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AGENDA

The Center City Council will meet in Regular Session on Monday, October 28, 2019 at 5:00 p.m. in Council Room at Center City Hall. The following items are on the agenda for appropriate action:

- I. Welcome Guests and Visitors.**
- II. Approval of Minutes:**
 - A. Regular Meeting on September 23, 2019.
- III. Discuss Consider and Action on the Following:**
 - A. Resolution 2019-19 Authorizing Application to TP&W Local Parks Grant Program.
 - B. Authorize Agreement with MHS Planning for TP&W Grant Application.
 - C. Audit Engagement Letter with Axley & Rode.
 - D. Addition of Vehicle Bay by Center Volunteer Fire Department.
 - E. Award Surplus Vehicle/Equipment Bids.
- IV. Items of Interest from Council and City Manager and Citizens – No Action Items.**
 - 1 - Chamber Banquet, November 7th
- V. Executive Session**

Consider entering executive session for legal consultation with the City Attorney and discussion of pending litigation, personnel matters and land acquisition with possible action related thereto upon reconvening in open session in accordance with Government Code Section 551.071, 551.072 and 551.074
- VI. Adjournment.**

**MINUTES OF THE CITY OF CENTER
CITY COUNCIL MEETING
REGULAR MEETING
September 23, 2019**

The Center City Council met in a regular session on Monday, September 23, 2019 at 5:00 p.m. in the Council Chambers at Center City Hall. The meeting was open to the public. Notices were properly posted of the date, place and hour and the news media was notified. The following members were present:

David Chadwick	-	Mayor	Absent
Leigh Porterfield	-	Mayor Pro Tem	
Joyce Johnson	-	Council Member	
Howell Howard	-	Council Member	
Jerry Lathan	-	Council Member	
Terry Scull	-	Council Member	
Randy Collard	-	Council Member	
Chad Nehring	-	City Manager	
Barbara Boyd	-	City Secretary	
John Price	-	City Attorney	

Guests signed the register.

Item I. Mayor Pro Tem, Leigh Porterfield opened the meeting and welcomed the visitors.

Stephen Standley with the United Postal Service addressed the Council regarding a letter of support for naming the Post Office.

Item II. Approval of Minutes:

A. Regular Meeting on September 23, 2019.

Council Member Howell Howard made a motion to approve the minutes. Council Member Randy Collard seconded the motion. All voted in favor.

Item III. Consider Discussion and Possible Action on the following:

- A. Ordinance 2019-13 Adopting the Fiscal Year 2020 Budget.** City Manager, Chad Nehring stated his ordinance adopts the presented budget by fund allocations and component units in accordance with the budget book which serves as the City's annual financial plan. Council Member Joyce Johnson made the motion to approve Ordinance 2019-13 Adopting the Fiscal Year 2020 Budget. Council Member Howell Howard seconded the motion. All voted in favor.
- B. Ordinance 2019-14 Adopting Tax Rate & Levy for Fiscal Year 2020.** City Manager, Chad Nehring stated this ordinance is the annual ordinance following the adoption of the budget to establish the property tax rate necessary to sustain the adopted budget. Mr. Nehring stated the calculated rate for this year is \$0.61/\$100 and this represents an increase from the current rate of \$0.60/\$100 but remains well below the rollback rate. Council Member Randy Collard moved that the property tax rate be increased by the adoption of a tax rate of 0.610000, which is effectively a 5.50 percent increase in the tax rate. Council Member Howell Howard seconded the motion. All voted in favor.
- C. Ordinance 2019-15 Establishing Rates & Fees for Fiscal Year 2020.** City Manager, Chad Nehring stated this also is the annual ordinance for any adjustments to rates, fees and charges to sustain the budget at adopted. Mr. Nehring stated these changes represent slight increases in utility charges for water, sewer and solid waste. Mr. Nehring stated other items

of adjustment do include slight increases in youth league registration fees and revised rates for carnival/downtown electrical to reflect the actual costs of the services required and provided, as well as a new recommended fee for temporary street closure activities requiring police assistance and/or traffic control that has previously had no charge. Council Member Terry Scull made a motion to approve Ordinance 2019-15 with the exception of changing the carnival fee. The motion died after lack of a second. Council Member Howell Howard made the motion to approve Ordinance 2019-15 Establishing Rates & Fees for Fiscal Year 2020 as presented. Council Member Terry Scull seconded the motion. All voted in favor.

