct its failure and proceeds diligently to cure such failure within no more than 30 days of receipt of notice; provide, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for here shall extend up to, but in no case more than, 60 days after the date of receipt of notice.
2. For convenience, by Owner effective upon the receipt of notice by Engineer.
- B. The terminating party under paragraphs 5.01.A.1 or 5.01.A.2 may set the effective date of termination at a time up to 30 days later than otherwise provided to allow Engineer to demobilize personnel and equipment from the Project site, to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble Project materials in orderly files.

#### **6.01 Controlling Law**

- A. This Agreement is to be governed by the law of the State in which the Project is located.

#### **7.01 Successors, Assigns and Beneficiaries**

- A. Owner and Engineer each is hereby bound and the partners, successors, executors, administrators and legal representatives of Owner and Engineer (and to the extent permitted by paragraph 7.01B the assigns of Owner and Engineer) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.
- B. Neither Owner nor Engineer may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
- C. The Engineer shall not sublet any rights under or interest in this Agreement without written consent of the Owner.

## 8.01 General Considerations

- A. The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with Engineer's services. Engineer and its consultants may use or rely upon the design services of others, including, but not limited to, contractors, manufacturers, and suppliers.
- B. Engineer shall not at any time supervise, direct, or have control over any contractor's work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, for safety precautions and programs incident to a contractor's work progress, nor for any failure of any contractor to comply with laws and regulations applicable to contractor's work.
- C. Engineer neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract between Owner and such contractor.
- D. Engineer shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any contractor's agents or employees or any other persons (except Engineer's own employees) at the Project site or otherwise furnishing or performing any of construction work; or for any decision made on interpretations or clarifications of the construction contract given by Owner without consultation and advice of Engineer.
- E. The general conditions for any construction contract documents prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by the Engineers Joint Contract Documents Committee (No. C-700, 2002 Edition).
- F. All design documents prepared or furnished by Engineer are instruments of service, and Engineer retains an ownership and property interest (including the copyright and the right of reuse) in such documents, whether or not the Project is completed.
- G. To the fullest extent permitted by law, Owner and Engineer (1) waive against each other, and the other's employees, officers, directors, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project, and (2) agree that Engineer's total liability to Owner under this Agreement shall be limited to \$1,000,000.
- H. The parties acknowledge that Engineer's scope of services does not include any services related to a Hazardous Environmental Condition (the presence of asbestos, PCBs, petroleum, hazardous substances or waste, and radioactive materials). If Engineer or any other party encounters a Hazardous Environmental Condition, Engineer may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the Project affected thereby until Owner: (i) retains

appropriate specialist consultants or contractors to identify and, as appropriate, abate, remediate, or remove the Hazardous Environmental Condition; and (ii) warrants that the Site is in full compliance with applicable Laws and Regulations.

#### **9.01 Use of Electronic Media**

- A. Copies of documents that may be relied upon by Owner are limited to the printed copies (also known as hard copies) that are signed or sealed by the Engineer. Files in electronic media format of text, data, graphics, or of other types that are furnished by Engineer to Owner are only for convenience of Owner. Any conclusions or information obtained or derived from such electronic files will be at the user's sole risk.
- B. When transferring documents in electronic media format, Engineer makes no representations as to long-term capability, usability or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by Engineer at the beginning of this Agreement.
- C. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.
- D. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by the party delivering the electronic files. Engineer shall not be responsible to maintain documents stored in electronic media format after acceptance by Owner.

#### **10.01 Mediation**

- A. Owner and Engineer agree that they shall first submit any and all unsettled claims, counterclaims, disputes, and other matters in question between them arising out of or relating to this Agreement or the breach thereof ("disputes") to mediation.
- B. If a party alleges a dispute or controversy with the other party arising out of or relating to the performance of services under this Agreement, then either party shall have the right to request mediation within 20 days after the claiming party has provided the other party with written notice describing the dispute and the claiming party's position with reference to the resolution of the dispute.
- C. Except as otherwise agreed, mediation will proceed pursuant to the Construction Industry Mediation Rules of the American Arbitration Association in effect on the Effective Date of the Agreement. A mediator will be appointed within 30 days of receipt of a written request. The mediator will endeavor to complete the mediation within 30 days thereafter.
- D. No performance obligation under or related to this agreement shall be interrupted or delayed during any mediation proceeding except upon written agreement of both parties.

E. The mediator shall not be witness in any legal proceedings related to this Agreement.

**11.01 Total Agreement**

A. This Agreement constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

**12.01 Execution of Agreement**

IN WITNESS WHEREOF, the parties hereto have executed this agreement, the Effective Date of which is indicated on page 1.

