

**Jean Birmingham Council
Chambers, City Hall**
401 South Alamo
Marshall, TX 75670
903-935-4421



Members
Amy Ware, District 4 - Mayor
Risa Jordan-Anderson, District 1
Leo Morris, District 2
Dathaniel Campbell, District 3
Reba Godfrey, District 5
Amanda Abraham, District 6
Micah Fenton, District 7

PLEASE SILENCE ALL DEVICES REGULAR CITY COUNCIL MEETING

**July 24, 2025
6:00 PM**

1. Call to Order and Roll Call

2. Invocation and Pledges

3. Presentations & Proclamations

A. Presentation of the Employee of the Month - July. (Employee Engagement Committee)

4. Citizen Comments

Texas Government Code, Sec. 551.007 requires that a governmental body must allow each member of the public who desires to address the body regarding an item on the agenda the opportunity to do so before or during the body's consideration of the item. The "Citizens Comments" portion of the meeting meets the requirements of this law and is the public's opportunity to speak on any item on the agenda. Those who wish to speak are requested to fill out a public comment form and will have three (3) minutes to speak unless additional time has been requested.

5. Items to be Withdrawn From Consent Agenda

6. Consent Agenda

The items on the Consent Agenda require little or no deliberation by the Council. Approval of the Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations, a copy of which is filed with the minutes of the meeting. A Councilmember may remove items from the Consent Agenda by making such request prior to a motion and vote on the Consent Agenda.

A. Consider approval of the minutes from the July 10, 2025, Regular Council meeting.
(City Secretary)

7. Consideration of Items Withdrawn From the Consent Agenda

8. Ordinance

A. **O-25-15** Consider approval of an ordinance amending ordinance O-24-21 Comprehensive Fee Schedule. (Finance)

9. Action Items for City Council Consideration

A. Consider approval to authorize the Mayor to execute the release of the retainage and final payment to Hellas Construction Inc., not to exceed the amount of \$131,411.39.
(Parks and Recreation)

- B. Consider approval to authorize the Mayor to award and execute Change Order #3 for the Convention Center CIP to PSI not to exceed the amount of \$22,533. (Support Services)
- C. Lease Purchase Two Frazer Type I Ambulances at a cost not to exceed \$794,450.00 through the Houston Galveston Area Council (HGAC) cooperative purchasing program. (Fire)

10. Discussion and Reports for City Council Consideration and Direction

- A. Presentation and Acceptance of the City of Marshall 2024 Fiscal Year Audit Report completed by Pattillo, Brown, and Hill. (Finance)
- B. Fleet Management Program Update and Report on Sale and Leaseback of Vehicles. (Finance & Support Services)
- C. Discussion Regarding Possible Dates to Conduct Meetings for FY26 Budget. (Finance)

11. Executive Session

- A. An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel – Annual evaluation of City Attorney.
- B. An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel – Annual evaluation of City Secretary.

12. Adjournment

Posted: July 21, 2025
5:00 PM
N. Smith

This meeting will be conducted in accordance with the Americans with Disabilities Act. Requests for sign interpretive services will be available with at least 72-hour notice prior to the meeting. To make arrangements for these services, please call the City Secretary's Office at 903-935-4446.



TO: City Council
DATE: July 24, 2025
ITEM #: 3.A
SUBJECT: Presentation of the Employee of the Month - July.
(Employee Engagement Committee)

Recommendation for Action:

Executive Summary: The Employee Engagement Committee is a dedicated assembly of employees who have voluntarily united with the common goal of orchestrating and executing activities aimed at engaging and motivating their fellow colleagues. Their primary mission is to cultivate a positive and productive workplace culture while actively enhancing the employer-employee relationship. Among the initiatives employed is the recognition of outstanding contributions through the Employee of the Month program. The committee diligently reviews nominations, carefully deliberates, and collectively decides on the deserving individual to receive this esteemed acknowledgment.

Focus Area(s):

Budget Cost:

Staff Contact:

Attachments: None



TO: City Council
DATE: July 24, 2025
ITEM #: 6.A
SUBJECT: Consider approval of the minutes from the July 10, 2025, Regular Council meeting. (City Secretary)

Recommendation for Action: Consider approval of the minutes from the July 10, 2025, Regular Council meeting.

Executive Summary: Minutes from the July 10, 2025, Regular Council meeting.

Focus Area(s): Improving Communication

Budget Cost: N/A

Staff Contact: Nikki Smith, City Secretary

Attachments: 1. 7-10-25 Minutes

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Members
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Micah Fenton, District 7

MINUTES
PLEASE SILENCE ALL DEVICES
REGULAR CITY COUNCIL MEETING
July 10, 2025
6:00 PM

1. Call to Order and Roll Call

Mayor Amy Ware called the Regular meeting to order in the Council Chambers, City Hall at 06:00 PM.

PRESENT:

Mayor and Council Members:

Mayor Amy Ware
Councilmember Leo Morris
Councilmember Reba Godfrey
Councilmember Amanda Abraham
Councilmember Micah Fenton
Councilmember Dathaniel Campbell
Councilmember Risa Jordan-Anderson

ADMINISTRATIVE STAFF PRESENT:

Cliff Carruth, Police Chief	Nikki Smith, City Secretary
Eric Powell, Public Works Director	Scott Rectenwald, City Attorney
Christol Hall, HR/Civil Service Director	
Kristina Hamilton, Interim Finance Director	
Randy Pritchard, Support Services Director	
Reggie Cooper, Planning & Development Director	
Marina Garcia-Heredia, Parks & Recreation Director	
Alex Agnor, Asst. City Manager/Econ. Dev. & Strat. Init. Director	

2. Invocation and Pledges

Mayor Ware

3. Presentations & Proclamations

- A. Presentation of the Employee of the Month - July. (Employee Engagement Committee)
This item was moved to the next meeting.

- B. Presentation of Proclamation - July as National Parks & Recreation Month. (Parks & Recreation)
Mayor Ware read the proclamation and the Council presented it to the Parks and Recreation Department.

Marina Garcia-Heredia, Parks and Recreation Director, expressed her appreciation for this proclamation and thanked the community for their support, stated the theme for this year is "Build Together, Play Together", and thanked the Council for their continued support of the Parks and Recreation Department.

4. Citizen Comments

Texas Government Code, Sec. 551.007 requires that a governmental body must allow each member of the public who desires to address the body regarding an item on the agenda the opportunity to do so before or during the body's consideration of the item. The "Citizens Comments" portion of the meeting meets the requirements of this law and is the public's opportunity to speak on any item on the agenda. Those who wish to speak are requested to fill out a public comment form and will have three (3) minutes to speak unless additional time has been requested.

Louraiseal McDonald, County Agent at Harrison County Extension Office, thanked the Council for investing in the city parks, thanked Marina Garcia-Heredia for inviting the Extension Office to be a part of the events being hosted, and spoke regarding the Walk Across Texas event.

Reid Haynes, a seventh grader at Marshall Junior High School, thanked the council and the Parks and Recreation Department for offering events for the community, stated he attended a mini-camp, and was able to have fun and create memories with his family.

LaDarrius Carter, 205 Lynoak, Chair of the Marshall Parks and Recreation Board, thanked the citizens for the investment of their tax dollars, and the Council for being good stewards of the resources. There have been major improvements in the Parks Department, including a mindset shift that was needed to head the city in the right direction. LaDarrius Carter thanked the council for their efforts, the staff for doing an amazing job of taking care of the facilities and Marina for her investment, time and energy. Lots of good things are happening.

Boris Nesbitt, 1003 Henry Street, stated he spoke at a previous meeting regarding damage caused to his car due to the conditions of his street. Boris Nesbitt stated he has been at his location for 28 years and has seen potholes fixed, but the street has not been repaired. Boris Nesbitt stated he was told the street would be repaired in 2018 or 2019, but it was not, so he is asking the council to consider repairing Henry Street.

5. Items to be Withdrawn From Consent Agenda

There were no items withdrawn from the Consent Agenda.

6. Consent Agenda

The items on the Consent Agenda require little or no deliberation by the Council. Approval of the Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations, a copy of which is filed with the minutes of the meeting. A Councilmember may remove items from the Consent Agenda by making such request prior to a motion and vote on the Consent Agenda.

Councilmember Godfrey made a motion to approve the consent agenda.

Councilmember Jordan-Anderson seconded the motion, which passed by a vote of 7:0.

- A. Consider approval of the minutes from the June 26, 2025, Regular Council meeting. (City Secretary)
- B. Consider approval of an appointment to the Marshall Economic Development Corporation (MED) Board of Directors. (MED)
- C. Consider approval of an appointment to the Visit Marshall Board. (Tourism & Main Street)
- D. Consider approval of an Interlocal Agreement with Harrison County for Wonderland of Lights. (Tourism & Main Street)

7. Consideration of Items Withdrawn From the Consent Agenda

There were no items withdrawn from the Consent Agenda.

8. Action Items for City Council Consideration

- A. Presentation of an update on the storm damage response at the High Service Pump Building and consideration of approval of an emergency expenditure to repair the City's High Service Pump Station in the amount of \$93,000.00. (Public Works)
Eric Powell, Public Works Director, provided an update regarding a severe storm that hit in late May, which caused substantial damage to critical City facilities, including a lightning strike to the High Service Pump Building. Eric Powell provided a timeline of events regarding the storm occurrence and efforts to repair and restore operations and thanked the many local vendors and contractors who worked to help ensure the building was brought back into service. Eric Powell asked for approval of an emergency expenditure in the amount of \$93,000 to Lone Star Global I&E Services, LLC for the repair of the City's High Service Pump Station.

Councilmember Jordan-Anderson asked if the city is insured for damages, which it is and the claim has been filed with the Texas Municipal League (TML). It is anticipated that the final numbers will be provided soon with the hope of recovering approximately one-third to one-half of the cost.

Councilmember Godfrey made a motion to approve an emergency expenditure to repair the City's High Service Pump Station in the amount of \$93,000.00 to Lone Star Global I&E Services, LLC. Councilmember Jordan-Anderson seconded the motion, which passed by a vote of 7:0.

- B. Consider approval of expenditures in excess of \$50,000 (\$87,588) - Red River pump rental at the Wastewater Treatment Plant. (Public Works)
Eric Powell stated that in November 2021, the City of Marshall's Overflow Pump failed, resulting in the immediate need to rent a 12-inch diesel bypass pump to maintain system functionality. Eric Powell explained the purpose of the Overflow Pump and Wetwell is to manage excess flows during heavy rainfall events caused by infiltration

and inflow (I&I). These flows are diverted to the overflow basin and later returned to the treatment plant for proper treatment. The City is nearing completion of the 2024 Overflow Pump and Pump Installation Project. The final step is the delivery and installation of the Variable Frequency Drive (VFD), which is expected to be delivered in July/August 2025. Once the VFD arrives, installation will proceed, and the project will be completed, eliminating the need for the rental equipment. Eric Powell asked for approval of the rental of the WWTP overflow pump from Red River Pump Specialists at a cost of \$87,588.00.

Councilmember Jordan-Anderson stated there has been a lot of downtime with equipment and asked if the city has insurance on the equipment. Some equipment does have insurance and claims are filed when they can be.

Councilmember Jordan-Anderson asked how often the city receives reimbursement and where the money is allocated.

Kristina Hamilton, Interim Finance Director, stated the monies go to the lines from which the expenditures occurred or to the Risk Management Fund if the monies are received before the necessary repairs are made and the invoices to pay for the repairs come from that fund.

Councilmember Jordan-Anderson asked to be provided a report regarding how much money the city has received, as a whole, from insurance claims.

Councilmember Godfrey made a motion to approve an expenditure of \$87,588 to Red River Pump Specialists for a pump rental at the Wastewater Treatment Plant. Councilmember Campbell seconded the motion, which passed by a vote of 7:0.

9. Discussion and Reports for City Council Consideration and Direction

- A. Discussion on the FY2025 Street Improvement Program. (Public Works)
- Eric Powell stated the City executed an agreement with Streetscan, now Citylogix, to rescan all the streets in February 2025 in five years of the first scan in February 2020. All the data was collected, quality controlled and reviewed by Citylogix to make sure nothing was missed, then the data was sent to Public Works for review. Some items were added to include sidewalks to determine their condition. A meeting was held with Citylogix to go over the final data. The data was released to the city and the plan is to move forward, take the data and break it up by district, and put the information out for the public to be able to access to see the condition of their street.

The original assessment of the (Pavement Condition Index) PCI on an average basis in February 2020 was 51; the results of the February 2025 PCI scan now show the average at 57. The results show the efforts the city has made so far are going in the right direction. Councilmembers will be given access to the system and can be trained by Citylogix. Eric Powell said he hopes to have the data sorted by district within a couple of weeks, so council can begin creating the 2025 Street Improvement List.

Mayor Ware asked if the PCI interfaces with GIS to see a map and streets, which it does by utilizing Panorama 360, which provides views of 10-foot sections as if in a

vehicle.

Eric Powell stated that as a final piece of the software there will be a work order portal allowing the public to report issues (potholes, down trees, etc.) which can be added to the work list, track the work done and completed.

Councilmember Jordan-Anderson asked what 25 streets were included in the budget. A list has not been created at this time. The new data will help create the list and discussions can be had to generate the list using this data.

Eric Powell stated the contract with the vendor has been renewed, and they are ready to go once the list is created.

Alex Agnor, Interim City Manager, extended the City's appreciation to Eric Powell for his services to the city over the last six years, stating it was a pleasure to work with him.

Mayor Ware also thanked Eric Powell and wished him luck in his future endeavors.

10. Executive Session

Councilmember Abraham made a motion to convene in Executive Session.

Councilmember Godfrey seconded the motion, which passed by a vote of 7:0. The time was 6:39 PM.

- A. An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel – Annual evaluation of City Judge.

Councilmember Godfrey made a motion to reconvene from the Executive Session. Councilmember Morris seconded the motion, which passed by a vote of 7:0. The time was 7:47 PM.

11. Adjournment

Councilmember Godfrey made a motion to adjourn. Councilmember Campbell seconded the motion, which passed by a vote of 7:0.

APPROVED:

Mayor of the City Council
of the City of Marshall, Texas

ATTEST:

City Secretary



TO: City Council
DATE: July 24, 2025
ITEM #: 8.A
SUBJECT: **O-25-15** Consider approval of an ordinance amending ordinance O-24-21 Comprehensive Fee Schedule. (Finance)

Recommendation for Action: Staff recommends City Council approve the proposed ordinance amending Ordinance O-24-21, updating the City's Comprehensive Fee Schedule. These amendments reflect necessary adjustments to align fees with current service costs, regulatory requirements, and industry standards, ensuring consistency, transparency, and cost recovery for city-provided services.

Executive Summary: The proposed ordinance amends Ordinance O-24-21 to update the City of Marshall's Comprehensive Fee Schedule. The primary revision includes adjusting the burn permit fee duration to align with the burn permit ordinance approved by City Council on March 27, 2025. This update ensures consistency between the City's adopted regulations and its fee schedule, supporting accurate cost recovery and clear guidance for residents and staff.

Focus Area(s): Improving Communication

Budget Cost: N/A

Staff Contact: Kristina Hamilton, Interim Director of Finance

Attachments:

1. New Ordinance Amending FY25 Comprehensive Fee Schedule Ordinance O-24-21
2. Comprehensive Fee Schedule - Attachment A

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MARSHALL, TEXAS, AMENDING THE RATES AND FEES FOR SERVICES PROVIDED BY THE CITY OF MARSHALL;

WHEREAS, on September 26, 2024, the City Council of the City of Marshall, Texas, adopted Ordinance No. O-24-21 to establish rates and fees for services provided by the City; and

WHEREAS, the City of Marshall, Texas, seeks to amend the 2025 Comprehensive Fee Schedule to include rates and fees that were not incorporated in the original schedule;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MARSHALL, TEXAS:

SECTION 1. The findings and recitals set forth in the preamble of this ordinance are hereby adopted and approved in their entirety.

SECTION 2. All fees for services provided by the City of Marshall shall conform to the updated fee schedule attached to this ordinance as *Attachment A*.

SECTION 3. The City Council confirms that the meeting at which this ordinance was passed was conducted in strict compliance with the Texas Open Meetings Act (Texas Government Code Chapter 551).

SECTION 4. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed, but only to the extent of such conflict.

SECTION 5. The repeal of any ordinance or part of an ordinance by this ordinance shall not affect the validity of any pending enforcement actions or any fees accrued for services rendered prior to the effective date of this ordinance.

SECTION 6. This ordinance shall take effect on July 24, 2025.

PASSED AND APPROVED this 24th day of July, 2025.