- D. Ordinance 2019-16 Amending Budget for Fiscal Year 2019. City Manager, Chad Nehring stated this is the annual ordinance to formally modify the current year budget for prior changes and adjustments approved by Council. Council Member Terry Scull made the motion to approve Ordinance 2019-16 Amending Budget for Fiscal Year 2019. Council Member Howell Howard seconded the motion. All voted in favor.
- E. Approve Temporary Street Closures for CHS Homecoming Parade. City Manager, Chad Nehring stated this is the annual request for street closures related to a homecoming parade downtown. Mr. Nehring stated the route may need to be changed once the contractors begin work on the Downtown Renovation Project. Council Member Howell Howard made the motion to approve Temporary Street Closures for the CHS Homecoming Parade with a possible route adjustment, if needed. Council Member Randy Collard seconded the motion. All voted in favor.
- F. Appointments:
 - 1. Shelby County Appraisal District Board Members. Council Member Joyce Johnson made the motion to appoint David Chadwick and John Howard to the Shelby County Appraisal District Board. Council Member Terry Scull seconded the motion. All voted in favor.

Item IV. Items of Interest from Council and City Manager, and Citizens – No Action Items.

- 1. Doo Dah Parade – September 25, 2019 at 4:30 pm.
- 2. East Texas Poultry Festival – October 4, 5, and 6, 2019.

Item V. Executive Session.

Council entered into Executive Session at 5:34 pm for consultation with the City Attorney and adjourned at 5:43 pm. No Action was taken.

Consider entering executive session for legal consultation with the City Attorney and discussion of pending litigation, personnel matters and land acquisition with possible action related thereto upon reconvening in open session in accordance with Local Government Code Section 551.071, 551.072 and 551.074.3.

Item VI. Adjournment. Mayor Pro Tem, Leigh Porterfield adjourned the meeting at 5:45 pm.

Leigh Porterfield, Mayor Pro Tem

Attest:

Barbara Boyd, City Secretary

MEMORANDUM

TO: Mayor and City Council

FR: Chad D. Nehring, City Manager



Date: October 25, 2019

RE: Agenda Comments for Regular Meeting of October 28, 2019

REGULAR MEETING AGENDA:

III.A. Resolution 2019-19 – Authorizing Application to Texas Parks & Wildlife Local Park Grant Program

Applications for this grant cycle through the Local Park program are due December 1st. This resolution authorizes the development and submission and is required to initiate the application process on TP&W digital platform. Staff has already established the project and upon Council authorization, will be able to activate the data entry process. The following agenda item would engage the professional services to develop the project and complete the application process. As the final project for submission is not yet prepared for Council approval, and thus there cannot be a project budget yet, this initial resolution only commits the 50% required. Based on appropriated funds within the capital budget this would only allow for development of a \$150,000 enhancement project. Staff does recommend approval of this preliminary item to initiate the process should Council desire to make application under this grant program.

III.B. Authorize Agreement with MHS Planning for Project Development and TP&W Grant Application

As for several other park projects, staff is recommending employing the professional park planning and grant development services of MHS Planning to assist with potential project and application submission. The only park project within the current Capital Improvement Plan is the enhancement of Perry Sampson Park and this agreement identifies that as the scope of work for this agreement.

III.C. Audit Engagement Letter with Axley & Rode

This is the annual agreement for required audit services. Staff is recommending the continuation of the three-decade relationship with Axley & Rode for performance of these financial analysis and operational review.

