

STATE OF TEXAS  
COUNTY OF FALLS  
CITY OF MARLIN

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On this the 28th day of April, 2020, the City Council of the City of Marlin, Texas convened in a SPECIAL CALLED MEETING at 6:00pm, the same being open to the public and having been posted as prescribed in Local Government Code, Section 551.041 with the following members present to wit:

**ELECTED OFFICIALS**

Mayor Carolyn Lofton  
Mayor Pro-Tem Scottie Henderson (absent)  
Nettie Moore  
Rhonda Milton (absent)  
Max Martinez  
Douglas Porter  
Terence McDavid (absent)

**STAFF**

Cedric Davis, City Manager  
Maryann Waddle, City Secretary

1. Call to Order by Mayor Lofton @ 6:03pm.
2. Roll Call by Maryann Waddle.
3. Certify Posting in accordance with State Law by Maryann Waddle.
4. Pledge by Mayor Lofton and Invocation by Councilmember Moore.
5. Discussion or take action

**(A). Approval of the City of Marlin 2019 Audit Report (DLA Accounting Firm)**

Don Allman addressed the council and thanked the council for choosing his services. He had 4 cities cancel in April and moved their meeting to May. There is no way he can do 9-10 in one month. Don wanted to thank the staff, they were easy to work with. Don said that last year they one worked with one person. This year was better it was more of a team effort. He worked with Judy Sisk, Maryann Waddle, Cedric Davis, and even the Mayor. On page 4 is the financial highlights. The City's net worth both General and Water/Sewer ending September 30, 2019 was \$13,745,914.00. The second bulletin was the city had a \$325,792 increase in general after \$76,000 in depreciation. A \$371,632 increase in proprietary fund. The water sewer fund has a lot more assets so, depreciation there is \$522,000. These are very good numbers over all for the City of Marlin. The general fund on a governmental funds bases had position decrease of \$95,378 , governmental funds does not count depreciation that is more of a cash bases , so any assets are expense rather than depreciation . On page 6 net position, balance sheet for both funds, total cash and cash equivalent was

\$889,278 it was down from the \$1,122,938 prior year. You are down about \$30,000 in overall or restricted cash. 6,764,861 huge increase from the \$2,560,794 for the prior year. That is because of the two new bonds at the end of the year, but none of that money has been spent. This was the 3 million dollar bond and the 2.5 million dollar bond. Other receivables, accounts receivables, this is water/sewer funds, sales tax receivable. \$1,146,449 a big increase from \$609,326 in the prior year. You unadvertised debt issuance cost \$35,583 both years. Your current assets \$8,863,171 up from \$3,824,646, a 5 million dollar increase. This is due to the new bonds that you have. Mayor Lofton asked on the receivables, what accounted for the 88% increase. Don said the water/ sewer receivables were up quite a bit and property tax receivables were up substantially as well too. Your land, furniture and equipment water/ sewer system, buildings, vehicles) this was up over a million dollars. About \$930,000 was added in the water/sewer improvements and the rest was the general fund. Monetary accumulated depreciation point 1million 51,467 up from 20 million 3.958 depreciation was about 600,700. Total no-current assets 25 million 53,909 up from the 24 million 705,211. This makes the total assets for the City of Marlin 33,890,080 up from 28,529,857 bout a 5.3 million dollar increase. Defer out flows (TMRS pension numbers, not much to do with City of Marlin) 282,000 up from negative 99,351. Accounts payable and accrued liabilities, big decrease, 176,395 down from 325,000. This is because you are paying your bills a lot faster. Consumer deposits coming from water/sewer 179,000 from 177,000 about the same as the prior year. Total current liabilities 355,000 down from 502, due to decrease in accounts payable. Noncurrent liabilities, due in one year, bonds and loans payable, 765,000 down from 790,000. Noncurrent liabilities in more than 1 year, this includes the 3 million dollar bond and the 2 million 330,000 bond, that was a big increase there. 17 million 833,628 up from the 13 million 213,924, yall did pay down about 700,000 during the year on your bonds. Net pension and O PED liability, again this is to do with the TMRS number not really to do with the City of Marlin, 967,985 up from 575,743. Total liabilities 19 million 992,661 up from the 15 million 831,082. The biggest increase being from the bonds (3million and 2.3 million). Your net position (net worth) Net investment, Capital assets, (kind of the bluebook value of city assets) 9,509,985 down just a little from the 9,887,400. Restricted, money that has to be shown as set aside for your bond payments in the next year, also any type of