Amy Ware, Mayor
City of Marshall, Texas

Attest:

Nikki Smith, City Secretary



City of Marshall Comprehensive Fee Schedule FY25

Category	Fee Description	Approved FY25 Fee Amount	Amended FY25 Fee Amount
Alarms, Emergency	Permit, Annual	25.00	-
Alarms, Emergency	Service Charge, False Alarm, Non-Payment Of False Alarm Fee (\$5 Per Day, Maximum \$50)	5.00	-
Alarms, Emergency	Service Charge, False Burglar Alarm, False Alarms 6 & 7 (Each)	25.00	-
Alarms, Emergency	Service Charge, False Burglar Alarm, False Alarms Above 7 (Each)	100.00	-
Alarms, Emergency	Service Charge, False Emergency Medical Assistance Alarm, False Alarms 6 & 7 (Each)	25.00	-
Alarms, Emergency	Service Charge, False Emergency Medical Assistance Alarm, False Alarms Above 7 (Each)	100.00	-
Alarms, Emergency	Service Charge, False Fire Alarm, False Alarms 6 & 7 (Each)	25.00	-
Alarms, Emergency	Service Charge, False Fire Alarm, False Alarms Above 7 (Each)	100.00	-
Alarms, Emergency	Service Charge, False Robbery Alarm, False Alarms 4 & 5 (Each)	25.00	-
Alarms, Emergency	Service Charge, False Robbery Alarm, False Alarms Above 5 (Each)	100.00	-
Alarms, Emergency	Service Charge, Invalid Permit, 1St Response	50.00	-
Alarms, Emergency	Service Charge, Invalid Permit, 2Nd Response	75.00	-
Alarms, Emergency	Service Charge, Invalid Permit, 3 And Over Responses (Each)	100.00	-
Alarms, Emergency	Service Charge, Invalid Permit, Previous Years' Violations, 1st Response	50.00	-
Alarms, Emergency	Service Charge, Invalid Permit, Previous Years' Violations, 2nd And Over Response	100.00	-
Ambulance Services	Als Disposables	400.00	-
Ambulance Services	Als Emergency	1,400.00	-
Ambulance Services	Als li Emergency	1,600.00	-
Ambulance Services	Als Non-Emergency	1,400.00	-
Ambulance Services	Bls Disposables	300.00	-
Ambulance Services	Bls Emergency	1,200.00	-
Ambulance Services	Bls Non-Emergency	1,200.00	-
Ambulance Services	Helicopter Transfer Charge	400.00	-
Ambulance Services	Mileage, Per Mile	24.00	-
Ambulance Services	No Transport-Patient Contact, No Transport (Inside City)	150.00	-
Ambulance Services	No Transport-Patient Contact, No Transport (Outside City)	200.00	-
Animal Control	Adoption Fee Standard Adult Cat	80.00	-
Animal Control	Adoption Fee Standard Adult Dog	100.00	-
Animal Control	Boarding Fee (Per Day)	60.00	-
Animal Control	Cat, (Residency Outside Marshall City Limit)	50.00	-
Animal Control	Cat, Plus 1-5 Kittens	100.00	-
Animal Control	Cat, Plus 6+ Kittens	150.00	-
Animal Control	Dog, (Residency Outside Marshall City Limit)	50.00	-
Animal Control	Dog, Plus 1-3 Puppies	150.00	-
Animal Control	Dog, Plus 4+ Puppies	200.00	-
Animal Control	Impoundment Fee-Altered Animal (1St Impoundment)	100.00	-
Animal Control	Impoundment Fee-Altered Animal (2rd Impoundment)	200.00	-
Animal Control	Impoundment Fee-Altered Animal (3rd Impoundment)	300.00	-
Animal Control	Microchip	50.00	-
Animal Control	Quarantine (\$20 Per Day, Maximum \$200)	80.00	-
Animal Control	Quarantine (Initial Fee)	200.00	-
Animal Control	Spay/Neuter Fee (Surrendered Animals)	50.00	-
Animal Control	Surrender Fee (Compliant Animal)	100.00	-
Animal Control	Surrender Fee (Non-Compliant Animal)	160.00	-
Burning Permits	Land Clearing (Per Day) (Monday - Friday)	250.00	-
Burning Permits	Open Burning Permit (90 Days)	25.00	-
Burning Permits	Burn Permit (14 Days)	-	25.00
Code Compliance Fees	Administrative Fee - Code Enforcement Non-Compliance	90.00	-
Commercial	Cell Tower Upgrade - Permit	90.00	-
Commercial	Certificate Of Occupancy - Permit	50.00	-
Commercial	Driveway Or Parking Lot - Permit	150.00	-
Commercial	Electrical- Others/ Repairs - Permit	35.00	-
Commercial	Electrical- Panel Replacement/ Rewire/ Service- Meter Base Replacement - Permit	50.00	-
Commercial	Electrical, Plumbing, Or Mechanical- New Construction Or Addition Permit	10% Of The Original Building Permit Fee	-
Commercial	Irrigation - Permit	125.00	-
Commercial	Mechanical- Replacement/ Repairs - Permit	35.00	-
Commercial	New Construction/Addition/Remodel Permit Fee (Per Sq. Foot)	0.30	-
Commercial	New Construction/Addition/Remodel Plan Review Permit	50% Of The Permit Fee	-
Commercial	Plumbing- Others/ Repairs - Permit	35.00	-
Commercial	Plumbing- Slab Leaks/ Tunneling/ Sewer Main Replacement - Permit	50.00	-
Commercial	Roofing - Permit	250.00	-
Commercial	Sign- 50 Sq Ft Or Less Double Sided - Permit	80.00	-
Commercial	Sign- 50 Sq Ft Or Less Single Sided Or Reface - Permit	65.00	-
Commercial	Sign- Greater Than 50 Sq Ft Double Sided - Permit	190.00	-
Commercial	Sign- Greater Than 50 Sq Ft Single Sided Or Reface - Permit	125.00	-
Community Centers, Lions & Smith	Deposit For Damages/Clean Up Fee	150.00	-
Community Centers, Lions & Smith	Rental Fees: All Day	150.00	-
Community Centers, Lions & Smith	Rental Fees: 8 A.M. - 5 P.M.	100.00	-
Convention Center	Additional Time Requested (Per Hour)	45.00	-



City of Marshall
Comprehensive Fee Schedule FY25

Category	Fee Description	Approved FY25 Fee Amount	Amended FY25 Fee Amount
Convention Center	All American Meeting Room (Up To 4 Hours)	125.00	-
Convention Center	Big Cypress (1/3 Hall - Up To 8 Hours) Friday - Sunday Rate	325.00	-
Convention Center	Big Cypress (1/3 Hall - Up To 8 Hours) Monday - Thursday Rate	225.00	-
Convention Center	Big Cypress (1/3 Hall - Up To 8 Hours) Non-Profit Rate	275.00	-
Convention Center	Bluebonnet Meeting Room (Up To 4 Hours)	100.00	-
Convention Center	Caddo Hall (East & West - Up To 8 Hours) Friday - Sunday	600.00	-
Convention Center	Caddo Hall (East & West - Up To 8 Hours) Monday - Thursday	500.00	-
Convention Center	Caddo Hall (East & West - Up To 8 Hours) Non-Profit Rate	500.00	-
Convention Center	Caddo Hall (East Or West - Up To 8 Hours) Friday - Sunday Rate	425.00	-
Convention Center	Caddo Hall (East Or West - Up To 8 Hours) Monday - Thursday Rate	325.00	-
Convention Center	Caddo Hall (East Or West - Up To 8 Hours) Non-Profit Rate	350.00	-
Convention Center	Coffee Urn And Supplies (Each)	35.00	-
Convention Center	Concession Stand (Per Day)	35.00	-
Convention Center	Damages/Clean Up Fee Deposit (Refundable)	500.00	-
Convention Center	Entire Facility (8 Hours Max.)	1,650.00	-
Convention Center	Freight Storage (Per Day)	150.00	-
Convention Center	Kitchen (Per Day)	200.00	-
Convention Center	Little Cypress (1/5 Hall - Up To 8 Hours) Friday - Sunday Rate	275.00	-
Convention Center	Little Cypress (1/5 Hall - Up To 8 Hours) Monday - Thursday Rate	250.00	-
Convention Center	Little Cypress (1/5 Hall - Up To 8 Hours) Non-Profit Rate	225.00	-
Convention Center	Lobby (Daily - Up To 8 Hours)	200.00	-
Convention Center	Marshall (Up To 4 Hours)	75.00	-
Convention Center	Parking Lot (Display Use Only - Up To 8 Hours)	400.00	-
Convention Center	Podium	10.00	-
Convention Center	Projector	30.00	-
Convention Center	Room Reset Fee	100.00	-
Convention Center	Sabine (Up To 4 Hours)	75.00	-
Convention Center	Seven Flags & All American Meeting Rooms (Up To 4 Hours)	250.00	-
Convention Center	Seven Flags Meeting Room (Up To 4 Hours)	125.00	-
Convention Center	Smart Board	75.00	-
Convention Center	Sound System	35.00	-
Convention Center	Stage (Full)	100.00	-
Convention Center	Stage (Half)	50.00	-
Convention Center	Stagecoach (Up To 4 Hours)	100.00	-
Convention Center	Theater Light & Sound Tech (Per Hour)	25.00	-
Convention Center	Theater/Auditorium (Up To 4 Hours)	325.00	-
Convention Center	Theater/Auditorium (Up To 8 Hours) Friday - Sunday Rate	650.00	-
Convention Center	Theater/Auditorium (Up To 8 Hours) Monday - Thursday Rate	600.00	-
Convention Center	Theater/Auditorium (Up To 8 Hours) Non-Profit Rate	550.00	-
Convention Center	Ticket Office (Per Day)	35.00	-
Day Care Inspection	Day Care / Pre-School State Inspection	50.00	-
False Alarm Fee	4Th Fire Alarm Within 1 Year	150.00	-
False Alarm Fee	5Th Fire Alarm Within 1 Year	200.00	-
False Alarm Fee	Additional After 5Th Fire Alarm	50.00	-
Fire Alarm Permit	Installation/Replacement/Addition Of Fire Alarm System	150.00	-
Fire Sprinkler Permit	Installation/Replacement/Addition Of Fire Sprinkler System	150.00	-
Fire Suppression Permit	Installation/Replacement/Addition Of Fire Suppression System	100.00	-
Fire & Ambulance Report	Incident Report	5.00	-
Fire & Rescue Fees	Fire & Rescue Mitigation Rates & Fees (Rate Schedule On File At Mfd)		
Fireworks Permit	Includes Pre-Inspection, Fire Watch, And Apparatus	250.00	-
Foster Home Inspection	Foster Home / Adoption State Inspection	50.00	-
Fuel Tank Permit	Installation/Removal Of Flammable/Combustible Storage Tank (Per Tank)	100.00	-
Group Home Inspection	Group Home State Inspection	75.00	-
Health Department Fees	Annual Food Establishment Permits (1-13 Employees)	175.00	-
Health Department Fees	Annual Food Establishment Permits (14+ Employees)	250.00	-
Health Department Fees	Catering Trucks/ Mobile Units - Annual Permit	150.00	-
Health Department Fees	Day Care W/ Food Establishment	175.00	-
Health Department Fees	Day Care W/Out Food Establishment	75.00	-
Health Department Fees	Food Vendor/ Festival Concession Stand (Per Vendor)	25.00	-
Health Department Fees	Foster Homes (Per Inspection)	25.00	-
Health Department Fees	Group Day/ Registered Home (Per Inspection)	50.00	-
Health Department Fees	Health Re-Inspection	50.00	-
Health Department Fees	Replacement Food Purveyors Permit	25.00	-
Health Department Fees	Seasonal Food Permit	90.00	-
Health Department Fees	Temporary Food Permit (14 Days)	75.00	-
Hospital Inspection	Hospital Inspection	300.00	-
Information Services	Accident Report - In Person/By Mail	6.00	-
Information Services	Accident Report - Online	9.00	-
Information Services	Background Checks - Business (Solicitation)	30.00	-
Information Services	Background Checks - Individual	10.00	-



City of Marshall

Comprehensive Fee Schedule FY25

Category	Fee Description	Approved FY25 Fee Amount	Amended FY25 Fee Amount
Information Services	Body Cam/Car Video Charge Per Minute	1.00	-
Information Services	Body Cam/Car Video Media	10.00	-
Information Services	Police Report - Cd (Photos, 911 Call, Etc.)	5.00	-
Information Services	Police Report - Printed Report	4.00	-
Information Services	Report Requiring Extensive Prep Time (Per Hour)	15.00	-
Inspection and Work without a Permit Fee	After Hours Inspection (Per Hour, 2-Hour Minimum)	50.00	-
Inspection and Work without a Permit Fee	Re-Inspections	50.00	-
Inspection and Work without a Permit Fee	Work Without A Permit Fees, 1st Offense	150.00	-
Inspection and Work without a Permit Fee	Work Without A Permit Fees, 2nd Offense	300.00	-
Inspection and Work without a Permit Fee	Work Without A Permit Fees, 3rd Offense Or More (Continued Contractor Registration With The City Of Marshall Will Be Determined By The Inspectors)	500.00	-
Inspection and Work without a Permit Fee	Gold Room Meeting Space (Per Day)	50.00	-
Library	Local Distributor's Permit (Lp)	50.00	-
Liquor Permit Fees	Malt Beverage Retail Dealer's Off-Premise License (Bf)	30.00	-
Liquor Permit Fees	Package Store Permit (P)	250.00	-
Liquor Permit Fees	Wine And Malt Beverage Retailer's Off-Premise Permit (Bq)	30.00	-
Liquor Permit Fees	Wine-Only Package Store (Q)	37.50	-
Medical Fac. Insp.	Medical Facility Inspection (State Mandated)	75.00	-
Memorial City Hall Performance Center	3Rd Floor Great Room - (Per Hr.) Includes Access And Use Of Lobby	125.00	-
Memorial City Hall Performance Center	3Rd Floor Great Room - (Per Hr.) Includes Access And Use Of Lobby - Non-Profit	75.00	-
Memorial City Hall Performance Center	3Rd Floor Kitchen - Per Event	100.00	-
Memorial City Hall Performance Center	Auditorium - Additional Hourly Usage Fee After 10 Hours	100.00	-
Memorial City Hall Performance Center	Auditorium - Load-In And Rehearsal Days (No Public Assembly) (Monday-Friday 8am - 11Pm) (Saturday 9Am - 11Pm) (Sunday 9Am - 11Pm) - Non-Profit * After 10 Hours, Additional Fees Apply	300.00	-
Memorial City Hall Performance Center	Auditorium - Load-In And Rehearsal Days (No Public Assembly) (Monday-Friday 8Am - 11Pm) (Saturday 9Am - 11Pm) (Sunday 9Am - 11Pm) * After 10 Hours, Additional Fees Apply	350.00	-
Memorial City Hall Performance Center	Auditorium - Per Event Daily (Monday-Friday 8Am - 10Pm) (Saturday 9Am - 11Pm) (Sunday 9Am - 11Pm) - Non-Profit * After 10 Hours, Additional Fees Apply	550.00	-
Memorial City Hall Performance Center	Auditorium - Per Event Daily (Monday-Friday 8Am - 11Pm) (Saturday 9Am - 11Pm) (Sunday 9Am - 11Pm) * After 10 Hours, Additional Fees Apply	800.00	-
Memorial City Hall Performance Center	Auditorium Extended Rental (Outside Above Stated Hours Of Operation) (Per Hour)	100.00	-
Memorial City Hall Performance Center	Box Office Staff (Per Hour)	25.00	-
Memorial City Hall Performance Center	Cameras	100.00	-
Memorial City Hall Performance Center	Clean Up Fee	250.00	-
Memorial City Hall Performance Center	Custodial Fee (Assessed For Excessive Garbage, Décor, Boxes, Etc.)	Up To \$250	-
Memorial City Hall Performance Center	Damage Deposit (Per Event)	250.00	-
Memorial City Hall Performance Center	Deposit Per Event	Fees	-
Memorial City Hall Performance Center	Event Set-Up On MCH Website For Online Ticket Sales	250.00	-
Memorial City Hall Performance Center	MCH Manager Fee (Per Hr. After 5pm)	75.00	-
Memorial City Hall Performance Center	MCH Manager Fee (Per Hr. After 5pm) - Non-Profit	50.00	-
Memorial City Hall Performance Center	Microphone	50.00	-
Memorial City Hall Performance Center	Microphone - Non-Profit	25.00	-
Memorial City Hall Performance Center	Piano	400.00	-
Memorial City Hall Performance Center	Piano - Non-Profit	300.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - No Alcohol (1 - 49 Guests) * No Officer Required	-	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - No Alcohol (100 - 199 Guests) * 2 Officers	90.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - No Alcohol (200 - 299 Guests) * 3 Officers	135.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - No Alcohol (300 - 399 Guests) * 4 Officers	180.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - No Alcohol (400 - 499 Guests) * 5 Officers	225.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - No Alcohol (500 - 599 Guests) * 6 Officers	270.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - No Alcohol (600 - 699 Guests) * 7 Officers	315.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - No Alcohol (700 - 800 Guests) * 8 Officers	360.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - W/ Alcohol (1 - 49 Guests) * 1 Officer	50.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - W/ Alcohol (100 - 199 Guests) * 3 Officers	150.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - W/ Alcohol (200 - 299 Guests) * 4 Officers	200.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - W/ Alcohol (300 - 399 Guests) * 5 Officers	250.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - W/ Alcohol (400 - 499 Guests) * 6 Officers	300.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - W/ Alcohol (500 - 599 Guests) * 2 Officer	100.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - W/ Alcohol (500 - 599 Guests) * 7 Officers	350.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - W/ Alcohol (600 - 699 Guests) * 8 Officers	400.00	-
Memorial City Hall Performance Center	Police Security Fee (Hourly) - W/ Alcohol (700 - 800 Guests) * 9 Officers	450.00	-
Memorial City Hall Performance Center	Promotion/Sales/Distribution Of Concessions, Merchandise, Novelties, Souvenirs	10% Of Net Sales	-
Memorial City Hall Performance Center	Promotions & Advertising (1 Per Event)	50.00	-
Memorial City Hall Performance Center	Promotions & Advertising (2 Per 1 Event)	75.00	-
Memorial City Hall Performance Center	Sound System - Operator Fee Not Included	100.00	-
Memorial City Hall Performance Center	Spotlights - Operator Fee Not Included	50.00	-
Memorial City Hall Performance Center	Tablecloths (Each)	7.50	-
Memorial City Hall Performance Center	Tables (60' Round)	15.00	-
Memorial City Hall Performance Center	Technical Supervisor On-Site For Duration Of Event (Per Hour)	25.00	-
Memorial City Hall Performance Center	Theatrical Lighting-Operator Fee Not Included	100.00	-