III.D. Center Volunteer Fire Department Addition of Vehicle Bay

Staff has worked with the CVFD in their desire to fund the addition of a twenty-five foot extension to the west (downtown) side of the existing station to store the two grass trucks. This would allow direct access into the bay housing these units and ease the current stacking of apparatus in the current bays. Their basic detail is a simple 25-foot extension the full depth and height and matching current construction in materials and design. Other than newer metal it should look as if all built together, just as the prior bay addition now does. Staff and the CVFD are exploring replacement insulation, spray rather than batting, of the entire bay area at time of insulation on this addition. Suitable plans for commercial construction will be completed once approved and prior to construction. Council approval is necessary because the City agreement is for all maintenance and insurance on the facility, so this addition of annual costs, albeit minor, results in a budgetary item and is required by the contract agreement with the CVFD. Staff recommends approval.

III.E. Award of Bids on Surplus Vehicle/Equipment

The tabs of bids received on previously-designated surplus items and the tabs indicating the highest bidders are included and recommended by the Mr. Boyd as the City's purchasing agent.

IV. Items of Interest

- 1) Chamber Banquet, November 7th @ 6:30
- 2) Ron Cox – Council Retreat Report @ November 11th meeting
- 3) Downtown Renovation Project
Visible activity is well underway with demolition of roadway and parking surfaces as well as removal of old County street lights and removal of all overhead electrical wires by SWEPCO. Staff is working with the contractor and merchants to respond to any questions or concerns that can be addressed including adapting the traffic control to accommodate vehicle traffic more than anticipated. Utility line reinstallation and establishing revised grade of road/parking areas will be next, then they will progress to installing base and surface materials.
- 4) Henrietta Elevated Tank Renovation
If wind/rain allows, this project should be completed in thirty days and resolve TCEQ requirements.
- 5) Legislative Session – Action items
An unusually assertive legislative session produced significantly more and substantial changes to a large part of local government operations. This ranges from dramatic changes of procedural requirements on a variety of items and huge increases in court fees for state revenue to the minimal terminology changes of the overdramatized property tax reform.



Local Park Grant Program Resolution Authorizing Application

Resolution 2019-19

A resolution of the City of Center as hereinafter referred to as "Applicant," designating certain officials as being responsible for, acting for, and on behalf of the Applicant in dealing with the Texas Parks & Wildlife Department, hereinafter referred to as "Department," for the purpose of participating in the Local Park Grant Program, hereinafter referred to as the "Program"; certifying that the Applicant is eligible to receive program assistance; certifying that the Applicant matching share is readily available; and dedicating the proposed site for permanent (or for the term of the lease for leased property) public park and recreational uses.

WHEREAS, the Applicant is fully eligible to receive assistance under the Program; and

WHEREAS, the Applicant is desirous of authorizing an official to represent and act for the Applicant in dealing with the Department concerning the Program;

BE IT RESOLVED BY THE APPLICANT:

- SECTION 1:** That the Applicant hereby certifies that they are eligible to receive assistance under the Program, and that notice of the application has been posted according to local public hearing requirements.
- SECTION 2:** That the Applicant hereby certifies that the matching share for this application is readily available at this time.
- SECTION 3:** That the Applicant hereby authorizes and directs the City Manager to act for the Applicant in dealing with the Department for the purposes of the Program, and that Chad Nehring is hereby officially designated as the representative in this regard.
- SECTION 4:** The Applicant hereby specifically authorizes the official to make application to the Department concerning the site to be known as Perry Sampson Park in the City of Center or use as a park site and is hereby dedicated (or will be dedicated upon completion of the proposed acquisition) for public park and recreation purposes in perpetuity (or for the lease term, if legal control is through a lease). Projects with federal monies may have differing requirements.

Introduced, read and passed by an affirmative vote of the "Applicant" on this 28th day of October, 2019.