OWNER:

By: \_\_\_\_\_

Title: Mayor Skip Blancett

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

ENGINEER:

By: 

Title: Rick N. Kasberg, P.E., President

Date Signed: 5/2/16

License or Certificate No. and State: \_\_\_\_\_

Texas Firm No. 000510

Address for giving notices:

Village of Salado  
P.O. Box 219  
Salado, TX 76571

Address for giving notices:

Kasberg, Patrick & Associates, LP  
One S. Main  
Temple, TX 76501

b. Park Land Dedication.

1. Any person, firm, or corporation offering a preliminary or final plat for development of any area zoned and to be used for single-family, duplex, or multi-family residential purposes within the Village shall include on such preliminary or final plat the dedication (to the Village of Salado) of land for public park purposes, calculated at the rate of not less than one (1) acre of park land per one hundred (100) ultimate units of such residential subdivision, and the buildable area of public parks shall not be smaller than five (5) acres in size.

The location and size of public parks within the Village shall be determined in all instances by the Board of Aldermen of the Village of Salado. That determination shall be based upon existing circumstances at the time, and shall be in accordance with the Park and Open Space Plan adopted by the Village.

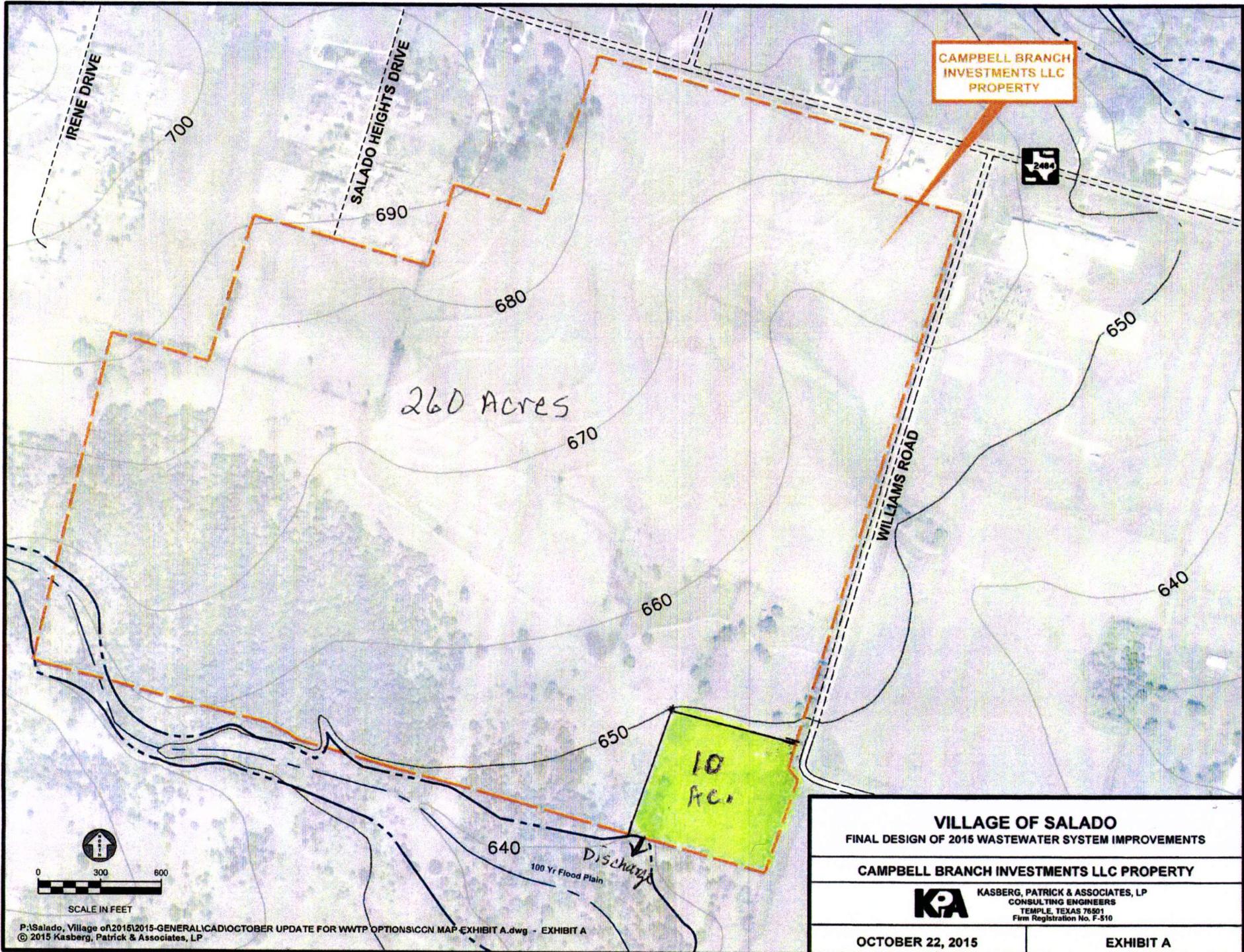
2. The construction and final subdivision plat shall clearly show the area proposed to be dedicated as park land under the provisions of this Section. The Planning and Zoning Commission shall determine the numbers of persons per unit based upon data compiled by the Village of Salado, from time to time, in the update of its Park and Open Space Plan, which shall be reviewed and adjusted by the Board of Aldermen, as necessary, to reflect current figures.