City of Marshall
Comprehensive Fee Schedule FY25

Category	Fee Description	Approved FY25 Fee Amount	Amended FY25 Fee Amount
Memorial City Hall Performance Center	Video Projectors/Screen (Auditorium Only) Operator Fee Not Included	100.00	-
Memorial City Hall Performance Center	Wireless Clear-Com	100.00	-
Miscellaneous	Comprehensive Special Event Permit, 1-20 Vendors	145.00	-
Miscellaneous	Comprehensive Special Event Permit, 21-40 Vendors	225.00	-
Miscellaneous	Comprehensive Special Event Permit, 41-60 Vendors	305.00	-
Miscellaneous	Comprehensive Special Event Permit, 61-80 Vendors	385.00	-
Miscellaneous	Comprehensive Special Event Permit, 81-100 Vendors	465.00	-
Miscellaneous	Demolition Of A Structure	75.00	-
Miscellaneous	Fence Above 6Ft	35.00	-
Miscellaneous	Itinerant Vendor Permit (Per Day)	30.00	-
Miscellaneous	Moving Of A Structure	125.00	-
Miscellaneous	Solar Panel Installation	250.00	-
Miscellaneous	Special Event Permit (Per Application, Valid 3 Consecutive Days)	65.00	-
Municipal Court	1st Excessive Noise	130.00	-
Municipal Court	1st Excessive Noise Muffler	130.00	-
Municipal Court	1st No Commercial Drivers License	218.90	-
Municipal Court	1st No Liability Insurance	224.00	-
Municipal Court	1st No Valid Drivers License	199.90	-
Municipal Court	1st Unrestrained Child < 9 Years of Age	12.50	-
Municipal Court	2nd Excessive Noise	280.00	-
Municipal Court	2nd Excessive Noise Muffler	280.00	-
Municipal Court	2nd No Commercial Drivers License	243.90	-
Municipal Court	2nd No Liability Insurance	369.00	-
Municipal Court	2nd No Valid Drivers License	199.90	-
Municipal Court	3rd Or Over Excessive Noise	500.00	-
Municipal Court	3rd No Liability Insurance	469.00	-
Municipal Court	3rd No Valid Drivers License	199.90	-
Municipal Court	3rd Or More Excessive Noise Muffler	500.00	-
Municipal Court	4th No Drivers License	199.90	-
Municipal Court	4th No Liability Insurance	569.00	-
Municipal Court	5th + No Valid Drivers License	199.90	-
Municipal Court	5th No Liability Insurance	569.00	-
Municipal Court	6th No Liability Insurance	569.00	-
Municipal Court	7th No Liability Insurance	569.00	-
Municipal Court	8th No Liability Insurance	569.00	-
Municipal Court	9th + No Liability Insurance	569.00	-
Municipal Court	Administrative Dismissal Fee	10.00	-
Municipal Court	Allowing Unlicensed Driver To Drive	119.00	-
Municipal Court	Animal At Large	130.00	-
Municipal Court	Animal Care	134.00	-
Municipal Court	Arrest Fee	5.00	-
Municipal Court	Assault By Contact	334.00	-
Municipal Court	Assault By Threat	334.00	-
Municipal Court	Assault Family Violence	334.00	-
Municipal Court	ATV On City Street	119.00	-
Municipal Court	Breaking Open Pound	134.00	-
Municipal Court	Building Code Violation	84.00	-
Municipal Court	Building Maintenance Code	146.00	-
Municipal Court	Building Security Fee	3.00	-
Municipal Court	Change Lanes When Unsafe	165.90	-
Municipal Court	Child Safety Fund	25.00	-
Municipal Court	Child Safety Fund D.A.R.E.	25.00	-
Municipal Court	Child Safety Seat - TX dot (State Fee)	0.15	-
Municipal Court	Commercial Vehicle Violation	165.90	-
Municipal Court	Compensation Criminal Victims (State Fee)	15.00	-
Municipal Court	Condemned Structure	84.00	-
Municipal Court	Cons. Alcoholic Bev. On Prem Lic. Off Prem Cons.	134.00	-
Municipal Court	Consolidated Court Cost (State Fee)	17.00	-
Municipal Court	Contest Of Speed (Racing)	160.90	-
Municipal Court	Correctional Mgmt. Institute (State Fee)	0.50	-
Municipal Court	Court Cost	51.25	-
Municipal Court	Court Cost (State Fee)	51.25	-
Municipal Court	Criminal Mischief	284.00	-
Municipal Court	Cross At Point Other Than Crosswalk	150.00	-
Municipal Court	Cut Across Property To Make Turn	100.90	-
Municipal Court	Cut Corner Left Turn	100.90	-
Municipal Court	Defective Brake Lights	100.90	-
Municipal Court	Defective Brakes	70.90	-
Municipal Court	Defective Headlights	65.90	-
Municipal Court	Defective License Plate Light	65.90	-



City of Marshall
Comprehensive Fee Schedule FY25

<i>Category</i>	<i>Fee Description</i>	<i>Approved FY25 Fee Amount</i>	<i>Amended FY25 Fee Amount</i>
Municipal Court	Defective Tail Lights	65.90	-
Municipal Court	Direct Contempt	100.00	-
Municipal Court	Discharge Fire Works City Limits	84.00	-
Municipal Court	Discharge Weapon In City Limits	200.00	-
Municipal Court	Disorderly Conduct - Exposure	334.00	-
Municipal Court	Disorderly Conduct Display Firearm	334.00	-
Municipal Court	Disorderly Conduct Fighting	334.00	-
Municipal Court	Disorderly Conduct Fighting At School	134.00	-
Municipal Court	Disorderly Conduct Language	334.00	-
Municipal Court	Disorderly Conduct Language At School	134.00	-
Municipal Court	Disorderly Conduct Lewd & Unlawful Behavior	334.00	-
Municipal Court	Disregard Rail Road Crossing Gate	170.90	-
Municipal Court	Disregard Traffic Control Device	100.90	-
Municipal Court	Disregarded No Passing Zone	120.90	-
Municipal Court	Disruption Of Class	134.00	-
Municipal Court	Drinking Alcoholic Beverage In Public Place, Proh	200.00	-
Municipal Court	Driving On Improved Shoulder	101.00	-
Municipal Court	Driving While License Invalid	318.90	-
Municipal Court	Drove Around Barricade	134.00	-
Municipal Court	Drove In Center Median	100.90	-
Municipal Court	Drove On Improved Shoulder	100.90	-
Municipal Court	Drove Over Fire Hose	120.90	-
Municipal Court	Drove With Out Of State DI For More Than 30 Days	119.00	-
Municipal Court	Drove Without Lights When Required	100.90	-
Municipal Court	Drove Wrong Side Of Roadway	110.90	-
Municipal Court	Drove Wrong Way One Way Street	100.90	-
Municipal Court	Electronic Transmission Depicting A Minor	334.00	-
Municipal Court	Excessive Speed	100.90	-
Municipal Court	Expired Vehicle Registration	109.00	-
Municipal Court	Expired Drivers License	119.00	-
Municipal Court	Fail To Appear As Witness	134.00	-
Municipal Court	Fail To Control Speed Accident	165.90	-
Municipal Court	Fail To Dim Head Lights	100.90	-
Municipal Court	Fail To Drive In Single Lane	100.90	-
Municipal Court	Fail To Give Half Of Road Way	165.90	-
Municipal Court	Fail To Hold Food At Proper Temperature	154.00	-
Municipal Court	Fail To Identify	284.00	-
Municipal Court	Fail To Keep Bicycle On Right Side Of Road	101.00	-
Municipal Court	Fail To Obey Direction Officer	115.90	-
Municipal Court	Fail To Register Vacant Property	154.00	-
Municipal Court	Fail To Report Accident At Once	101.00	-
Municipal Court	Fail To Report Change Address To Dps	69.00	-
Municipal Court	Fail To Signal 100' Before Turn	100.90	-
Municipal Court	Fail To Signal Lane Change	100.90	-
Municipal Court	Fail To Stop - Designated Point - Stop Sign	100.90	-
Municipal Court	Fail To Stop Accident Fixture	199.90	-
Municipal Court	Fail To Stop Accident Hit Moving Vehicle	214.90	-
Municipal Court	Fail To Stop Accident Parked Vehicle	214.90	-
Municipal Court	Fail To Stop And Render Info/Aid	199.90	-
Municipal Court	Fail To Stop Designated Point Red Light	100.90	-
Municipal Court	Fail To Yield Right Of Way Emergency Vehicle	199.90	-
Municipal Court	Failure To Appear	30.00	-
Municipal Court	Failure To Yield -R.O.W Emergency Vehicle	199.90	-
Municipal Court	Failure To Yield Right Of Way - Open Intersection	165.90	-
Municipal Court	Failure To Yield Right Of Way - Private Drive	165.90	-
Municipal Court	Failure To Yield Right Of Way - Red Light	165.90	-
Municipal Court	Failure To Yield Right Of Way - Stop Sign	165.90	-
Municipal Court	Failure To Yield Right Of Way - Turning Left	165.90	-
Municipal Court	Failure To Yield Right Of Way - Yield Sign	165.90	-
Municipal Court	Failure To Yield -To Parked Emergency Vehicle	199.90	-
Municipal Court	Flashing Red Light Failure To Yield -R.O.W.	165.90	-
Municipal Court	Following To Close	165.90	-
Municipal Court	Food Protection	130.00	-
Municipal Court	Fraudulent Destr Removal Concealment Of Writing	334.00	-
Municipal Court	Fugitive App Fund (State Fee)	5.00	-
Municipal Court	Go Straight Turn Only Lane	100.90	-
Municipal Court	Illegal Burning	134.00	-
Municipal Court	Illegal Dumping	84.00	-
Municipal Court	Illegal Keeping Of Poultry	130.00	-
Municipal Court	Illegal Lane Change No Accident	110.90	-



City of Marshall
Comprehensive Fee Schedule FY25

<i>Category</i>	<i>Fee Description</i>	<i>Approved FY25 Fee Amount</i>	<i>Amended FY25 Fee Amount</i>
Municipal Court	Illegal Sign	130.00	-
Municipal Court	Illegal U-Turn	134.00	-
Municipal Court	Improper Left Turn	165.90	-
Municipal Court	Improper Right Turn	165.90	-
Municipal Court	Improper Solid Rubber Tire	101.00	-
Municipal Court	Improper Use Of Horn	66.00	-
Municipal Court	Indigent Defense (State Fee)	2.00	-
Municipal Court	JC	96.00	-
Municipal Court	Judicial Court Training (State Fee)	2.00	-
Municipal Court	Judicial Support Fund (State Fee)	6.00	-
Municipal Court	Junk Vehicles	84.00	-
Municipal Court	Jury Reimb. Svc. Fee (State Fee)	4.00	-
Municipal Court	Juv. Crime & Del. Fund (State Fee)	0.50	-
Municipal Court	Juvenile Curfew	330.00	-
Municipal Court	Leave Child Unattended In Vehicle	234.00	-
Municipal Court	Left Turn Wrong Lane	100.90	-
Municipal Court	Littering City Street	134.00	-
Municipal Court	Local Traffic Fee	3.00	-
Municipal Court	Local Truancy And Prevention	5.00	-
Municipal Court	Made U-turn On Curve Or Hill	100.90	-
Municipal Court	Method Of Collection And Receptacles	146.00	-
Municipal Court	Miscellaneous Penal Code Violation	284.00	-
Municipal Court	Minor Consuming Alcohol	134.00	-
Municipal Court	Minor Driving Under The Influence Alcohol	168.90	-
Municipal Court	Minor In Possession Alcohol	134.00	-
Municipal Court	Minor In Possession Tobacco Product	219.00	-
Municipal Court	Misc. Government Code	134.00	-
Municipal Court	Miscellaneous City Ordinance	766.00	-
Municipal Court	Miscellaneous Moving Traffic	100.90	-
Municipal Court	Municipal Court Building Secur	4.90	-
Municipal Court	Municipal Court Technology Fun	4.00	-
Municipal Court	Municipal Jury Fund	0.10	-
Municipal Court	New Consolidated Court Cost (State Fee)	40.00	-
Municipal Court	No Alarm Permit	44.00	-
Municipal Court	No Certified Food Manager On Duty	130.00	-
Municipal Court	No Drivers License On Demand	69.00	-
Municipal Court	No Identification Tag	134.00	-
Municipal Court	No License Plate On Trailer	119.00	-
Municipal Court	No Motorcycle Endorsement	148.90	-
Municipal Court	No Mud Flaps	66.00	-
Municipal Court	No Protective Head Gear Motor Cycle	49.00	-
Municipal Court	No Seat Belt Child 4-16	66.50	-
Municipal Court	No Seat Belt Driver	63.00	-
Municipal Court	No Seat Belt Passenger	48.00	-
Municipal Court	No Slow Moving Vehicle Emblem	100.90	-
Municipal Court	No Stop Lamps When Required	100.90	-
Municipal Court	No Vehicle Registration Displayed	124.00	-
Municipal Court	No White Light On Front Of Bicycle	65.90	-
Municipal Court	No/Expired Vaccination Tag	84.00	-
Municipal Court	Noise Disorderly Conduct	284.00	-
Municipal Court	Noxious Odor Disorderly Conduct	134.00	-
Municipal Court	Nuisance	84.00	-
Municipal Court	Obscured License Plate	119.00	-
Municipal Court	Occupying A Condemned Structure	84.00	-
Municipal Court	Omni	6.00	-
Municipal Court	Omni City	4.00	-
Municipal Court	Only One License Plate	69.00	-
Municipal Court	Open Container Alcohol In Vehicle (2Nd) Driver	283.90	-
Municipal Court	Open Container Alcohol In Vehicle (1St) Driver	233.90	-
Municipal Court	Open Container In Vehicle - Passenger	219.00	-
Municipal Court	Operate Food Establishment Without Permit	200.00	-
Municipal Court	Operate Unsafe Vehicle	100.90	-
Municipal Court	Operate Vehicle With Child In Open Bed	120.90	-
Municipal Court	Operate Vehicle With Wrong License Plate or Registration	144.00	-
Municipal Court	Operate Vehicle Without License Plate	119.00	-
Municipal Court	Over Maximum Height	134.00	-
Municipal Court	Overgrown Lot	84.00	-
Municipal Court	Parked And Failed To Set Brakes	165.00	-
Municipal Court	Parked Facing Traffic	80.00	-
Municipal Court	Parked In Fire Lane	130.00	-



City of Marshall
Comprehensive Fee Schedule FY25

Category	Fee Description	Approved FY25 Fee Amount	Amended FY25 Fee Amount
Municipal Court	Parked In Handicapped Zone	515.00	-
Municipal Court	Parked In Lane Of Traffic	80.00	-
Municipal Court	Parked In Prohibited Area	150.00	-
Municipal Court	Parked Within 15' Of Fire Hydrant	150.00	-
Municipal Court	Parking - Cv - Prohibited Area	80.00	-
Municipal Court	Parking Lot Back W/O Safety	166.00	-
Municipal Court	Parking Miscellaneous	80.00	-
Municipal Court	Pass Insufficient Clearance	100.90	-
Municipal Court	Pass Stationary Emergency Vehicle	199.90	-
Municipal Court	Pass When Unsafe	165.90	-
Municipal Court	Passed In No Passing Zone	100.90	-
Municipal Court	Passing School Bus	25.00	-
Municipal Court	Passing School Bus Loading/Unloading	515.90	-
Municipal Court	Plumbing Violations	84.00	-
Municipal Court	Police Dept. Overtime Reimbursement	40.00	-
Municipal Court	Possession Drug Paraphernalia	334.00	-
Municipal Court	Possession Of Illegal Smoking Products	284.00	-
Municipal Court	Processing Fee - Defensive Driving	9.90	-
Municipal Court	Prohibited Accumulations	2,000.00	-
Municipal Court	Prohibited Left Turn	100.90	-
Municipal Court	Public Intoxication	334.00	-
Municipal Court	Ran Flashing Red Light	100.90	-
Municipal Court	Ran Red Light	100.90	-
Municipal Court	Ran Stop Sign	100.90	-
Municipal Court	Reckless Damage & Destruction	284.00	-
Municipal Court	Reckless Driving	236.00	-
Municipal Court	Remaining On Premises	214.00	-
Municipal Court	Riding On Rear Wheel Only	134.00	-
Municipal Court	Right Turn From Wrong Lane Accident	165.90	-
Municipal Court	Seat Belt Fines	74.00	-
Municipal Court	Sell Single Cigarettes	100.00	-
Municipal Court	Selling Without Permit	334.00	-
Municipal Court	Sex Orientated Business	230.00	-
Municipal Court	Shine A Laser light At Uniformed Safety Officer	334.00	-
Municipal Court	Skateboarding Where Prohibited	104.00	-
Municipal Court	Smoke In Prohibited Area	134.00	-
Municipal Court	Solicitation Without Permit	230.00	-
Municipal Court	Special Expense Fee/Deferred	1.00	-
Municipal Court	Special Use Permit Violation	200.00	-
Municipal Court	Speeding 1-10 Over Limit	100.90	-
Municipal Court	Speeding 11-15	110.90	-
Municipal Court	Speeding 16-20	120.90	-
Municipal Court	Speeding 21-24	145.90	-
Municipal Court	Speeding 25 Mph & Over	199.90	-
Municipal Court	Speeding Less Than 10 Percent Above Limit	100.90	-
Municipal Court	Speeding School Zone	165.90	-
Municipal Court	Speeding School Zone 25 Over	199.90	-
Municipal Court	Stands Vehicle And Blocks Handicapped Access	515.00	-
Municipal Court	State Consolidated Fees	62.00	-
Municipal Court	State Moving Violation Fee	0.10	-
Municipal Court	State Traffic Fee	30.00	-
Municipal Court	State Traffic Fee	50.00	-
Municipal Court	Stop In Lane Of Traffic	150.00	-
Municipal Court	Street Backed W/O Safety	166.00	-
Municipal Court	T V Receiver View Driver	101.00	-
Municipal Court	Technology Fund	4.00	-
Municipal Court	Texting While Driving	40.00	-
Municipal Court	Theft Less Than One Hundred Dollars	334.00	-
Municipal Court	Theft Of Service Less Than \$100	334.00	-
Municipal Court	Time Pay Fee	2.50	-
Municipal Court	Time Pay Fee	10.00	-
Municipal Court	Time Pay Fee (State Fee)	15.00	-
Municipal Court	Traffic Fund	3.00	-
Municipal Court	Truancy Prevention Diversion	2.00	-
Municipal Court	Turned When Unsafe	165.90	-
Municipal Court	Unapproved Equipment	65.90	-
Municipal Court	Unauthorized Glass Coating Material	70.90	-
Municipal Court	Unlawful Load Extension To Rear	134.00	-
Municipal Court	Unlawful Use Of Engine Brakes; Compression Brakes	200.00	-
Municipal Court	Unrestrained Child < 8 Years of Age	148.00	-