Signature of Local Government Official

David Chadwick Mayor

Typed Name and Title

ATTEST:

Signature

Barbara Boyd City Secretary

Typed Name and Title



Local Park Grant Program Applicant's Certification & Program Assurances

As the duly authorized representative of the sponsor designated in the Resolution Section 3, ***I certify that the Applicant:***

1. Has complied with all pertinent local and state laws, and Local Parks Grants Program requirements regarding public hearings, including floodplain development, if appropriate.
2. Has the required proportionate share of funds available and sufficient for the project as required by Section 13.309 of the Parks and Wildlife Code.
3. Will maintain and operate areas acquired or developed with program assistance at sponsor expense as required by Section 13.309 of the Parks & Wildlife Code.
4. Will permanently dedicate for public park and recreation use all project area(s) which receive program assistance, as required by Chapter 640.1.2 of the *Local Park Grant Program Manual*.
5. Has the legal authority to apply for program assistance and the institutional, managerial and financial capability to ensure proper planning, management and completion of the project described in this application.
6. Will give the State of Texas, hereafter referred to as "State," through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
7. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the Texas Parks & Wildlife Department, and will record any federal interest in the title of real property in accordance with U. S. Department of Interior directives.
8. Will dedicate and permanently maintain any property designated as a natural area, wetland, or open space to meet program guidelines.
9. Will comply with all provisions of the "Summary of Guidelines for Administration of Local Park Grant Acquisition & Development Projects."
10. Will comply with the requirements of the Department with regard to the drafting, review and approval of construction plans and specifications.
11. Will obtain all required state and/or federal permits related to project development.
12. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the completed work conforms to the approved plans and specifications.
13. Will furnish quarterly progress reports and such other information as may be required by the Department.
14. Will initiate and complete the work within the applicable time frame after receipt of approval from the Department.
15. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.

Applicant's Certification & Program Assurances - Continued

16. Will comply with all State and Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1686) which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794) which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107) which prohibits discrimination on the basis of age; (e) any other non-discrimination provisions in the specific statute(s) under which application for program assistance is being made, and (f) the requirements of any other non-discrimination statute(s) which may apply to the application.
17. Will comply with the flood insurance purchase requirements of Section 4012(a) of the Flood Disaster Protection Act of 1973 which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance in an amount at least equal to its development or project cost.
18. Will comply with environmental standards which may be prescribed to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplain in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
19. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
20. Will assist the Department in assuring compliance with the Texas Antiquities Code.
21. Will cause to be performed the required financial and compliance audits in accordance with the state or federal Single Audit requirements.
22. Will comply with all applicable requirements of all other State and Federal laws, regulations and policies governing this program.

City of Center / Perry Sampson Park
Sponsor/ Project Name

Signature of Official Authorized in Resolution

Chad Nehring City Manager
Print Name and Title of Official

Date



October 09, 2019

Mr. Chad Nehring, City Manager
City of Center
617 Tenaha Street
Center, Texas 75935

RE: Preparation of a Texas Parks & Wildlife Grant Application

Dear Chad:

It is with great pleasure that I present this letter of agreement to provide assistance for the development of a Texas Recreation and Parks Account Outdoor Grant Application for the proposed Perry Sampson Park project in the City of Center. The grant application will be submitted to Texas Parks and Wildlife prior to December 4, 2019.

In addition to preparing the necessary grant forms, we will prepare a brief environmental assessment, program narrative, environmental checklist, proposed grant budget and any other standard items necessary to submit a complete and competitive application.

Although we will be responsible for preparing and coordinating the application, I will need your assistance on several items such as providing to me letters of commitment from other interested parties and passing a resolution to file the application.

Once the application has been approved by the City and submitted to Texas Parks and Wildlife, I will assist you with any revisions and/or additional information requested by Texas Parks and Wildlife. As you know, TPWD has revised and updated the scoring criteria this year and the grant program is currently highly competitive with about 40% of all submitted projects receiving funding. With this in mind, we will need to prepare an application that addresses every conceivable aspect of the State Scoring System in order to be successful.

I will complete the Texas Recreation and Parks Account grant application for a lump sum fee of ten thousand dollars (\$10,000.00), plus reproduction and travel expenses, not to exceed \$500, incurred in developing the application.

I look forward to working with you on this project and should you have any questions or need additional information please let me know. If the agreement meets with your approval, please sign and return a copy to my office as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Hunter N. Rush". The signature is stylized with a large "H" and a long, sweeping underline.