The applicant has the duty to submit with the subdivision plat for a multi-family residential development information concerning the numbers of units, and should he or she fail to do so, the Commission shall make an assumption of the highest density that would be allowed in such multi-family residential district for the purposes of calculating park land requirements.

3. In instances where park land is unacceptable, unavailable, or unsuitable (i.e., developments resulting in less than 100 units) for park purposes, and subject to review by the Board of Aldermen, money in lieu of land shall be paid into a "park dedication fund" to be established by the Village of Salado. Such money shall be in the amount of two hundred dollars (\$200) per individual dwelling unit regardless of type, such as single-family, multi-family or other dwelling type.
4. The park dedication fund will be administered by the Board of Aldermen to best benefit the development, provided that the establishment of a park site shall be within the discretion of the Board of Aldermen. The money paid by the applicant will be expended on such park site(s) within ten (10) years from the date of final plat approval. All sums deposited to the fund shall be accounted for by the Village of Salado and expended for such purposes as land acquisition, construction of improvements, and purchase of equipment (at the Village's discretion) for a public park site that is located within the park service area(s) in which the subdivision depositing the funds is located. If such funds are not so expended within ten (10) years following final plat approval, the property owner shall be entitled to a refund of such funds, upon written request, less any amounts expended for such purposes.
5. The dedicated land required hereby shall be well-drained, relatively level in areas that are proposed for active park uses, and shall be suitable for appropriate recreational and leisure activities such as hiking, bicycling, picnicking and wildlife observance. All park land offered for dedication under this Section shall meet the requirements for location and for

physical land characteristics outlined in the Park and Open Space Plan. Areas having environmentally sensitive ecosystems, attractive views, topographical interest or unique natural features shall be preferred and encouraged for park land dedication. Areas which are relatively featureless, barren of natural trees and vegetative cover, and which are not physically attractive in some other way, may not be typically acceptable. Drainage areas may be accepted if the channel is to essentially remain in its natural state, and if any proposed pathways, landscaping, irrigation systems, and other improvements are constructed in accordance with Village standards and in keeping with the character of the area.

- c. Public Park Access. Park land shall be easily accessible for the public and open to public view so as to benefit area residents, enhance the visual character of the Village, protect public safety, and minimize conflicts with adjacent land uses. A proposed subdivision adjacent to a public park or open space area shall not be designed to restrict reasonable access or visibility into the park (for example, shall not have many lots backing to the park land). Street connections between residential neighborhoods shall be provided, wherever possible, to provide reasonable access to parks and open space areas. Proposed access and public availability, both physical and visual, of park land shall be approved by the Board of Aldermen.

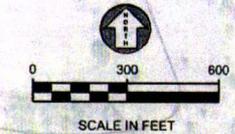


CAMPBELL BRANCH INVESTMENTS LLC PROPERTY

260 Acres

10 Acre

<b>VILLAGE OF SALADO</b> FINAL DESIGN OF 2015 WASTEWATER SYSTEM IMPROVEMENTS	
<b>CAMPBELL BRANCH INVESTMENTS LLC PROPERTY</b>	
 <b>KASBERG, PATRICK &amp; ASSOCIATES, LP</b> CONSULTING ENGINEERS TEMPLE, TEXAS 76701 Firm Registration No. F-310	
OCTOBER 22, 2015	EXHIBIT A



P:\Salado, Village of\2015\2015-GENERAL\CAD\OCTOBER UPDATE FOR WWTP OPTIONS\CCN MAP EXHIBIT A.dwg - EXHIBIT A  
© 2015 Kasberg, Patrick & Associates, LP