City of Marshall
Comprehensive Fee Schedule FY25

Category	Fee Description	Approved FY25 Fee Amount	Amended FY25 Fee Amount
Municipal Court	Unrestrained Child < 8Yoa 2Nd Or More	74.00	-
Municipal Court	Unrestrained Child Under Five	66.50	-
Municipal Court	Unrestrained Child Under Two	66.50	-
Municipal Court	Unsafe Speed	100.90	-
Municipal Court	Unsafe Start Parked, Stopped, Standing Position	100.90	-
Municipal Court	Unsecured Load	144.00	-
Municipal Court	Unsiglhtly Yard Or Lot	84.00	-
Municipal Court	Use Of Sidewalk	120.00	-
Municipal Court	Use Of Wireless Communication Device In Sz	145.90	-
Municipal Court	Victims Comp (State Fee)	35.00	-
Municipal Court	Violation Commercial Drivers License Rest.	218.90	-
Municipal Court	Violation Continuing Obligation	324.00	-
Municipal Court	Violation Drivers License Restriction	68.90	-
Municipal Court	Violation Of Burn Ban	434.00	-
Municipal Court	Violation Of Promise To Appear	200.00	-
Municipal Court	Violation Of Restrictions On Windows	71.00	-
Municipal Court	Walking With Back To Traffic	96.00	-
Municipal Court	Warrant Fee	50.00	-
Municipal Court	Wrong Inspection Sticker Displayed	111.00	-
Municipal Court	Wrong Registration Displayed	144.00	-
Nursing Home Insp.	Nursing Home / Assisted Living State Inspection	150.00	-
Parks & Recreation	Pavilion Rentals - 2 Hours/Per Pavilion (Non-Resident)	30.00	-
Parks & Recreation	Pavilion Rentals - 2 Hours/Per Pavilion (Resident)	20.00	-
Parks & Recreation	Pavilion Rentals - All Day (8 am - 8 pm) Per Pavilion (Non-Resident)	150.00	-
Parks & Recreation	Pavilion Rentals - All Day (8 am - 8 pm) Per Pavilion (Resident)	100.00	-
Parks & Recreation/Arena	Contractual Services	30% Of Participant Fee	-
Parks & Recreation/Arena	Large Arena (Per Day)	600.00	-
Parks & Recreation/Arena	Meeting Rooms	100.00	-
Parks & Recreation/Arena	Recreational Vehicle Hookups (Per Day)	20.00	-
Parks & Recreation/Arena	Shavings (40Lb. Bag)	6.00	-
Parks & Recreation/Arena	Small Arena (Per Day)	350.00	-
Parks & Recreation/Arena	Stall Rentals (Per Day)	20.00	-
Parks & Recreation/Ballfields	Clean Up/Damage Deposit	250.00	-
Parks & Recreation/Ballfields	Field Preparation Per Field - Lions Ball Field/Babe Ruth Ball Field	40.00	-
Parks & Recreation/Ballfields	Field Rentals Per Hour (Non-Resident)	35.00	-
Parks & Recreation/Ballfields	Field Rentals Per Hour (Resident)	25.00	-
Parks & Recreation/Ballfields	Lights Per Hour (Per Field)	20.00	-
Parks & Recreation/Ballfields	Operating Agreement -Increasing 1% Each Year	6% Of Gross For Year	-
Parks & Recreation/Ballfields	Tournament Staff Per Hour	40.00	-
Parks & Recreation/Ballfields	Tournament User Light Fees Per Field Per Day - 3 Hours (6 - 9 pm)	30.00	-
Parks & Recreation/Ballfields	Tournaments User Fee Per Field Per Day	100.00	-
Parks & Recreation/Ballfields	Tournaments User Fee Per Field Per Day - Non-Resident (8 am - 9 pm)	250.00	-
Parks & Recreation/Ballfields	Tournaments User Fee Per Field Per Day - Resident (8 am - 9 pm)	150.00	-
Parks & Recreation/Ballfields	Tournaments User Fee Per Field Per Event	100.00	-
Parks & Recreation/Ballfields	Tournaments, 10% Of Profit	10% Of Profit	-
Parks & Recreation/Ballfields	User Fee Per Team Participating In League Play	100.00	-
Parks & Recreation/Golf Course	Annual Membership	721.00	-
Parks & Recreation/Golf Course	Cart Storage - Electric Cart (Monthly)	23.70	-
Parks & Recreation/Golf Course	Cart Storage - Gas Cart (Monthly)	12.90	-
Parks & Recreation/Golf Course	Cart, Rental, 18 Holes	15.50	-
Parks & Recreation/Golf Course	Cart, Rental, 27 Holes	20.60	-
Parks & Recreation/Golf Course	Cart, Rental, 36 Holes	25.70	-
Parks & Recreation/Golf Course	Cart, Rental, 9 Holes	10.30	-
Parks & Recreation/Golf Course	City Employee Membership	360.00	-
Parks & Recreation/Golf Course	City Run, Tournament Participation Fee Per Person	65.00	-
Parks & Recreation/Golf Course	Contractual Services	30% Of Participant Fee	-
Parks & Recreation/Golf Course	Driving Range, Large Bucket, W/Monthly Fee	6.70	-
Parks & Recreation/Golf Course	Driving Range, Medium Bucket	8.80	-
Parks & Recreation/Golf Course	Driving Range, Medium Bucket, W/Monthly Fee	4.60	-
Parks & Recreation/Golf Course	Driving Range, Small Bucket	6.20	-
Parks & Recreation/Golf Course	Driving Range, Small Bucket, W/Monthly Fee	3.30	-
Parks & Recreation/Golf Course	Driving Range, Large Bucket	10.30	-
Parks & Recreation/Golf Course	Green Fees - 18 Holes Weekdays	12.40	-
Parks & Recreation/Golf Course	Green Fees - 18 Holes Weekends/Holidays	20.60	-
Parks & Recreation/Golf Course	Green Fees - 9 Holes Weekdays	7.50	-
Parks & Recreation/Golf Course	Green Fees - 9 Holes Weekends/Holidays	15.50	-
Parks & Recreation/Golf Course	Green Fees - Monthly	72.10	-
Parks & Recreation/Golf Course	Green Fees - Twilight W/ Cart Rental	14.72	-
Parks & Recreation/Golf Course	Tournament User Course Rental Fee	350.00	-
Parks & Recreation/Golf Course	Tournament User Course Rental Deposit Fee	100.00	-



City of Marshall

Comprehensive Fee Schedule FY25

Category	Fee Description	Approved FY25 Fee Amount	Amended FY25 Fee Amount
Parks & Recreation/Golf Course	Trail Fees - Daily	6.70	-
Parks & Recreation/Golf Course	Trail Fees - Monthly	13.90	-
Residential	Above Ground Pool	100.00	-
Residential	Accessory Structure Permit Fee (Per Sq. Foot)	0.15	-
Residential	Accessory Structure Plan Review	50.00	-
Residential	Certificate Of Occupancy	25.00	-
Residential	Driveway	35.00	-
Residential	Electrical- Others/ Repairs	35.00	-
Residential	Electrical- Panel Replacement/ Rewire/ Service- Meter Base Replacement	50.00	-
Residential	Electrical, Plumbing, Or Mechanical- New Construction Or Addition	Permit Fee	-
Residential	In Ground Pool	200.00	-
Residential	Interior/ Exterior Remodel	90.00	-
Residential	Irrigation	100.00	-
Residential	Mechanical- Replacement/ Repairs	35.00	-
Residential	Minor Remodeling	50.00	-
Residential	New Construction/Addition/Remodel Permit Fee (Per Sq. Foot)	0.30	-
Residential	New Construction/Addition/Remodel Plan Review Permit	100.00	-
Residential	Plumbing- Others/ Repairs	35.00	-
Residential	Plumbing- Slab Leaks/ Tunneling/ Sewer Main Replacement	50.00	-
Residential	Roofing	50.00	-
Residential	Window Replacement (Per Window, Minimum \$35)	10.00	-
Service Fee	After-Hour Service Fee	45.00	-
Service Fee	Courtesy Turn-On Fee	15.00	-
Service Fee	Emergency Cut-Off Fee	15.00	-
Service Fee	Meter Audit Fee	50.00	-
Service Fee	Meter Reread/High Bill Check Fee	15.00	-
Service Fee	Meter Reset Fee	45.00	-
Service Fee	Meter Tampering Fee	100.00	-
Service Fee	Meter Testing/Exchange Fee (1" Or Less)	100.00	-
Service Fee	Reconnect Fee	50.00	-
Service Fee	Return Trip Service Fee	15.00	-
Service Fee	Returned Check / Insufficient Funds	35.00	-
Service Fee	Temporary Cut-Off Fee	15.00	-
Service Fee	Transfer Fee (Transfer Of Residential Account)	15.00	-
Sewer	Access Fee	500.00	-
Sewer	Pretreatment, Annual Waste Hauler Permit (Specified Period Not To Exceed 5 Years)	100.00	-
Sewer	Pretreatment, Setting Sampler For Industry (Per Trip)	50.00	-
Sewer	Pretreatment, Trip Charge For Industry (Per Trip)	10.00	-
Sewer	Pretreatment, Waste Hauler Discharge Fee, Residential Waste (Per Gallon)	0.03	-
Sewer	Pretreatment, Waste Hauler Discharge Fee, Waste Collected Outside City Limits (Per Gallon)	0.04	-
Sewer Rates	Sewer Rates Inside City Limits (Per 1,000 Gallons)	6.43	-
Sewer Rates	Sewer Rates Inside City Limits Base Rate	16.01	-
Sewer Rates	Sewer Rates Outside City Limits (Per 1,000 Gallons)	12.86	-
Sewer Rates	Sewer Rates Outside City Limits Base Rate	32.02	-
Sewer Rates - Leigh Annex	Sewer Rates - Leigh Annex (Per 1,000 Gallons)	6.43	-
Sewer Rates - Leigh Annex	Sewer Rates - Leigh Annex Base Rate	16.01	-
Special Event Fires	Includes Pre-Inspection, Fire Watch, And Apparatus (Per Hour)	50.00	-
Water	Access Fee	675.00	-
Water Rates	Schedule Of Water Rates Inside City Limits (Per 1,000 Gallons)	5.10	-
Water Rates	Schedule Of Water Rates Outside City Limits (Per 1,000 Gallons)	10.20	-
Water Rates - Leigh Annex	Schedule Of Water Rates - Leigh Annex (Per 1,000 Gallons)	5.88	-
Zoning and Platting Fees	Annexations	675.00	-
Zoning and Platting Fees	Minor Plat (Less Than 4 Lots W/No Utility Extension) (\$5.00 Per Lot Not Including County Fees)	675.00	-
Zoning and Platting Fees	Planned Unit Developments	50.00	-
Zoning and Platting Fees	Preliminary Or Final Plat (\$5.00 Per Lot Not Including County Recording Fees)	50.00	-
Zoning and Platting Fees	Printing/ Reproduction (Per Page)	675.00	-
Zoning and Platting Fees	Re-Zone/ Variance	675.00	-
Zoning and Platting Fees	Right-Of-Way Abandonment	50.00	-
Zoning and Platting Fees	Site Plan Review (Nonresidential Only)	50.00	-
Zoning and Platting Fees	Specific Use Permit	675.00	-
Zoning and Platting Fees	Zoning Verification Letter	50.00	-
Fire/Rescue Fees	Motor Vehicle Incidents - Level 1	523.00	-
Fire/Rescue Fees	Motor Vehicle Incidents - Level 2	595.00	-
Fire/Rescue Fees	Motor Vehicle Incidents - Level 3 - Car Fire	727.00	-
Fire/Rescue Fees	Add-On Service - Extrication	1,569.00	-
Fire/Rescue Fees	Add-On Service - Creating Landing Zone	480.00	-
Fire/Rescue Fees	HAZMAT Level 1 - Basic Response	843.00	-
Fire/Rescue Fees	HAZMAT Level 2 - Intermediate Response	3,007.00	-
Fire/Rescue Fees	HAZMAT Level 3 - Advanced Response	7,095.00	-
Fire/Rescue Fees	HAZMAT Additional On Scene Time Engine per hour	481.00	-



City of Marshall
Comprehensive Fee Schedule FY25

<i>Category</i>	<i>Fee Description</i>	<i>Approved FY25 Fee Amount</i>	<i>Amended FY25 Fee Amount</i>
Fire/Rescue Fees	HAZMAT Additional On Scene Time Truck or Quint per hour	601.00	-
Fire/Rescue Fees	HAZMAT Additional On Scene Time Miscellaneous Equipment per hour	352.00	-
Fire/Rescue Fees	Fire Investigation - Fire Investigation Team per hour	332.00	-
Fire/Rescue Fees	Fires - Engine per hour	481.00	-
Fire/Rescue Fees	Fire - Truck or Quint per hour	601.00	-
Fire/Rescue Fees	Illegal Fires - Engine per hour	481.00	-
Fire/Rescue Fees	Illegal Fires - Truck or Quint per hour	601.00	-
Fire/Rescue Fees	Water Incidents - All levels - per rescue person	60.00	-
Fire/Rescue Fees	Water Incidents - Level 1 - Basic Response	481.00	-
Fire/Rescue Fees	Water Incidents - Level 2 - Intermediate Response	962.00	-
Fire/Rescue Fees	Water Incidents - Level 3 - Advanced Response	2,409.00	-
Fire/Rescue Fees	Back Country or Special Rescue	481.00	-
Fire/Rescue Fees	Back Country or Special Rescue per rescue person	60.00	-
Fire/Rescue Fees	Chief Response	290.00	-
Fire/Rescue Fees	Miscellaneous / Additional On Scene Time - Engine per hour	300.00	-
Fire/Rescue Fees	Miscellaneous / Additional On Scene Time - Truck or Quint per hour	601.00	-
Fire/Rescue Fees	Miscellaneous / Additional On Scene Time - Miscellaneous Equipment per hour	352.00	-
Fire/Rescue Fees	Gas Leaks - Level 1 - Outside without fire - Engine per hour	481.00	-
Fire/Rescue Fees	Gas Leaks - Level 1 - Outside without fire - Truck or Quint per hour	601.00	-
Fire/Rescue Fees	Gas Leaks - Level 2 - Outside with fire - Engine per hour	772.00	-
Fire/Rescue Fees	Gas Leaks - Level 3 - Inside Structure - Engine per hour	962.00	-
Fire/Rescue Fees	Gas Leaks - All Levels - Fee per Rescue Person per Hour	60.00	-



TO: City Council
DATE: July 24, 2025
ITEM #: 9.A
SUBJECT: Consider approval to authorize the Mayor to execute the release of the retainage and final payment to Hellas Construction Inc., not to exceed the amount of \$131,411.39. (Parks and Recreation)

Recommendation for Action: Staff Recommendation to release the final payment to Hellas Construction Inc.

Executive Summary: This document addresses the release of retainage in the amount of \$131,411.39 for the Airport Park Synthetic Turf Infield Project. The completed scope of work includes site preparation, subgrade installation, concrete work, a field drainage system, athletic equipment setup, and the installation of synthetic turf for ten fields and one T-ball field as part of the 2024 Capital Improvements Plan.

A thorough walk-through was conducted with our consulting engineer, Stan Hayes, resulting in the development of a punch list. All items on this punch list have been addressed, and the project is now considered complete.

City staff recommends the acceptance of the completed project and the release of retainage totaling \$131,411.39.

Focus Area(s): This item aligns with the following council adopted focus area(s): Improving Infrastructure

Budget Cost: \$131,411.39

Staff Contact: Marina Garcia-Heredia, Parks & Recreation Director

Attachments:

1. Warranty Paperwork
2. Punch List Letter
3. Final Invoice



City of Marshall-Airport Park Infields Closeout Documents



Table of Contents

1. Affidavit of Non-Asbestos, Lead, and PCB Use
2. Warranty for Construction
3. Warranty for Matrix Turf
4. Warranty for EcoNailer
5. Synthetic Turf System Maintenance Manual

HELLAS CONSTRUCTION, INC.
12000 WEST PARMER LANE
Austin, Texas 78613



A TENCATE COMPANY

AFFIDAVIT OF NON-ASBESTOS, LEAD, AND PCB USE IN PROJECT

Project Name: City of Marshall- Airport Park Baseball & Softball Infields

The undersigned does affirm and certify that "to the best of their knowledge and belief asbestos, lead and PCB containing materials have not been used or incorporated into the Work and lead or lead-bearing materials have not been incorporated into potable water systems", including, but not limited to those water systems for drinking fountains, all sinks, showers, bathtubs, residential and commercial kitchen equipment, ice machines, and hose bibs, as applicable to the project, and that lead sheet lashing used in through roof plumbing penetration application is the only lead on the project, in addition to trace amounts of lead found in crumb rubber infill used in synthetic turf applications, when applicable.

Hellas Construction, Inc.

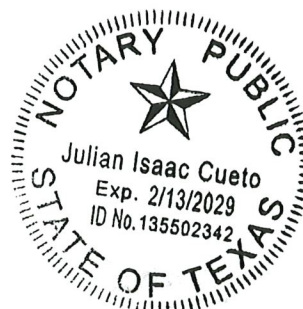
[Signature]

State of Texas
County of Dallas

Sworn to and subscribed before me on this 24 day of February, 2025.

[Signature]

Notary Public
My commission expires 2/13/2029





A TENCATE COMPANY

WARRANTY FOR CONSTRUCTION

BETWEEN the Owner:

City of Marshall
401 S Alamo Blvd.
Marshall, TX 75670

And Contractor:

Hellas Construction, Inc (HCI)
12000 West Parmer Lane
Austin, TX 78613

Telephone: 512-250-2910
Fax: 512-250-1960

Project -

City of Marshall - Airport Park Baseball & Softball Infields.

Warranty Effective Date: 2/21/2025

Upon receipt of full payment for the value of this contract, HCI will warrant its workmanship against defects for a period of one (1) year from the effective date. This warranty shall apply only to conditions caused by defective workmanship furnished by Hellas Construction, Inc.

DISCLAIMER OF IMPLIED WARRANTIES

THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE WARRANTY DESCRIBED IN THE PRECEDING SECTION. ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE EXCLUDED AND DISCLAIMED.

Hellas Construction, Inc.

By: Niraj Khadka
Signature

Date: 02-21-2025

Niraj Khadka
Print

Title: Project Manager

OWNER hereby accepts this contract and authorizes Contractor to complete the work and agrees to the payments terms as set forth herein.

By: _____
Signature

Date: _____

Print

Title: _____

HELLAS CONSTRUCTION, INC

Contractor Initials NK

Owner Initials _____

Revision 8/4/2022
1 of 1



MANUFACTURER'S LIMITED WARRANTY
MATRIX® Turf Field

HELLAS CONSTRUCTION INC., HEREBY WARRANTS THAT ITS SYNTHETIC TURF SURFACE, SUBJECT TO THE LIMITATIONS AND CONDITIONS SET FORTH BELOW, WILL FOR A PERIOD OF EIGHT (8) YEARS FROM THE DATE OF SUBSTANTIAL COMPLETION, REMAIN SERVICEABLE AS A SPORTS FIELD SUITABLE FOR SOCCER, FOOTBALL AND OTHER SPORT RELATED ACTIVITIES APPROVED IN WRITING BY HELLAS CONSTRUCTION INC.

THIS WARRANTY COVERS: *DEFECTS IN EITHER MATERIALS OR WORKMANSHIP* RESULTING IN PREMATURE WEAR, DURING NORMAL AND ORDINARY USE OF THE PRODUCT WITHIN EIGHT YEARS FROM THE DATE OF COMPLETION OF THE INSTALLATION.