Hunter N. Rush

APPROVED AND ACCEPTED THIS

_____ DAY OF _____ 2019

September 25, 2019

Honorable Mayor and City Council
City of Center
P. O. Box 1744
Center, Texas 75935

We are pleased to confirm our understanding of the services we are to provide City of Center for the year ended September 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Center as of and for the year ended September 30, 2019. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Center's basic financial statements. Such information, although not 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. As part of our engagement, we will apply certain limited procedures to the City of Center's RSI in accordance with the auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Center's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and will provide an opinion on it in relation to the financial statements as a whole:

1. Combining Statements
2. Statistical Section

AUDIT OBJECTIVE

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplemental information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City of Center and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the City of Center's financial statements. Our report will be addressed to the Honorable Mayor and City Council of the City of Center. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City of Center is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

AUDIT PROCEDURES - GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

AUDIT PROCEDURES - INTERNAL CONTROL

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Center's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OTHER SERVICES

We will also assist in preparing the financial statements and related notes of City of Center in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

MANAGEMENT RESPONSIBILITIES

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

ENGAGEMENT ADMINISTRATION, FEES, AND OTHER

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

In the interest of facilitating our services, we may send data over the internet or utilize cloud-based storage. Confidential electronic data may be transmitted or stored using these methods. We may use third party service providers to store or transmit this data. In using these data communication and storage methods, we use reasonable efforts to keep such communications and electronic data secure. You recognize that data breaches can occur even with all reasonable security measures being employed by us or our third party vendors. You consent to our use of these applications and submission of confidential client information to third party service providers.

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

We will provide copies of our reports to the City of Center; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Axley & Rode, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available in a timely manner to the City of Center, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Axley & Rode, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the City of Center. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Eric A. Carver is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.



Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, is not expected to exceed \$26,500, with an additional amount of \$4,000 if a single audit is required. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2017 peer review report accompanies this letter.

We appreciate the opportunity to be of service to City of Center and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

AXLEY & RODE, LLP



ERIC A. CARVER, P.C., CPA
PARTNER

EAC:aos

RESPONSE:

This letter correctly sets forth the understanding of City of Center.

By: _____

Date: _____

Title: _____

Report on the Firm's System of Quality Control

January 22, 2018

To the partners of Axley & Rode LLP and the Peer Review Committee of the Texas Society of Certified Public Accountants.

We have reviewed the system of quality control for the accounting and auditing practice of Axley & Rode LLP in effect for the year ending August 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and audits performed under FDICIA.