construction activities, 1 million 741,689 down from the 2million 208,000 on 31. So you are down about 300,000 on restricted funds. Unrestricted, funds free and clear and can be spent however the city and council see fit, this is a really strong number for a city of your size, almost 2.5 million. 2,494,240 up about 1 and a half million from the prior year 953,059. Really going strong increase there. Total net position 13 million 745,914, this is increase of 697,000 from 13 million 480,490 the prior year. Turn to page 7 City of Marlin's net positions are speak for profit and loss, this is the Income statement both general and water/sewer fuds combined. Majority services water/sewer and sanitation services, also general fund services, permits and court fines /fees. 5,346,474 up about 900,000 from prior year 4,443,485. Grants and contributions was down 333,820, prior 733,233. General revenues taxes (land tax, sales tax, franchise fees) 2,592,505 from 2,240,188 for a 35,000 dollar increase in tax revenue. From other 133,281 down from 205,918. Total revenues 8,409,866, almost 800,000 up from 7,622,824 in the prior year. General government expenses 1,551,717 a big increase from 863,818 a lot of that was coding. Next category Public Safety (police and fire) 1,187,208 prior year you had 1,656,792. Over all a 200,000 dollar increase for those two (general, police and fire expenses). Highway and streets 457,591 up from 273,965. Sanitation expenses were down, last year 539,090 to this year 491,564, that is almost 50,000 less. Water and sewer expenses were 4,024,362 that is up from last year 3,341,263, you are up about 70,000 there. Total expenses 7,712,442 up for 6,674,928, just over a million dollars increase in expenses and an 800,000 dollar increase in revenue. So your total Increase (decrease) in net position that is a positive in net income, totals 697,424, that is after 600,000 in depreciation. Prior year was 947,896, so about a 200,000 less. But you did increase your asset substantially in 2019. That is all the number I have for now. Mayor Lofton said that what you are saying is that we are stronger that last year. Don said yes mam, your grant people should be happy with your position. That is a real good number for a city that size. Mayor Lofton asked if record keeping has improved in terms on the ability to audit easily. Don said yes there was an improvement in internal controls structure, this year internal controls had no deficiencies, there was nothing from our stand point that needed correction. Don said he did read our forensic letter on the way in. Mayor Lofton said she was going to ask him about that. Don said wow, lot of money for a lot of nothing, sorry. Mayor Lofton said are you aware that they are going

to be assisting with our internal controls to improve the accounting process. I am pleased to hear that that is already improving. Hopefully with help from Stewart & Hurst we will have that shored up just a little better, they will be working with Mrs. Judy. Judy said that he answered all her questions. Davis said that every now and then he will convey his thoughts to the council. This council put a few breaks in when they got here and I think that has made us stronger. Here internally (outside council) Mrs. Judy and myself, try to be strict on the spending. She is a stickler, I am proud to have her here. She is tight with the money and monitors it pretty good. Going forward we will only get better. Mayor Lofton asked if there were any other questions or comments.

Councilmember Porter made a motion to approve and accept the audit for the City of Marlin 2019 from the DLA Accounting Firm.

Councilmember Moore second the motion and the motion carried as follows:

Ayes: Councilmember Moore, Councilmember Porter, Councilmember Martinez, Mayor Lofton

Nays: None

Absent: Councilmember Milton, Mayor Pro-tem Henderson, Councilmember McDavid

#### **(B.) Approval of City Planning Grant (Grant Works)**

Cedric Davis let the council know that he is working with Grant Works. The reason why he recommends this is Marlin needs a comprehensive city plan. IT deals with street studies, drainage (already doing done under TWBD) it gets people on the streets talking to citizens, so it is a collaboration. It looks at parks and recreation, streets, central business district (downtown area) which we know we need to do something to revitalize that. In most major cities they have a comprehensive plan that they use when they want to attract new businesses. They will be aerial and road maps, they will tell what land use we have, and they will tell about what our water is like. So if a new business wants, they can view this and have an idea what parts of town would be a good area for them, this master plan will tell them that. We have our 2030 plan, it is great, but this will supplement that. The 2030 is a vision, this is the plan to support our vision. This would be our planning director. We qualify for 55,000 dollars, they say it caps at 60,000. We are in the ball park of the full funded amount. Our portion of that is 11,000 dollars that we would have to pay. The government is picking up a huge chunk of this. I think it is worth us spending the

11,000. Carlos said that we can pay of it can come out of the grant, less money. Based on our audit we are doing well, so it would not impact us at all to spend the money to get this done. I would like to get the paper work in. I will make sure it get turned in even if I have to drive down there to get it turned in. I think it would be a great plan, we haven't had one in decades.

Councilmember Porter made a motion that we approve the city planning, Grant Works.

Councilmember Martinez second the motion and the motion carried as follows:

Ayes: Councilmember Moore, Councilmember Porter, Councilmember Martinez, Mayor Lofton

Nays: None

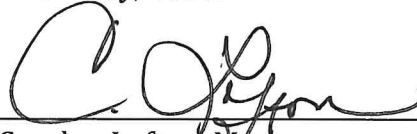
Absent: Councilmember Milton, Mayor Pro-tem Henderson, Councilmember McDavid

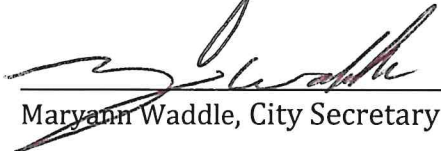
6. Adjourn.

Councilmember Moore made motion to adjourn, all in favor said "Aye" meeting ended at 6:26 pm

PASSED AND APPROVED ON THIS THE 12TH DAY OF May, 2020.



  
Carolyn Lofton, Mayor

  
Maryann Waddle, City Secretary