FURTHER, THE TURF FIBERS SHALL NOT WEAR OR DEGRADE IN WEIGHT DUE TO ULTRAVIOLET LIGHT EXPOSURE BY MORE THAN AN AVERAGE 12 % (TWELVE PERCENT) PER YEAR DURING THE AFOREMENTIONED TIME PERIOD NOR WILL THE COLOR OF THE TURF FIBERS FADE IN A NON-UNIFORM MANNER (EXCEPT AS AFFECTED BY CHANGES IN TEXTURE RESULTING FROM NORMAL MATTING, COMPRESSION, TRAFFIC PATTERNS, MISUSE, FAILURE TO PROPERLY MAINTAIN OR FROM SOILING/STAINING). COLORS COVERED UNDER WARRANTY INCLUDE HELLAS CONSTRUCTION INC., STANDARD COLORS.

LIMITATIONS OF WARRANTY:

- THE WARRANTIES CONTAINED HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE EXPRESSLY WAIVED AND DISCLAIMED.
IN NO EVENT SHALL HELLAS CONSTRUCTION INC., BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.
- IN NO EVENT SHALL HELLAS CONSTRUCTION INC., BE LIABLE UNDER THIS WARRANTY FOR ANY REMEDY BUT TO REPLACE THAT PORTION OF THE SYNTHETIC TURF FOUND TO BE DEFECTIVE.
- THIS WARRANTY DOES NOT COVER DEFECT, FAILURE, DAMAGE OR WEAR IN OR TO THE TURF CAUSED BY OR CONNECTED WITH THE FOLLOWING:
 - DAMAGE BY USE OF IMPROPER FOOTWEAR SUCH AS LONG SPIKED TRACK SHOES AND REGULAR USE OF STEEL CLEATS. STANDARD FOOTBALL AND SOCCER CLEATS ARE RECOMMENDED.
 - ABUSE, NEGLECT, VANDALISM, DELIBERATE ACTS, OR ACCIDENTS OR FROM OTHER THAN NORMAL AND ORDINARY USE OF THE PRODUCT.
 - ACT OF GOD, ACCIDENT OR CASUALTY, INCLUDING BUT NOT LIMITED TO: ACTS OF CIVIL OR MILITARY AUTHORITY INCLUDING GOVERNMENT PRIORITIES, STRIKES OR OTHER LABOR DISTURBANCES, FIRES, FLOODS, EPIDEMICS, WARS AND RIOTS, ETC.
 - USE FOR ANY PURPOSE OTHER THAN THOSE APPROVED IN WRITING BY HELLAS CONSTRUCTION INC.,
 - FAILURE TO COMPLY WITH HELLAS CONSTRUCTION INC.'S RECOMMENDATIONS OF THE MAINTENANCE MANUAL.
 - LOADS EXCEEDING THE LIMITS DETAILED IN THE HELLAS CONSTRUCTION INC., MAINTENANCE MANUAL

HELLAS CONSTRUCTION, INC.
12000 WEST PARMER LANE
AUSTIN, TEXAS 78613



MANUFACTURER'S LIMITED WARRANTY
MATRIX® Turf Field

- IMPROPER TREATMENT SUCH AS EXCESSIVE VEHICULAR TRAFFIC, GOLF CLUB USE ON THE SURFACE, FIREWORKS DISPLAYS, CONCERTS AND OTHER IMPROPER USE PATTERNS.
- DURABILITY OF EITHER ANY PAINTED LINE STRIPING OR, PAINTED FIELD DECORATION.

OBLIGATIONS OF PROJECT OWNER (OR PURCHASER)/CONDITIONS COVERAGE:

THE ABOVE WARRANTIES AND HELLAS CONSTRUCTION INC., OBLIGATIONS HEREUNDER ARE EXPRESSLY CONDITIONED UPON:

- HELLAS CONSTRUCTION INC., MUST BE IN RECEIPT OF ALL UNDISPUTED AMOUNTS OWED WHEN DUE AND/OR PAYMENT IN FULL OF THE PURCHASE PRICE.
- THE PROJECT OWNERS (OR PURCHASERS) MAKING OF ALL MINOR REPAIRS TO THE UNIT, PROPERLY AND PROMPTLY, UPON DISCOVERY OF THE NEED FOR SUCH REPAIRS, INCLUDING THE CARE AND MAINTENANCE OF THE INFILL SYSTEM
- THE PROJECT OWNERS (OR PURCHASERS) MAINTAINING AND CARING FOR THE UNIT IN ACCORDANCE WITH HELLAS CONSTRUCTION INC., INSTRUCTIONS AND RECOMMENDATIONS, INCLUDING THE CARE AND MAINTENANCE OF THE UNIT
- THE RETENTION OF THE TURF AND/OR ACCESSORIES AT THE ORIGINAL PLACE OF INSTALLATION.
- THIS WARRANTY IS NON-TRANSFERABLE AND IS EXTENDED ONLY TO THE ORIGINAL PROJECT OWNER OR PURCHASER.

DURATION OF COVERAGE:

HELLAS CONSTRUCTION INC. MUST RECEIVE ALL WARRANTY CLAIMS IN WRITING AT ITS CORPORATE HEADQUARTERS. FAILURE TO DO SO WILL RENDER SUCH CLAIM INVALID. ALL CLAIMS MUST BE RECEIVED WITHIN THE EIGHT (8) YEAR WARRANTY PERIOD AFTER THE DATE OF SUBSTANTIAL COMPLETION, OR WITHIN THIRTY (30) DAYS AFTER BUYER LEARNS OF THE CAUSE GIVING RISE TO ITS CLAIM, WHICHEVER SHALL OCCUR FIRST. NO CLAIM CAN BE MADE IN THE LAST THIRTY (30) DAYS OF THE EIGHT YEARS.

HELLAS CONSTRUCTION INC. WILL EXAMINE ALL EVIDENCE SUBMITTED OR OBTAINED CONCERNING ANY CLAIM AND WILL DETERMINE THE VALIDITY OF AND DECIDE HOW TO RESPOND TO THE CLAIM. HELLAS CONSTRUCTION INC. WILL, AT ITS OPTION, EITHER REPAIR OR REPLACE ANY VALID CLAIM. SHOULD HELLAS CONSTRUCTION INC. NOT BE AVAILABLE OR FINANCIALLY IMPAIRED, A THIRD-PARTY ADMINISTRATOR WILL BE ASSIGNED TO ADJUDICATE THE CLAIM.

PROJECT NAME: City of Marshall- Airport Park Baseball & Softball Infields

DATE OF COMPLETION: 02/21/2025

ACCEPTANCE BY BUYER: _____

ACCEPTANCE BY HELLAS CONSTRUCTION INC: Mig Kella

HELLAS CONSTRUCTION, INC.
12000 WEST PARMER LANE
AUSTIN, TEXAS 78613



LIMITED WARRANTY

HELLAS CONSTRUCTION, INC, HEREBY WARRANTS THAT ECONAILER™, SUBJECT TO THE LIMITATIONS AND CONDITIONS SET FORTH BELOW, WILL FOR A PERIOD OF TWENTY-FIVE YEARS FROM THE DATE OF SUBSTANTIAL COMPLETION, REMAIN SERVICEABLE AS A SPORTS FIELD NAILER BOARD SUITABLE FOR USE IN SYNTHETIC TURF FIELDS.

THIS WARRANTY COVERS DEFECTS IN EITHER MATERIALS OR WORKMANSHIP RESULTING IN PREMATURE WEAR, DURING NORMAL AND ORDINARY USE OF THE PRODUCT WITHIN TWENTY-FIVE YEARS FROM THE DATE OF COMPLETION OF THE INSTALLATION.

LIMITATIONS OF WARRANTY:

- THE WARRANTIES CONTAINED HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE EXPRESSLY WAIVED AND DISCLAIMED.
IN NO EVENT SHALL HELLAS CONSTRUCTION, INC., BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.
- IN NO EVENT SHALL HELLAS GUARANTEE CORPORATION, OR ITS AFFILIATES BE LIABLE UNDER THIS WARRANTY FOR ANY REMEDY BUT TO REPLACE THAT PORTION OF THE NAILER BOARD FOUND TO BE DEFECTIVE.
- THIS WARRANTY DOES NOT COVER DEFECT, FAILURE, DAMAGE OR WEAR IN OR TO THE TURF SYSTEM CAUSED BY OR CONNECTED WITH THE FOLLOWING:
- ACTS OF GOD, ACCIDENT OR CASUALTY, INCLUDING BUT NOT LIMITED TO: ACTS OF CIVIL OR MILITARY AUTHORITY INCLUDING GOVERNMENT PRIORITIES, STRIKES OR OTHER LABOR DISTURBANCES, FIRES, FLOODS, EPIDEMICS, WARS AND RIOTS, ETC.
- USE FOR ANY PURPOSE OTHER THAN THOSE APPROVED IN WRITING BY HELLAS GUARANTEE CORPORATION

OBLIGATIONS OF PURCHASER/CONDITIONS COVERAGE:

THE ABOVE WARRANTIES AND HELLAS CONSTRUCTION, INC's OBLIGATIONS HEREUNDER ARE EXPRESSLY CONDITIONED UPON:

- HELLAS GUARANTEE CORPORATION MUST BE IN RECEIPT OF PAYMENT IN FULL OF THE PURCHASE PRICE OF THE PROJECT.
- THE RETENTION OF THE TURF AND/OR ACCESSORIES AT THE ORIGINAL PLACE OF INSTALLATION.
- THIS WARRANTY IS NON-TRANSFERABLE AND IS EXTENDED ONLY TO THE ORIGINAL PURCHASER.

DURATION OF COVERAGE

HELLAS CONSTRUCTION, INC MUST RECEIVE ALL WARRANTY CLAIMS IN WRITING AT ITS CORPORATE HEADQUARTERS. FAILURE TO DO SO WILL RENDER SUCH CLAIM INVALID. ALL

HELLAS GUARANTEE CORPORATION



LIMITED WARRANTY

CLAIMS MUST BE RECEIVED WITHIN TWENTY-FIVE (25) YEARS WARRANTY PERIOD AFTER THE SUBSTANTIAL COMPLETION, OR WITHIN THIRTY (30) DAYS AFTER BUYER LEARNS OF THE CAUSE GIVING RISE TO ITS CLAIM, WHICHEVER SHALL OCCUR FIRST. NO CLAIM CAN BE MADE IN THE LAST 30 DAYS OF THE 25 YEARS.

HELLAS CONSTRUCTION, INC., WILL EXAMINE ALL EVIDENCE SUBMITTED OR OBTAINED CONCERNING ANY CLAIM AND WILL DETERMINE THE VALIDITY OF AND DECIDE HOW TO RESPOND TO THE CLAIM. HELLAS CONSTRUCTION INC., WILL, AT ITS OPTION, EITHER REPAIR OR REPLACE ANY VALID CLAIM.

PROJECT NAME: City of Marshall- Airport Park Baseball & Softball Infields

DATE OF COMPLETION: 02/21/2025

ACCEPTANCE BY BUYER: _____

ACCEPTANCE BY HELLAS CONSTRUCTION, INC.: *Aliy Khodja*

PAGE 2 OF 2

HELLAS GUARANTEE CORPORATION



FINAL COMPLETION

Project Name: City of Marshall- Airport Park Baseball & Softball Infields

Job #: 20240519 Date: 02/21/2025

Superintendent: William Torres

Owner's Representative: _____

Job complete and approved: ☒

Punch list complete & approved: ☒

Exceptions: _____

William Torres

Superintendent Signature

Owner's Representative Signature

02/21/2025

Date:

Date:

Please note: signature of the inspection form in no way waives any of your rights under the specified warranty period. The warranty will commence upon this date.



HAYES ENGINEERING, INC.

Texas Registered Engineering Firm F-1465 www.hayesengineering.net

2126 ALPINE RD. LONGVIEW, TX 75601-3401

V 903.758.2010 F 903.758.2099

March 10, 2025

Ms. Marina Garcia
Marshall Director, Parks & Recreation
P.O. Box 698
Marshall, TX 75671

RE: City of Marshall, Tx Airport Park
 Contract 1 Infield Turf Hellas

Dear Ms. Garcia:

A final walk-through was completed on February 21, 2025. All items on the punch list appear to be addressed and I would recommend final payment and acceptance of the work performed.

If you have any questions or comments, please advise.

Sincerely,
HAYES ENGINEERING, INC.

Stanley R. Hayes, P.E.
Principal

APPLICATION AND CERTIFICATE FOR PAYMENT

To (OWNER): City of Marshall
401 S Alamo Blvd.
Marshall, TX 75670

From: Hellas Construction, Inc.
12000 W Parmer Ln
Cedar Park, TX 78613

Project: Marshall Airport Park Infields
1110 Warren Dr.
Marshall, TX 75672

Application No: 5
Invoice No: 37712
Period To: 3/31/2025

Via (Architect): 8245

Architect's Project No: 20240519

Contract Date: 7/11/2024

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

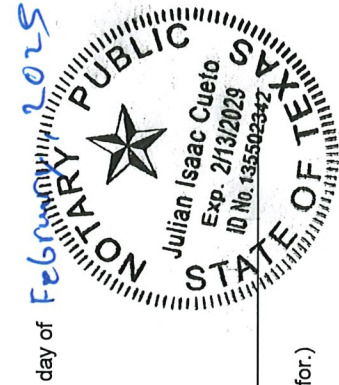
CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Approved previous months	0.00	0.00
Approved this month	0.00	0.00
TOTALS	0.00	0.00
Net change by change orders	0.00	

1. ORIGINAL CONTRACT SUM	\$	2,628,228.00
2. Net change by Change Orders	\$	0.00
3. CONTRACT SUM TO DATE (LINE 1+/-2)	\$	2,628,228.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on Continuation Sheet)	\$	2,628,228.00
5. RETAINAGE	\$	0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5)	\$	2,628,228.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	2,496,816.61
8. SALES TAX	\$	0.00
9. CURRENT PAYMENT DUE	\$	131,411.39
10. BALANCE TO FINISH, PLUS RETAINAGE (Line 3 less Line 6)	\$	0.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payment received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Hellas Construction, Inc. Date: 02-24-2025
By: *[Signature]*

State of: Texas County of: Dallas
Subscribed and sworn to before me this 24th day of February 2025
Notary Public: *[Signature]*
My Commission expires: 2/13/2029



ARCHITECT'S CERTIFICATE FOR PAYMENT

AMOUNT CERTIFIED:\$
(Attach explanation if amount certified differs from the amount applied for.)

ARCHITECT:

By: _____ Date: _____
This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

CONTINUATION SHEET

APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

Application Number: 5
 Application Date: 2/24/2025
 Period To: 3/31/2025
 Architect's Project No: 20240519

A	B	C	D	E	F	G	H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK BILLED FROM PREV APPLICATION (D+E+F)	WORK BILLED THIS PERIOD	MATERIALS STORED THIS PERIOD	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G/ C)	RETAINAGE
1	Pre-Construction	26,919	26,919	0	0	26,919	100	0
2	Mobilization	440,784	440,784	0	0	440,784	100	0
3	Demolition	41,787	41,787	0	0	41,787	100	0
4	Excavation	105,853	105,853	0	0	105,853	100	0
5	Site Drainage	18,011	18,011	0	0	18,011	100	0
6	Turf Field Collector Drain Line	0	0	0	0	0	***	0
6.1	Pipe Materials	62,197	62,197	0	0	62,197	100	0
6.2	Labor	26,656	26,656	0	0	26,656	100	0
7	Turf Field Vertical Drain System	0	0	0	0	0	***	0
7.1	Drain Stone/Liner/Nailer Board	480,261	480,261	0	0	480,261	100	0
7.2	Labor	205,826	205,826	0	0	205,826	100	0
8	Track Curb	0	0	0	0	0	***	0
8.1	Concrete/Steel	51,270	51,270	0	0	51,270	100	0
8.2	Concrete Labors	21,973	21,973	0	0	21,973	100	0
9	Field Events	0	0	0	0	0	***	0
9.1	Field Event Equipment	106,222	106,222	0	0	106,222	100	0
9.2	Labor	22,462	22,462	0	0	22,462	100	0
10	Combined Concrete Materials	0	0	0	0	0	***	0
10.1	Set Up Materials	39,809	39,809	0	0	39,809	100	0

CONTINUATION SHEET

APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

Application Number: 5
Application Date: 2/24/2025
Period To: 3/31/2025
Architect's Project No: 20240519

A	B	C	D	E	F	G	H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK BILLED FROM PREV APPLICATION (D+E+F)	WORK BILLED THIS PERIOD	MATERIALS STORED THIS PERIOD	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G/C)	RETAINAGE
10.2	Concrete Labor	17,061	17,061	0	0	17,061	100	0
11	Bases/Plates/Rubbers	0	0	0	0	0	***	0
11.1	Field Event Equipment/ Padding	30,211	30,211	0	0	30,211	100	0
11.2	Labor	12,948	12,948	0	0	12,948	100	0
12	Turf Fields (Baseball/Softball)	0	0	0	0	0	***	0
12.1	Turf Materials	583,961	583,961	0	0	583,961	100	0
12.2	Turf Labor	250,269	250,269	0	0	250,269	100	0
13	Landscaping	75,248	75,248	0	0	75,248	100	0
14	Clean up & Close Out	8,500	8,500	0	0	8,500	100	0
		2,628,228	2,628,228	0	0	2,628,228	100	0



TO: City Council
DATE: July 24, 2025
ITEM #: 9.B
SUBJECT: Consider approval to authorize the Mayor to award and execute Change Order #3 for the Convention Center CIP to PSI not to exceed the amount of \$22,533. (Support Services)

Recommendation for Action: Approve change order to complete repairs to the fire suppression riser at the convention center and repair two roof drains in Caddo Hall.

Executive Summary: Exhibit "A"
OCO #3

Scope of Work

1) The Client requested PSI to Replace the outdated 6" fire line valve, the Fire Department Connection and repair two roof drain lines above the ceiling in Caddo Hall at the Convention Center.

- a. Replace the 6" fire sprinkler valve at the north side of the Convention Center parking lot that will not shut the water supply completely.
 - i. Includes labor, excavation equipment, materials and City inspection.
- b. Provide and install a new Fire Department Connection, cover plate, and Knox fire caps on the south side of the Convention Center.
 - i. Includes labor and materials.
- c. Provide labor and equipment to repair two roof drains above the ceiling in Caddo Hall.
 - i. Includes man lift, materials and labor.