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

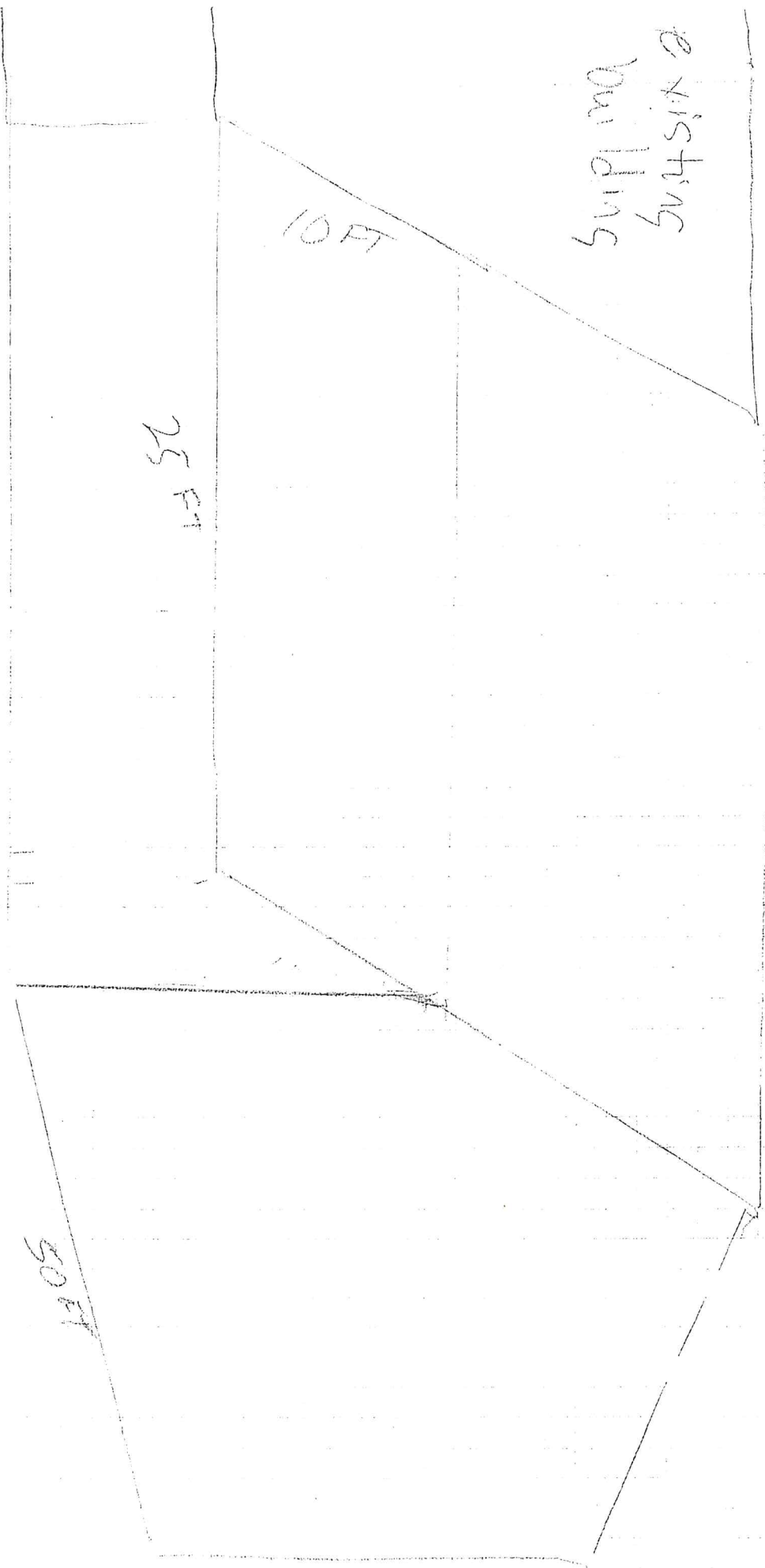
Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Axley & Rode LLP in effect for the year ended August 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Axley & Rode LLP has received a peer review rating of *pass*.

Condley and Company, L.L.P.

Certified Public Accountants

Extension eave on both sides
to match existing buildings



PRE-EXISTING
BUILDING

Roll up
Good

← 25' →

30 FT

25 x 50 Add on to pre existing building
all to match existing building

6' in slab
12x16 BEAMS
18" centers on rebar

50 FT

25

drive way

drive way

NEW ADD ON

45 FT

EXISTING
CONC. FDN

31 FT



617 Tenaha Street • P.O. Box 1744
Center, Texas 75935-1744

(936) 598-2941 • Fax (936) 598-2615
www.centertexas.org

1	2	3	4
#5433	#5221	#5434	TRAILER
2000 CHEVY	2001 CHEVY	2001 FORD	
DANIELS	CHESHIRE	DANIELS	ZORN
\$500	\$300	\$500	\$75
CHESHIRE	ZORN	CHESHIRE	CHESHIRE
\$1,000	\$250	\$600	\$80
ZORN	MATTHEWS	ZORN	MATTHEWS
\$300	\$110	\$100	\$30
MATTHEWS	BERNEY	MATTHEWS	
\$1,103.00	\$485	\$1,053.75	
BERNEY			
\$625			

PURCHASING DEPT.
RECOMMENDS AWARDED
ABOVE SURPLUS
PROPERTY TO THE
BIDDERS IN BOLD
AT THE LISTED AMOUNTS.

ITEMS OF INTEREST

1. Sales Tax Analysis.
2. State Criminal Costs & Fees Report Changes.
3. Praise 2019 Fundraiser.
4. Park Events.

City of Center
Sales Tax Analysis
Historical Total Sales Tax Receipts by Month

OCTOBER 2019

Month	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Monthly Percentage	FY 2020	Percent Change
October	245,967	244,899	228,115	231,497	238,942	248,034	254,722	8%	256,123	0.55%
November	302,511	259,984	276,664	294,255	293,524	285,077	311,900	9%		-100.00%
December	206,335	232,741	226,007	236,836	229,978	235,009	251,078	7%		-100.00%
January	246,183	241,181	231,378	231,546	246,897	245,441	249,205	8%		-100.00%
February	331,108	349,611	336,519	314,037	332,583	326,532	356,361	11%		-100.00%
March	206,065	201,810	208,247	212,208	207,108	223,858	241,773	7%		-100.00%
April	249,697	210,844	210,221	227,687	222,669	231,114	237,467	7%		-100.00%
May	293,299	285,819	279,420	326,257	291,837	332,039	327,605	10%		-100.00%
June	216,356	222,767	230,377	224,919	226,133	236,845	279,228	8%		-100.00%
July	224,280	231,096	224,098	236,589	242,449	263,496	262,589	8%		-100.00%
August	272,497	266,114	299,026	292,434	294,075	317,658	318,992	10%		-100.00%
September	228,343	231,038	237,446	241,060	229,515	254,085	262,407	8%		-100.00%
	3,022,640	2,977,904	2,987,519	3,069,326	3,055,709	3,199,187	3,353,326		256,123	

Monthly Allocation

256,123.23

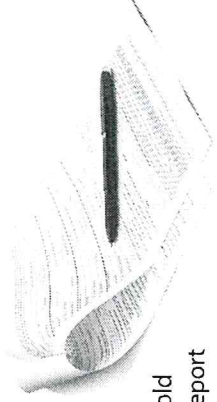
City of Center	
4B Economic Development Corporation	1%
4A Economic Development Corporation	0.50%
Sales Tax for Property Tax Relief	0.25%
	0.25%
	256,123.23

YTD Change 254,722 0.6%



Notice: State Criminal Costs and Fees Report Changes

House Bill (H.B.) 2048, approved during the 2019 legislative session, increases the state traffic fine (STF) in Transportation Code 542.4031 from \$30 to \$50, and changes the allowable service fee deduction from the current 5 percent to 4 percent. As the effective date of September 1, 2019 falls within the third-quarter reporting period, we are asking that only those STF amounts assessed and collected at the \$30 amount (allowing a 5 percent service fee) be reported on the third-quarter (193) report form. A revised form will be available for the fourth quarter. It will have a new, separate line for reporting \$50 STF amounts. Please withhold **only** the \$50 STF amounts collected in September until the fourth-quarter reporting period, when you will report collections from September, October, November and December with the 4 percent service fee.



Counties only: This approach will also apply to any money collected under the new intoxicated driver fine (also found in HB 2048). Please hold these collections until the fourth-quarter return.



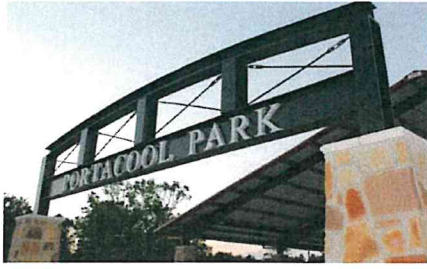
Praise 2019



Praise 2019 is a fundraiser that will feature choirs and youth groups from around the community! There will be singing, drinks and refreshments, silent auctions, live auctions, and door prizes! We will begin at 6:00 pm. It will be held at the Senior Nutrition Site on Loop 500 in Center. Tickets for the event will be \$10 each. All proceeds will be used to feed the hungry and assist the needy in our community.

For information, please call 598-4990





PARK EVENTS

11.02.2019	9:00A-5:00P	Portacool Park - Family Day Event	Shelby Savings Bank
11.23.2019	8:00A-8:00P	Portacool Park – Church Social Entire Community Event	Smyrna Church

Upcoming Events



**Shelby County Chamber of Commerce's
Annual Banquet
Thursday, November 7th
6:30pm
Presented by Farmers State Bank**



Downtown Renovation Timeline