Additional Scope of Work: \$44,156.00

Credit from Change Order #1 (Plumbing Test B): (\$21,623.00)

Total Costs for Additional Scope of Work: \$22,533.00

Focus Area(s): This item aligns with the following council adopted focus area(s): Improving Infrastructure

Budget Cost: \$22,533.00

Staff Contact: Randy Pritchard, Support Services Director

Attachments: None



TO: City Council
DATE: July 24, 2025
ITEM #: 9.C
SUBJECT: Lease Purchase Two Frazer Type I Ambulances at a cost not to exceed \$794,450.00 through the Houston Galveston Area Council (HGAC) cooperative purchasing program. (Fire)

Recommendation for Action: Staff recommends approval for the Mayor to execute a lease-purchase agreement with Ascentium Capital for the acquisition of two (2) new 2026 Frazer Type I ambulances on Ram 5500 diesel 4x4 chassis through the Houston Galveston Area Council (HGAC) cooperative purchasing program. The City will pay for the chassis upfront (\$172,500) and lease purchase the remaining amount (\$621,450) over seven years using Option 5 on the Acentium proposal. This option includes the upgraded Stryker Power-LOAD stretcher system, with annual payments funded from the ESD revenue account.

Executive Summary: BACKGROUND

The Marshall Fire Department's ambulance fleet requires immediate replacement due to aging equipment and reliability issues. The department previously acquired a Frazer ambulance in October 2024 that experienced significant mechanical problems, requiring four motor replacements within six months. The unit was successfully returned under the Texas Lemon Law with Ford's agreement to purchase back the problematic vehicle.

PROJECT DETAILS

- **Equipment:** Two (2) new 2026 Frazer Type I ambulances with Stryker Power-LOAD stretcher systems
- **Chassis:** Ram 5500 diesel 4x4 (switching from Ford for improved reliability)
- **Total Project Cost:** \$794,450 (\$172,500 chassis paid upfront + \$621,950 financed)
- **Payment Structure:** City pays chassis cost upfront; remaining amount financed over 7 years
- **Delivery Timeline:** 12 months (reduced from typical 16-18 months due to available chassis)
- **Vendor:** Frazer, Ltd. through licensed dealer Houston Mac Haik Dodge Chrysler Jeep

FINANCING STRUCTURE

Finance Director Recommendation - Option 5:

- **Chassis Payment:** \$172,500 paid upfront by the City
- **Financed Amount:** \$621,450 (ambulance modules with Power-LOAD upgrade)
- **Term:** Seven (7) years
- **Interest Rate:** 6.440%
- **Annual Payment:** \$113,070.62
- **Payment Mode:** Annual in arrears (first payment due one year from closing)
- **Total Interest:** \$169,494.34 over loan term

Stryker Power-LOAD Advantages:

- Automated loading/unloading reduces physical strain on EMS personnel
- Decreases risk of back injuries and workers' compensation claims
- Improves patient safety during transport transitions
- Enhances operational efficiency and response times
- Reduces long-term personnel costs related to injury and fatigue

KEY BENEFITS

1. **Immediate Availability:** Frazer has two chassis in stock, reducing delivery time to 12 months
2. **Improved Reliability:** Switch to Ram diesel chassis addresses previous Ford reliability issues
3. **Fleet Modernization:** Replaces aging ambulances with new CAAS GVS v3.0 compliant units
4. **Tax-Exempt Financing:** Qualifies for tax-exempt municipal financing

FISCAL IMPACT

- **Upfront Payment:** \$172,500 (chassis cost)
- **FY 2026:** \$113,070.62 (first annual payment due one year from closing)
- **Annual Impact:** \$113,070.62 for seven years
- **Funding Source:** ESD revenue account
- **Total Project Cost:** \$963,994.34 (\$172,500 + \$791,494.34 financed amount with interest)

TIMELINE

- Council approval required by August 4, 2025 (financing proposal expiration)
- Upfront chassis payment due upon contract execution
- First annual payment due one year from closing (FY 2027)
- Estimated delivery: 12 months from order

This acquisition addresses critical public safety infrastructure needs while taking advantage of available chassis inventory to expedite delivery and improve fleet reliability.

Focus Area(s): This item aligns with the following council adopted focus area(s): Improving Customer Service and Improving Infrastructure,

Budget Cost: The City will pay for the chassis upfront (\$172,500) and lease purchase the remaining amount (\$621,450) over seven years for a total project cost of \$794,450.00

Staff Contact: David Rainwater, Fire Chief

Attachments:

1. Executive Summ Lease Purchase Two Frazer Type I Ambulances
2. Quote
3. Lease Purchase Proposal

To: Melissa Vossmer, City Manager
Date: 7/18/2025
From: David Rainwater, Fire Chief
RE: Lease Purchase of Two (2) Frazer Type I Ambulances

EXECUTIVE SUMMARY

Lease Purchase of Two (2) Frazer Type I Ambulances

RECOMMENDATION

Staff recommends approval for the Mayor to execute a lease purchase agreement with Ascentium Capital for the acquisition of two (2) new 2026 Frazer Type I ambulances on Ram 5500 diesel 4x4 chassis through the Houston Galveston Area Council (HGAC) cooperative purchasing program. The City will pay for the chassis upfront (\$172,500) and lease purchase the remaining amount (\$621,450) over seven years using Option 5 on the Acentium proposal. This option includes the upgraded Stryker Power-LOAD stretcher system, with annual payments funded from the ESD revenue account.

BACKGROUND

The Marshall Fire Department's ambulance fleet requires immediate replacement due to aging equipment and reliability issues. The department previously acquired a Frazer ambulance in October 2024 that experienced significant mechanical problems, requiring four motor replacements within six months. The unit was successfully returned under the Texas Lemon Law with Ford's agreement to purchase back the problematic vehicle.

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TIMELINE

- Council approval required by August 4, 2025 (financing proposal expiration)
- Upfront chassis payment due upon contract execution
- First annual payment due one year from closing (FY 2027)
- Estimated delivery: 12 months from order

This acquisition addresses critical public safety infrastructure needs while taking advantage of available chassis inventory to expedite delivery and improve fleet reliability.

Customer Quote



6/17/2025 2:38:47 PM

Estimate No: Q4871-0001
Quote Date: 6/17/2025
Expiration Date: 8/1/2025
Salesperson: LL
Payment Terms: Net 30

Invoice To: 10588
Marshall Fire Department
City of Marshall
PO Box 698
Marshall TX 75671
US

Deliver To:
Travis Gibson
Marshall Fire Department
601 S. Grove St.
Marshall TX 75670
US
Phone:(903) 578-0400

Order Instructions:

The unit will be invoiced approximately 30 days prior to vehicle completion and is due upon acceptance of the completed unit, unless alternate terms have been approved in writing.

All ownership documentation—including the Manufacturer’s Statement of Origin (MSO), Buyer’s Order, and delivery paperwork—will be held until full payment of all open invoices has been received. This won’t delay you from inspecting or taking delivery—but you won’t receive the paperwork until payment is complete.

A progress payment for the chassis portion will be invoiced upon receipt of order and is due within 15 days of the invoice date. The remaining balance will be invoiced approximately 30 days prior to vehicle completion and is due upon delivery of the completed unit, unless alternate terms have been approved in writing.

No.	Item	Qty	U/M:		Unit Price		Net Amount
1	MODULE Type I 14' Module	2.00	EA	\$	269,725.00	\$	539,450.00
2	CHASSIS 2024 Ram 5500 Diesel 4X4	2.00	EA	\$	86,250.00	\$	172,500.00

Frazer Stock Chassis:

Chassis 1: 3C7WRNCL5RG279490

Chassis 2: 3C7WRNCL5RG279489

3	DELIVERY Delivery Charge	1.00	M	\$	0.00	\$	0.00
4	HGAC-NEW HGAC Fee for a New Unit	1.00	EA	\$	1,000.00	\$	1,000.00
5	SpecDoc Configurable item to create the SpecDoc	1.00	EA	\$	0.00	\$	0.00

Frazer will accept returns on parts up to 180 days after shipment. No restocking fee will be charged if the item is returned within 90 days of the original invoice date. All parts returns should be shipped back freight prepaid and require prior approval with a "Returns Material Authorization" (RMA) clearly displayed on the exterior of the shipping package. A credit will be issued towards the customer's account within approximately 7 business days of receipt of the item. If a part is returned after 90 days of the original invoice date a 15% restocking fee will be applied. Frazer Ltd reserves the right to accept returned items at its sole discretion based upon the condition of the item to be placed back into stock. :

Customer Quote



6/17/2025 2:38:47 PM

Estimate No: Q4871-0001
Quote Date: 6/17/2025
Expiration Date: 8/1/2025
Salesperson: LL
Payment Terms: Net 30

Order Instructions:

No.	Item	Qty	U/M:		Unit Price		Net Amount
-----	------	-----	------	--	------------	--	------------

Remit To:

Frazer, Ltd.
7219 Rampart Street
Houston TX 77081

Sale Amount: 712,950.00
Order Disc(0.0000%): 0.00
Surcharge: N/A
Sales Tax: 0.00
Misc Charges: 0.00
Total Amount: 712,950.00

Frazer will accept returns on parts up to 180 days after shipment. No restocking fee will be charged if the item is returned within 90 days of the original invoice date. All parts returns should be shipped back freight prepaid and require prior approval with a "Returns Material Authorization" (RMA) clearly displayed on the exterior of the shipping package. A credit will be issued towards the customer's account within approximately 7 business days of receipt of the item. If a part is returned after 90 days of the original invoice date a 15% restocking fee will be applied. Frazer Ltd reserves the right to accept returned items at its sole discretion based upon the condition of the item to be placed back into stock. :



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For your convenience, all pricing has been itemized below per quote Q4871-0001 for Marshall Fire Department

Base Module	\$ 168,500.00
Chassis Exterior	\$ 36,275.00
Module Exterior	\$ 38,900.00
Chassis Interior	\$ 1,275.00
Module Interior	\$ 24,775.00
Total \$	269,725.00

Items included in above totals:

1. Pricing Model Year: 2025	\$	
2. Type I 14' Module - Side Entry Door Forward of Front I/O Configuration	\$	7,075.00
3. This is a CAAS GVS v3.0 Unit	\$	incl

Chassis Exterior:

4. Heat Shielding for Diesel Chassis	\$	2,350.00
5. 2 Chassis Keys Provided	\$	incl
6. Chassis Paint Layout: Paint Half - Black	\$	6,450.00
7. Chassis : 2024 RAM 5500, Diesel, 4x4, Regular Cab, 108" Cab to Axle, PR4 - Flame Red Clear Coat	\$	incl
8. Suspension: LiquidSpring	\$	17,825.00
9. Camera System: Voyager 7" Monitor with Back-Up Camera	\$	2,525.00
10. Voyager Monitor at Standard Rear View Mirror Location	\$	incl
11. Black Back-up Camera	\$	incl
12. Wheel type: Factory Aluminum	\$	incl
13. Road Force Elite tire and wheel balancing	\$	incl
14. Chassis Steps: Luverne Running Boards	\$	1,575.00
15. Grille Guard: Full Replacement Bumper	\$	2,700.00
16. 10" and 12" Air Horns	\$	1,675.00
17. Compressor Type: Standard	\$	1,000.00
18. Air Horn Switching Options: Momentary	\$	175.00
19. Passenger's side Grille Light: Whelen M4 Red Light	\$	incl
20. Driver's side Grille Light: Whelen M4 Clear Light	\$	incl
21. Passenger's side Intersect Light: Whelen M4 Clear Light	\$	incl
22. Driver's side Intersect Light: Whelen M4 Red Light	\$	incl
23. Note to Paint: Paint colors and layout to be the same as previous unit, E-4057	\$	incl

Chassis Exterior Subtotal \$ 36,275.00



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Module Exterior:

24. Module Paint Layout: Two Tone - PR4 - Flame Red Clear Coat and Frazer Black (FLNA 4123)	\$	5,400.00
25. Supertherm Coating on Module Roof - Roof Will be White	\$	incl
26. No Design Package	\$	incl
27. Frazer Provided Tier 2 - Standard Graphics	\$	6,500.00
28. Solid Color Conspicuity Squares on Entry Doors	\$	525.00
29. Solid Color Conspicuity Strips on Compartment Doors	\$	300.00
30. Body Drop on the Passenger's Side Forward of Rear Wheels	\$	incl
31. Shore Power: Single 30 Amp auto eject w/ Yellow cover on Rear Wall	\$	750.00
32. Pigtail/Plug Option: Pigtail	\$	incl
33. Coax 1: Run coax from location 1 to Chassis	\$	incl
34. Coax 2: Run coax from location 2 to Chassis	\$	incl
35. Coax 3: Run coax from location 3 to Electrical Compartment	\$	incl
36. Coax 4: Run coax from location 4 to Electrical Compartment	\$	incl
37. Front Wall Light Layout: Lower 5 Lights	\$	incl
38. Front Wall Light #1: Whelen M6 Red/Blue Light	\$	175.00
39. Front Wall Light #2: Whelen M6 Red Light	\$	incl
40. Front Wall Light #3: Whelen M6 Clear Light	\$	incl
41. Front Wall Light #4: Whelen M6 Red Light	\$	incl
42. Front Wall Light #5: Whelen M6 Blue/Red Light	\$	175.00
43. Front Wall Driver Side Box Light: Whelen M6 Red Light	\$	incl
44. Front Wall Passenger Box Light: Whelen M6 Red Light	\$	incl
45. Driver Wall Front Box Light: Whelen M6 Red Light	\$	incl
46. Driver Wall Rear Box Light: Whelen M6 Red Light	\$	incl
47. Driver Wheel Well Light: Whelen M6 Blue/Red Light	\$	175.00
48. Side Scene Lights: Frazer Standard Whelen M9 Chrome Housing	\$	incl
49. O2 Compartment Style: 76" O2 Standup	\$	incl
50. O2 Cylinder Bracket Type: Ratchet Straps for H Cylinder	\$	incl
51. O2 Regulator - Ship Loose	\$	300.00
52. Intermediate Compartment Style: Left T-Split	\$	375.00
53. Electrical Compartment Style: Taller Electrical Compartment	\$	incl
54. Power Source: MEPS	\$	21,725.00



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55. Dometic Self-Contained A/C: Includes Exhaust Fan, Air Deflectors and Supplemental Condenser Fan	\$	incl
56. Rear Storage Compartment Style: Rear Storage with Adjustable Shelf	\$	incl
57. Module Window Option: Sliding Window	\$	incl
58. Upper Rear Wall Light Layout: 3 Across	\$	incl
59. Upper Light #1: Whelen M6 Load Light	\$	incl
60. Upper Light #2: Whelen M6 Amber Light	\$	incl
61. Upper Light #3: Whelen M6 Load Light	\$	incl
62. Lower Light #1: Whelen M6 Brake/Tail/Turn Red Light with Clear Lens	\$	incl
63. Lower Light #2: Whelen M6 Brake/Tail/Turn Red Light with Clear Lens	\$	incl
64. Lower Light #3: Whelen M6 Red/Blue Light	\$	175.00
65. Lower Light #4: Whelen M6 Red/Blue Light	\$	175.00
66. Rear Wall Driver Box Light: Whelen M6 Red Light	\$	incl
67. Rear Wall Passenger Box Light: Whelen M6 Red Light	\$	incl
68. Rear Backboard Options: 5" Compartment Shelf	\$	375.00
69. Lower BTTs: 2 M6 Lights on each side	\$	1,100.00
70. Rear Bumper	\$	incl
71. Door Grabbers	\$	incl
72. License Plate Light	\$	incl
73. Passenger Wall Front Box Light: Whelen M6 Red Light	\$	incl
74. Passenger Wall Rear Box Light: Whelen M6 Red Light	\$	incl
75. Passenger Wheel Well Light: Whelen M6 Blue/Red Light	\$	175.00
76. Passenger Scene Light Activated with Side Entry Door	\$	500.00
77. Interior Step Option: Double Step Well	\$	incl
78. Passenger Rear Compartment Style: Passenger Side Storage Compartment	\$	incl
Module Exterior Subtotal		\$ 38,900.00

Chassis Interior:

79. Siren Speakers: Whelen SA 315 Speakers	\$	incl
80. Tap-2 on Primary Siren	\$	incl
81. Siren Option: Whelen A1 Siren in Console	\$	incl
82. Mic 1 on passenger's side slot 1	\$	incl
83. HAAS Alert System: HAAS Alert Responder to Vehicle - 3 Year Sub	\$	incl
84. Slot 1: Double Slot Switch Panel	\$	incl



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85. Slot 2: Joined with 1	\$	incl
86. Slot 3: Siren 1	\$	incl
87. Slot 4: Radio Plate: 7.5 L X 2.5 W opening dims Item ID 2398	\$	incl
88. Slot 5: Double Blank Insert	\$	300.00
89. Slot 6: Joined with 5	\$	incl
90. Console Switch Layout : Primary - Secondary - Blank - Air Horn - Blank - Blank - Blank - Rear Load - Interior Lights - Side Scene (Driver's Side) - Side Scene (Passenger's Side) - Blank -	\$	incl
91. New Armrest	\$	375.00
92. Console Layout: 6-Slot Console	\$	incl
93. Rear of Console: Dual Cup Holder	\$	225.00
94. Chassis Rear Wall: 3 High Glove Box Holder	\$	375.00
Chassis Interior Subtotal		\$ 1,275.00
Module Interior:		
95. Protek Cushions	\$	incl
96. Desert Rose Red Interior	\$	incl
97. Stainless Steel Countertops	\$	incl
98. Stainless Steel Grab Rails	\$	incl
99. Stacked Cabinet with Refrigerator	\$	3,425.00
100. Refrigerator Lock	\$	400.00
101. Location 1: 4 Switch w/Thermostat	\$	incl
102. Location 2: Single O2 Outlet	\$	incl
103. Location 3: Blank	\$	incl
104. Location 4: Blank	\$	incl
105. Location 6: Suction	\$	incl
106. Location 7: Quad 120 VAC	\$	incl
107. Location 8: Blank	\$	incl
108. Location 9: Blank	\$	incl
109. Action Wall Switch Layout : Interior Lights; Dimmer; Ventilation Fan; Module Heater - Hi/None/Low;	\$	incl
110. Sharps Container at Action Wall	\$	incl
111. New Action Wall Acrylic Holder	\$	incl
112. Double CPR Seat	\$	incl
113. New 6pt Harness at the CPR Seat	\$	825.00



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114. Acrylic Holder Aft CPR Seat	\$	incl
115. Rear Door Switch Layout : Blank; Blank; Dump/Bypass (Suspension); Rear Load;	\$	incl
116. UNOC #576 - Furnish and install double locking Aluminum drug box under Action Wall cabinet	\$	525.00
117. Two Seating Positions at the Squad Bench - 1 and 3	\$	incl
118. Harness Type for Seat Position 1: New 6pt Harness	\$	825.00
119. Harness Type for Seat Position 3: New 6pt Harness	\$	825.00
120. Acrylic Holder and Sharps at Squad Bench	\$	1,275.00
121. Triple Squad Bench Cabinet	\$	1,425.00
122. Trashcan With Lid at the Head of the Squad Bench	\$	incl
123. O2 Outlet Above the Front I/O	\$	incl
124. Door Forward Front I/O with Hospital Grade Power Strip with Lexan Doors	\$	incl
125. Duplex Outlet Above the Front I/O	\$	incl
126. Single O2 Outlet in Ceiling Raceway	\$	525.00
127. IV Hanger on Ceiling Raceway	\$	incl
128. Driver Side Stainless Steel Ceiling Grab Rail for 14' Unit	\$	incl
129. IV Hanger on Squad Bench Ceiling	\$	incl
130. In-Module Camera at the Rear Position	\$	900.00
131. Rear Headknocker Options: With Clock only	\$	750.00
132. Stryker Performance-LOAD with Charger - Gen 2	\$	11,975.00
133. Loncoin II Onyx Floor	\$	incl
134. Captain's Chair Type: Captain's Chair with Child Safety Seat and 4pt. Harness	\$	1,100.00
135. Module Heater : New	\$	incl
Module Interior Subtotal		\$ 24,775.00



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Last edited by trussell on June 17 2025

Email this quote along with your PO
to Lauren Lambert at llambert@frazerbilt.com

Remit To:

Per TMVCC, we are quoting this through our
licensed franchise dealer, Mac Haik Dodge Chrysler Jeep.

Mac Haik Dodge Chrysler Jeep
11000 I - 45 North Freeway
Houston, TX 77037

Standard Terms and Conditions

INVOICING AND PAYMENT TERMS: Vendor shall submit one (1) original invoice per payment due. The invoice(s) shall include the items listed in accordance with the quote mentioned in the Sale Agreement with reference to the Customer's Purchase Order Number.

If the Sale Agreement provides for any progress (or advance) payments based on specific milestones or activities, Vendor's invoice shall certify to the accomplishment or performance by Vendor of said milestone or activity, and that Customer has obtained a security interest in such Products to the extent of such payment.

Payment shall be due upon receipt of the invoice and delivery of the unit to the Customer unless previously negotiated.

CANCELLATION POLICY: Cancellation of orders must be submitted in writing to sales@frazerbilt.com at least 180 days before the projected production completion date. Failure to adhere to this timeline may result in the application of a cancellation fee amounting to 25% of the total purchase order price.

CHASSIS PAYMENT CONSIDERATION: Please note that payment for the chassis may have been issued prior to the 180-day cancellation window. Therefore, cancellation requests or refunds pertaining to the chassis will be at the discretion of the respective dealerships.



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DELIVERY TERMS: The products listed in the estimate are to be delivered Free On Board (FOB) Destination to Houston, TX. Customer representative(s) will pick up the unit at upfitter location, 7219 Rampart St., Houston, TX 77081 and transport it to their final destination at customer expense unless otherwise specified in the Vendor quote.

TERMINATION FOR CAUSE: Customer may terminate this Sale Agreement and any corresponding Purchase Order, or any part thereof, for cause including, but not limited to the following Vendor actions: (1) any default or breach of any of the terms and conditions of the Sale Agreement, (2) failure to provide Customer, upon request, a reasonable assurance of future performance, or (3) bankruptcy, dissolution, or suspension of payments by judicial decree. If Vendor does not cure such failure within a period of five (5) days or such a longer period as Customer may authorize in writing after the date such notice is sent to Vendor, then termination may proceed.

Vendor may also terminate this Sale Agreement and any corresponding Purchase Order for cause, and Vendor will not be in breach of same, in the event any supplier to Vendor fails to deliver Products and/or component parts in a timely fashion and Vendor cannot make alternate accommodations in order to comply with the Parties' agreed upon completion and delivery dates.

CHANGE ORDERS: Vendor has the right to modify the Purchase Order requirements and conditions as needed and will advise Customer in writing of such requested changes. Vendor shall not proceed with any changes without Customer's written authorization. Any request by Customer to change the terms or conditions of the Purchase Order, including product specifications, options, and price, must be made in advance of the production job order release. Any changes made after the release of the production job order will incur a \$350 fee per change order made in a 24 hour period and will be included on a secondary invoice. Vendor reserves the right to refuse changes requested by the Customer.

MARKET VOLATILITY AND FEATURE AVAILABILITY: Frazer strives to maintain transparency and proactive communication with its customers. Due to market volatility, supply chain disruptions, or other unforeseen circumstances, certain options, brand names, materials, or features may become unavailable during the production process. In such instances, Frazer will notify the customer promptly and work collaboratively to identify and implement suitable alternatives that uphold the functionality, quality, and design standards of the product. Frazer appreciates the customer's understanding as it navigates these challenges and remains committed to delivering products that meet or exceed customer expectations.



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IMPORT DUTIES AND TARIFF DISCLAIMER: The pricing provided in this estimate is based on current market conditions as of the date of issuance and does not account for potential import duties, tariffs, or other fees that may be imposed on goods imported from non-U.S. countries. Should such charges come into effect prior to the fulfillment of the order, these additional costs may be reflected in the final pricing. Frazer will provide timely notice of any such changes, including a detailed explanation of the impact, and will work in good faith with the customer to minimize any adverse effects. Frazer values its relationship with the customer and encourages open communication to address any questions or concerns that may arise.

PROPRIETARY INFORMATION, CONFIDENTIALITY AND ADVERTISING: All commercial, financial or technical information in any form that Vendor provides to Customer shall be deemed proprietary and confidential and Customer shall not disclose such information to third parties without Vendor's written consent. Termination of the Sale Agreement shall not relieve Customer of this confidentiality obligation. Upon Vendor's request, Customer shall return all confidential information to Vendor along with any reproductions, in whole or in part. The confidentiality obligation does not apply to information that is in the public domain through no fault of Customer or to information lawfully within Customer's possession prior to the date of the Purchase Order, as evidenced by Customer's written records.

INDEMNIFICATION: Customer shall fully release, indemnify, defend and hold harmless Vendor, its co-venturers, its contractors, and their respective affiliates, and Vendor's and their respective directors, officers and employees (including agency personnel) ("Vendor Group") from and against any and all claims arising out of the Customer's purchase, use, sale or incorporation of any Products purchased from Vendor into Customer's products or equipment wherein it is claimed or alleged that Vendor's Products are defective or violate any warranty, standard of care, industry standard or governmental regulation or term or condition of any Purchase Order without regard to any allegation of negligence on the part of the Vendor Group as it pertains to Vendor's Products.

Vendor shall fully release, indemnify, defend and hold harmless Customer, its co-venturers, its contractors, and their respective affiliates, and the Customer's and their respective directors, officers and employees (including agency personnel) ("Customer Group") from and against any and all claims arising out of the Customer's purchase, use, sale or incorporation of any Products purchased from Vendor into Customer's products or equipment wherein it is claimed or alleged that Vendor's Products are defective or violate any warranty, standard of care, industry standard or governmental regulation or term or condition of any Purchase Order without regard to any allegation of negligence on the part of the Customer Group as it pertains to Vendor's Products.

Customer Initials: _____



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LIMITATIONS ON DAMAGES: In the event of any dispute, disagreement or breach alleged by Customer on the part of Vendor, Customer's exclusive and sole remedy shall be repair or replacement, if practical, of the module, or component part, by Vendor. If Vendor is not able to effectuate a repair, replacement, or cure that brings the module, or component part, into compliance with the Parties' agreement, then Vendor shall refund the sale price to Customer. In no event shall Vendor be liable to Customer, or to any third-party acting through Customer, for any additional, consequential or punitive damages, or damages for lost sales, revenue or profits claimed by Customer or any third-party acting through Customer.

FORCE MAJEURE: A force majeure delay shall mean any delay or other unforeseeable causes beyond the reasonable control of the party affected, provided that any such delay is not caused, in whole or in part, by the acts or omissions of the party so delayed and further provided that such party is unable to make up for such delay with reasonable diligence and speed. If any such cause delays Vendor's performance, the delivery date or time for completion may be extended by a period of time reasonably necessary to overcome the effect of such delay; however, Vendor shall take all reasonable measures to mitigate the effects of the force majeure event and to minimize such delay. A party affected by a force majeure event shall notify the other party of such force majeure event within forty-eight (48) hours of its knowledge of such event for the event to be considered a bona fide force majeure event.

TITLE AND RISK OF LOSS: Title to the Products shall transfer to Customer upon receipt of Products by Customer or its agent unless otherwise stated in the Sale Agreement. Notwithstanding the above, risk of loss of the Products shall remain with Vendor until delivered to Customer.

WAIVER: Vendor's failure to exercise or enforce any right in the Purchase Order, or any other right or privilege under law, or Vendor's waiver of any breach by Customer shall not constitute a waiver or modification of any terms, conditions, privileges or rights whether of the same or similar type, unless Vendor gives such waiver in writing.

LIENS: Vendor waives and relinquishes all existing and future liens and claims (statutory or otherwise) for the Products specified in the Purchase Order, and warrants that the Products will be free and clear of all liens, claims or encumbrances of any kind.

INSPECTION, REVIEW AND WITNESSING: Customer and/or the ultimate owner of the Products have the right to inspect and attend testing of the Products at Vendor's premises (or its supplier's or subcontractor's premises) with reasonable advance notice. If any inspection is made on the premises of Vendor or its supplier, Vendor, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties.



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APPLICABLE LAW AND VENUE: The Sale Agreement shall be governed and interpreted in accordance with the laws of the State of Texas, without reference to any principle of conflict of laws. Customer and Vendor expressly exclude the application of the Convention on International Sale of Goods to the Sale Agreement. Venue for all judicial, administrative, or regulatory proceedings shall be Houston, Harris County, Texas.

OWNERSHIP OF DOCUMENTS: Title to all drawings, specifications, calculations, technical data and other documents that Customer submits in accordance with the Purchase Order shall vest with Vendor. Vendor shall have the right to use such documents for any purpose pertaining to the manufacture, assembly, and delivery of the Products.

Title to all drawings, specifications, calculations, technical data, and other documents that Vendor submits to the Customer shall vest with the Customer. Customer shall have the right to use such documents for any purpose pertaining to the installation, operation, and maintenance of the Products.

INSURANCE: Vendor shall comply with the project insurance requirements for which the Products are being provided. Customer shall provide specific reasonable levels required as soon as such levels are available, which shall not exceed \$1,000,000 for any non-statutory category other than excess liability umbrella, which shall not exceed \$4,000,000. When requested by Customer, Vendor shall provide certificates of insurance as proof of same.

SURVIVAL: The provisions of the following Paragraphs of these Terms and Conditions shall survive any cancellation or termination of the Purchase Order: (Proprietary Information, Confidentiality and Advertising), (Indemnification), (Liens), and (Applicable Law and Venue).

Ascentium Capital, a division of Regions Bank

July 21, 2025

FORMAL PROPOSAL

OBLIGOR: MARSHALL TX

- ✓ This is a finance/ownership contract. No residual value.
- ✓ Fixed interest rate for the six (6) year, and seven (7) year terms.

EQUIPMENT: NEW FIRE TRUCK

OPTION 1

Acquisition Cost:	\$540,450.00	Term:	Six (6) years	First Payment Due:	One Year from Close
Down Payment:	\$ 0.00	Payment Mode:	Annual in Arrears	Payment Amount:	\$111,084.15
Trade In:	\$ 0.00	Interest Rate:	6.340%		
Principal Balance:	\$540,450.00	Rate Factor:	0.205540		

OPTION 2

Acquisition Cost:	\$621,450.00	Term:	Six (6) years	First Payment Due:	One Year from Close
Down Payment:	\$ 0.00	Payment Mode:	Annual in Arrears	Payment Amount:	\$127,732.90
Trade In:	\$ 0.00	Interest Rate:	6.340%		
Principal Balance:	\$621,450.00	Rate Factor:	0.205540		

OPTION 3

Acquisition Cost:	\$826,450.00	Term:	Six (6) years	First Payment Due:	One Year from Close
Down Payment:	\$ 0.00	Payment Mode:	Annual in Arrears	Payment Amount:	\$169,868.63
Trade In:	\$ 0.00	Interest Rate:	6.340%		
Principal Balance:	\$826,450.00	Rate Factor:	0.205540		

OPTION 4

Acquisition Cost:	\$540,450.00	Term:	Seven (7) years	First Payment Due:	One Year from Close
Down Payment:	\$ 0.00	Payment Mode:	Annual in Arrears	Payment Amount:	\$98,332.96
Trade In:	\$ 0.00	Interest Rate:	6.440%		
Principal Balance:	\$540,450.00	Rate Factor:	0.181946		

OPTION 5

Acquisition Cost:	\$621,450.00	Term:	Seven (7) years	First Payment Due:	One Year from Close
Down Payment:	\$ 0.00	Payment Mode:	Annual in Arrears	Payment Amount:	\$113,070.62
Trade In:	\$ 0.00	Interest Rate:	6.440%		
Principal Balance:	\$621,450.00	Rate Factor:	0.181946		

OPTION 6

Acquisition Cost:	\$826,450.00	Term:	Seven (7) years	First Payment Due:	One Year from Close
Down Payment:	\$ 0.00	Payment Mode:	Annual in Arrears	Payment Amount:	\$150,369.65
Trade In:	\$ 0.00	Interest Rate:	6.440%		
Principal Balance:	\$826,450.00	Rate Factor:	0.181946		

- This is a proposal only and is not a commitment to finance. This proposal is subject to credit review and approval and proper execution of mutually acceptable documentation.
- Failure to consummate this transaction once credit approval is granted and the documents are drafted and delivered to Obligor may result in a documentation fee being assessed to the Obligor.
- This transaction must be credit approved, all documents properly executed and returned to Ascentium Capital, a division of Regions Bank and the transaction funded on ALL proposals on or before August 4, 2025. If funding does not occur within that time-frame, or there is a change of circumstance which adversely affects the expectations, rights, or security of Obligor or its assignees, then Obligor or its assignees reserve the right to adjust and determine a new interest rate factor and payment amount, or withdraw this proposal in its entirety. Should there be a significant change in market rates at any time prior to funding of the transaction, Ascentium Capital, a division of Regions Bank reserves the right to adjust the Interest Rate quoted above.
 - This transaction must be designated as tax-exempt under Section 103 of the Internal Revenue Code of 1986 as amended.
 - **OBLIGOR'S TOTAL AMOUNT OF TAX-EXEMPT DEBT TO BE ISSUED IN THIS CALENDAR YEAR WILL NOT EXCEED THE \$10,000,000 LIMIT, OR THE INTEREST RATE IS SUBJECT TO CHANGE.**

ASCENTIUM CAPITAL, A DIVISION OF REGIONS BANK

MARSHALL TX

Signature

Title

Signature

Title

Date

Date



TO: City Council
DATE: July 24, 2025
ITEM #: 10.A
SUBJECT: Presentation and Acceptance of the City of Marshall
2024 Fiscal Year Audit Report completed by Pattillo,
Brown, and Hill. (Finance)

Recommendation for Action: Staff recommends that the City Council formally accept and file the City of Marshall Audit Report for the 2024 Fiscal Year as presented. Acceptance of the report acknowledges receipt and review of the independent auditor's findings and affirms the City's commitment to transparency, accountability, and sound financial management.

Executive Summary: The City of Marshall Audit Report for the 2024 Fiscal Year, conducted by the independent auditing firm Pattillo, Brown, and Hill, has been completed. This report provides a comprehensive review of the City's financial statements, internal controls, and compliance with applicable laws and regulations. The audit confirms that the City's financial position is accurately presented and reflects sound fiscal management. The findings and recommendations outlined in the report support the City's ongoing commitment to transparency and accountability in its financial operations. The presentation of this report allows the City Council to formally acknowledge and accept these results.

Focus Area(s): Improving Communication

Budget Cost: N/A

Staff Contact: Kristina Hamilton, Interim Finance Director

Attachments: 1. 2024 DRAFT Annual Financial Report

CITY OF MARSHALL, TEXAS

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2024

DRAFT

CITY OF MARSHALL, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Marshall, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshall, Texas, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshall, Texas, as of December 31, 2024, 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.

We did not audit the financial statements of the Marshall Economic Development Corporation or the Marshall Downtown Development Corporation, whose assets were \$25,919,015 and \$40,384, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Marshall Economic Development Corporation and the Marshall Downtown Development Corporation, are based solely on the reports of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Marshall and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change of Accounting Principle

As described in the notes to the financial statements, in fiscal year 2024 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Marshall, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Marshall, Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Marshall, Texas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marshall, Texas' basic financial statements. The combining nonmajor fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The 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 nonmajor fund financial statements and schedules and schedule of expenditures of federal awards 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 July 24, 2025, on our consideration of the City of Marshall, 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 solely 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 the effectiveness of The City of Marshall, Texas' 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 City's internal control over financial reporting and compliance.

Waco, Texas
July 24, 2025

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Marshall, we offer readers of the City of Marshall's financial statements this narrative overview and analysis of the financial activities of the City of Marshall for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the Independent Auditors' Report and the City's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of Marshall exceeded its liabilities at the close of the most recent fiscal year by \$87,558,315 (net position). Of this amount, \$16,418,208 is unrestricted net position.
- As of the close of the current fiscal year, the City of Marshall's governmental funds reported combined ending fund balances of \$23,651,382. Approximately 64% of this total amount is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,184,557 or 59% of total General Fund expenditures.
- At the end of the current fiscal year the Water and Sewer Fund reported unrestricted net position of \$16,519,364, which was 103% of the fund's operating expenses of \$15,964,237.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Marshall's basic financial statements. The City of Marshall's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City of Marshall's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Marshall is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City of Marshall that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Marshall include general government, public safety, public works, finance, parks and recreation, library, non-departmental, tax collection, purchasing, code enforcement, inspections, and tourism and conventions. The business-type activities of the City of Marshall include Water and Sewer Fund and a Business Development Center Fund.

The government-wide financial statements include not only the City of Marshall itself (known as the *primary government*), but also a legally separate Marshall Economic Development Corporation and Marshall Downtown Development Corporation. Financial information for the *component units* is reported separately from the financial information presented for the primary government itself.

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 City of Marshall, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Marshall can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 *near-term inflows and outflows of spendable resources* as well as on *balance of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Marshall maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Coronavirus Emergency Fund, and Capital Improvement Fund, which are considered to be major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary Funds – The City of Marshall maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Marshall uses enterprise funds to account for its Water and Sewer Fund and Business Development Center Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service fund to account for management of its vehicle fleet.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the City of Marshall. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Marshall's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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 position may serve over time as a useful indicator of a government's financial position. In the case of the City of Marshall, assets exceeded liabilities by \$87,558,315 at the close of the most recent fiscal year.

By far the largest portion of the City of Marshall's net position, reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure and water and wastewater system), less any related debt used to acquire those assets that is still outstanding. The City of Marshall uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Marshall's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Figure A-1
CITY OF MARSHALL'S NET POSITION**

	Governmental Activities		Business Type Activities		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Assets						
Current and other assets	\$ 33,266,730	\$ 42,300,411	\$ 18,753,879	\$ 13,914,166	\$ 52,020,609	\$ 56,214,577
Capital assets	59,543,134	48,532,602	40,329,868	37,824,902	99,873,002	86,357,504
Total assets	<u>92,809,864</u>	<u>90,833,013</u>	<u>59,083,747</u>	<u>51,739,068</u>	<u>151,893,611</u>	<u>142,572,081</u>
Deferred Outflows of Resources	<u>4,707,623</u>	<u>7,269,399</u>	<u>816,761</u>	<u>1,371,357</u>	<u>5,524,384</u>	<u>8,640,756</u>
Liabilities						
Current liabilities	4,759,957	6,081,412	3,221,220	2,365,141	7,981,177	8,446,553
Noncurrent liabilities	42,404,025	47,841,603	17,816,908	4,729,357	60,220,933	52,570,960
Total Liabilities	<u>47,163,982</u>	<u>53,923,015</u>	<u>21,038,128</u>	<u>7,094,498</u>	<u>68,202,110</u>	<u>61,017,513</u>
Deferred Inflows of Resources	<u>1,354,978</u>	<u>593,346</u>	<u>302,592</u>	<u>76,564</u>	<u>1,657,570</u>	<u>669,910</u>
Net Position						
Net investment in capital assets	44,092,211	41,386,036	22,040,424	37,780,398	66,132,635	79,166,434
Restricted	5,007,472	5,308,209	-	858,074	5,007,472	6,166,283
Unrestricted	(101,156)	(3,108,194)	16,519,364	7,300,891	16,418,208	4,192,697
Total Net Position	<u>\$ 48,998,527</u>	<u>\$ 43,586,051</u>	<u>\$ 38,559,788</u>	<u>\$ 45,939,363</u>	<u>\$ 87,558,315</u>	<u>\$ 89,525,414</u>

An additional portion of the City of Marshall's net position (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$16,418,208) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Marshall is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental-type Activities – The City's program revenues increased when compared to the prior year by 11% or \$1,336,633. Operating Grants and Contributions and charges for services increased by \$697,316 and \$691,567, respectively.

Governmental activities increased the City of Marshall's net position by \$5,412,476 and are detailed on the next page.

**Figure A-2
CITY OF MARSHALL'S CHANGE IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 8,778,829	\$ 8,083,512	\$ 11,477,936	\$ 10,962,653	\$ 20,256,765	\$ 19,046,165
Operating grants and contributions	4,718,892	4,021,576	-	-	4,718,892	4,021,576
Capital grants and contributions	-	56,000	-	2,423,769	-	2,479,769
General Revenues:						
Taxes:						
Property taxes	9,001,467	7,395,990	-	-	9,001,467	7,395,990
Other taxes	11,557,563	11,711,202	-	-	11,557,563	11,711,202
Miscellaneous	267,738	56,117	48,786	3,660	316,524	59,777
Loss on sale of capital assets	14,871	(528,519)	(271,214)	(722,250)	(256,343)	(1,250,769)
Investment income	1,837,959	980,520	415,407	133,987	2,253,366	1,114,507
Total revenues	36,177,319	31,776,398	11,670,915	12,801,819	47,848,234	44,578,217
Expenses:						
General government	2,461,738	1,418,535	-	-	2,461,738	1,418,535
Parks and recreation	1,403,448	984,373	-	-	1,403,448	984,373
Finance	1,510,152	1,556,804	-	-	1,510,152	1,556,804
Public safety	13,588,515	13,313,842	-	-	13,588,515	13,313,842
Public works	9,322,555	8,344,046	-	-	9,322,555	8,344,046
Support services	1,523,527	1,515,084	-	-	1,523,527	1,515,084
Non-departmental	10,334	10,334	-	-	10,334	10,334
Tax collection	95,374	144,563	-	-	95,374	144,563
Tourism and cultural arts	2,517,214	2,367,899	-	-	2,517,214	2,367,899
Community and economic dev.	498,600	1,036,324	-	-	498,600	1,036,324
Interest on long-term debt	765,353	509,412	-	-	765,353	509,412
Water and sewer	-	-	16,118,523	7,867,254	16,118,523	7,867,254
Business development center	-	-	-	43,776	-	43,776
Total expenses	33,696,810	31,201,216	16,118,523	7,911,030	49,815,333	39,112,246
Change in net position before transfers	2,480,509	575,182	(4,447,608)	4,890,789	(1,967,099)	5,465,971
Transfers	2,931,967	1,712,425	(2,931,967)	(1,712,425)	-	-
Change in net position	5,412,476	2,287,607	(7,379,575)	3,178,364	(1,967,099)	5,465,971
Net position - beginning	43,586,051	41,298,444	45,939,363	42,760,999	89,525,414	84,059,443
Net position - ending	<u>\$ 48,998,527</u>	<u>\$ 43,586,051</u>	<u>\$ 38,559,788</u>	<u>\$ 45,939,363</u>	<u>\$ 87,558,315</u>	<u>\$ 89,525,414</u>

Business-type Activities – Revenues of the City's business-type activities were \$11,670,915 for the year ending December 31, 2024. Expenses for the City's business-type activities were \$16,118,523 for the year, resulting in net income of -\$4,447,608.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Marshall uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the City of Marshall's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Marshall's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Marshall's governmental funds reported combined ending fund balances of \$23,651,382. Approximately 64% of this total amount (\$15,148,529) constitutes unassigned, which is available for spending at the government's discretion. The remainder of fund balance is restricted or non-spendable to indicate that it is not available for new spending because it has already been committed. The portion of fund balance classified as nonspendable totals \$535,551. Restricted fund balance consists of the following: (1) promotion and tourism \$1,251,699, (2) public safety \$4,003,322, (3) debt service \$1,283,236, (4) library \$337,148, (5) capital projects \$489,407, (6) street maintenance \$567,202, and (7) public works \$35,288.

The General Fund is the chief operating fund of the City of Marshall. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,184,557, which represents the amount with no internal or external restrictions placed on its use. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 59% of total General Fund expenditures. Total fund balance represents 61% of total General Fund expenditures. The total fund balance of the City of Marshall's General Fund increased by \$2,548,700 during the current fiscal year.

Proprietary funds – The City of Marshall's proprietary funds provide the same type of information found in the governmentwide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year was \$16,519,364. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Marshall's business-type activities.

General Fund Budgetary Highlights – During the year, expenditures were under amended budget estimates by \$1,006,376.

Water and Wastewater Activities – The primary function of the Utility Division (Water and Wastewater) is to provide the following:

- An adequate supply of safe, potable drinking water to the residents and business owners within the City.
- Maintain the distribution system within the City which provides the methods of delivering the potable drinking water.
- Maintain the sanitary collection system which includes 20+ lift stations which collect and deliver untreated wastewater to the wastewater treatment plant (WWTP).
- Properly operate the City's WWTP to insure compliance with existing state permits and any applicable federal rules and regulations.
- Utilize the latest equipment, treatment processes and piping technology to maximize the effectiveness of all water and wastewater systems.

In 2024, approximately 1.381 billion gallons of water was treated and distributed through the City's distribution system, and approximately 2.05 billion gallons of wastewater treated.

In 2024, the following water\sewer main projects and upgrades were started and\or completed:

- Replaced 8" watermain in East Ave\Calloway St area.
- Initial design\planning of 2" water main replacement program began with construction to occur in 2024.
- Replaced 15 hydrants

In 2024, the following water treatment\wastewater treatment plant projects and upgrades were started and\or completed:

- East End Lift Station project completed
- Repairs were made to the primary clarifiers.
- Engineering design completed for West End lift station upgrades.
- Replaced high service pump at raw water intake facility
- Upgraded chemical feeds pumps at water production

In 2024, the following equipment\vehicles were purchased\leased in the Water\Sewer Utility:

- Lease of three mini excavators for the Distribution\Collection Crews
- Lease of a backhoe for Distribution\Collection

Drainage Division Activities – The City's drainage crew, started in October 2017, was able to address several storm drain repairs and improve drainage issues on several ditches and creeks throughout the City in an ongoing effort to improve overall stormwater management.

Specific drainage projects include:

- Kicked off a City-wide Drainage Master Plan
- Completed multiple miles of drainage ditch\swale cleaning and reshaping

CAPITAL ASSETS

The City of Marshall's investment in capital assets for its governmental and business type activities as of December 31, 2024, is \$99,873,002 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water and wastewater systems. Street improvements are a primary focus of the Public Works Department.

CITY OF MARSHALL'S CAPITAL ASSETS AT YEAR-END (Net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,164,764	\$ 1,164,764	\$ 218,051	\$ 267,032	\$ 1,382,815	\$ 1,431,796
Buildings	16,269,614	16,333,059	282,299	486,580	16,551,913	16,819,639
Improvements	8,248,890	1,683,360	-	-	8,248,890	1,683,360
Machinery and equipment	8,364,725	3,194,608	1,747,606	1,864,932	10,112,331	5,059,540
Infrastructure	24,879,921	25,541,591	-	-	24,879,921	25,541,591
Water and wastewater system	-	-	38,022,413	35,146,859	38,022,413	35,146,859
Construction in progress	615,220	615,220	59,499	59,499	674,719	674,719
Total	<u>\$ 59,543,134</u>	<u>\$ 48,532,602</u>	<u>\$ 40,329,868</u>	<u>\$ 37,824,902</u>	<u>\$ 99,873,002</u>	<u>\$ 86,357,504</u>

Additional information on the County's capital assets can be found in the notes to the financial statements.

DEBT ADMINISTRATION

Long-term Debt – At the end of the current fiscal year, the City of Marshall had total bonded debt outstanding of \$33,995,402. Of this amount, \$16,825,476 is backed by the levy and collection of ad valorem taxes in the City as provided by law and from surplus revenues in the City's Hotel Occupancy Tax Fund. The remainder of the City of Marshall's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds and tax notes).

**CITY OF MARSHALL'S OUTSTANDING LONG-TERM DEBT
AS OF DECEMBER 31, 2024**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Certificates of obligations	\$ 14,570,000	\$ 15,105,000	\$ 1,968,000	\$ 2,050,000	\$ 16,538,000	\$ 17,155,000
General obligation refunding bonds	1,819,000	2,318,000	-	-	1,819,000	2,318,000
Tax and promissory notes	1,041,000	1,422,000	14,160,926	-	15,201,926	1,422,000
Premium on bond issuance	436,476	470,746	-	-	436,476	470,746
Notes payable	150,741	226,111	-	-	150,741	226,111
Compensated absences	2,059,263	2,323,449	265,982	248,478	2,325,245	2,571,927
Financed purchases	834,096	1,126,451	-	-	834,096	1,126,451
Total long-term debt	<u>\$ 20,910,576</u>	<u>\$ 22,991,757</u>	<u>\$ 16,394,908</u>	<u>\$ 2,298,478</u>	<u>\$ 37,305,484</u>	<u>\$ 25,290,235</u>

The City Charter of the City of Marshall, Texas, and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population, limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation. The City operates under a Home Rule Charter, which also imposes a limit of \$1.35. The budgeted property tax rate was \$.54216 per \$100 valuation with a tax margin of \$.80784 per \$100 valuation based upon the maximum ad valorem tax rate noted above. Revenues up to \$8,540,935, per year could be raised before reaching the maximum allowable tax base on the current year's appraised net taxable value of \$1,057,255,807.

Additional information on the City's long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Factors

- Median home value (owner occupied) \$133,964 ESRI Forecast
- Average home value (owner occupied) \$215,042, Zillow
- Median household income \$58,016, ESRI Forecast
- Average household income \$76,128, ESRI Forecast
- Annual unemployment rate for Harrison County is 5.2%, 2024 LMI Average YTD
- FY 2024 (Tax Year 2024) tax rate is \$0.565201 per \$100 valuation.
- The City benefits from its strategic location, which is approximately 23 miles from Longview and 36 miles from Shreveport at the intersection of U.S. Hwy 59 and 1-20.

Next Year's Budgets and Rates – The 2024 City of Marshall Annual Budget reflected an approximate 10.77% increase in revenues (\$745,992) over the 2024 budget. We will closely monitor economic indicators, revenues, and expenditures in 2024 to assure that the City of Marshall maintains a balanced budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Marshall's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Marshall, 401 S. Alamo Marshall, Texas, 75670.

BASIC FINANCIAL STATEMENTS

CITY OF MARSHALL, TEXAS

STATEMENT OF NET POSITION

DECEMBER 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 20,691,155	\$ 16,640,053	\$ 37,331,208
Receivables, net	7,478,878	966,176	8,445,054
Internal balance	2,052,424	(2,052,424)	-
Due from other governments	2,508,722	-	2,508,722
Prepaid expenses	501,919	14,714	516,633
Inventory	33,632	59,442	93,074
Restricted assets:			
Cash and cash equivalents	-	3,125,918	3,125,918
Capital assets:			
Non-depreciable	1,779,984	277,550	2,057,534
Depreciable, net	57,763,150	40,052,318	97,815,468
Total assets	<u>92,809,864</u>	<u>59,083,747</u>	<u>151,893,611</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions - TMRS	2,900,757	771,088	3,671,845
Deferred outflows related to pensions - FRRF	1,565,892	-	1,565,892
Deferred outflows related to OPEB - retiree health plan	118,724	31,560	150,284
Deferred outflows related to OPEB - SDBF	122,250	14,113	136,363
Total deferred outflows of resources	<u>4,707,623</u>	<u>816,761</u>	<u>5,524,384</u>
LIABILITIES			
Accounts payable	2,618,598	1,015,462	3,634,060
Accrued interest payable	187,253	-	187,253
Accrued liabilities	850,437	92,353	942,790
Unearned revenue	472,999	1,093,060	1,566,059
Due to other governments	630,670	-	630,670
Payable from restricted assets:			
Customer deposits	-	1,020,345	1,020,345
Noncurrent liabilities:			
Due in one year:			
Bonds, loans, and leases payable	1,827,837	82,000	1,909,837
Compensated absences	720,742	93,094	813,836
Total OPEB liability - retiree health plan	26,318	4,151	30,469
Total OPEB liability - SDBF	29,318	3,385	32,703
Due in more than one year:			
Bonds, loans, and leases payable	17,023,476	16,046,926	33,070,402
Compensated absences	1,338,521	172,888	1,511,409
Net pension liability - TMRS	4,674,053	1,242,470	5,916,523
Net pension liability - FRRF	15,703,828	-	15,703,828
Total OPEB liability - retiree health plan	311,101	85,543	396,644
Total OPEB liability - SDBF	748,831	86,451	835,282
Total liabilities	<u>47,163,982</u>	<u>21,038,128</u>	<u>68,202,110</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions - TMRS	927,801	246,630	1,174,431
Deferred inflows related to pensions - FRRF	100,657	-	100,657
Deferred inflows related to OPEB - retiree health plan	121,470	32,289	153,759
Deferred inflows related to OPEB - SDBF	205,050	23,673	228,723
Total deferred inflows of resources	<u>1,354,978</u>	<u>302,592</u>	<u>1,657,570</u>
NET POSITION			
Net investment in capital assets	44,092,211	22,040,424	66,132,635
Restricted for:			
Debt service	1,723,796	-	1,723,796
Capital projects	489,407	-	489,407
Promotion and tourism	1,251,699	-	1,251,699
Public safety	602,932	-	602,932
Public works	35,288	-	35,288
Street maintenance	567,202	-	567,202
Library	337,148	-	337,148
Unrestricted	<u>(101,156)</u>	<u>16,519,364</u>	<u>16,418,208</u>
Total net position	<u>\$ 48,998,527</u>	<u>\$ 38,559,788</u>	<u>\$ 87,558,315</u>

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

Discretely Presented Component Units		
Marshall Economic Dev. Corp.	Marshall Downtown Dev. Corp.	
\$ 8,913,618	\$ 40,384	
22,843	-	
-	-	
402,915	-	
-	-	
-	-	
-	-	
7,820,778	-	
8,758,861	-	
<u>25,919,015</u>	<u>40,384</u>	
-	-	
-	-	
-	-	
<u>-</u>	<u>-</u>	
11,332	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
<u>11,332</u>	<u>-</u>	
-	-	
-	-	
-	-	
<u>-</u>	<u>-</u>	
16,579,639	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
9,328,044	40,384	
<u>\$ 25,907,683</u>	<u>\$ 40,384</u>	

CITY OF MARSHALL, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,461,738	\$ 33,240	\$ 486,299	\$ -
Finance	1,510,152	40,468	87,336	-
Tourism and cultural arts	2,517,214	1,834,574	77,692	-
Public safety	13,588,515	2,722,899	3,848,685	-
Public works	9,322,555	3,883,857	1,631	-
Community and economic development	498,600	263,791	162,475	-
Non-departmental	10,334	-	-	-
Tax collection	95,374	-	-	-
Support services	1,523,527	-	54,774	-
Parks and recreation	1,403,448	-	-	-
Interest on long-term debt	765,353	-	-	-
Total governmental activities	<u>33,696,810</u>	<u>8,778,829</u>	<u>4,718,892</u>	<u>-</u>
Business-type activities:				
Water and sewer	16,118,523	11,477,936	-	-
Business development center	-	-	-	-
Total business-type activities	<u>16,118,523</u>	<u>11,477,936</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 49,815,333</u>	<u>\$ 20,256,765</u>	<u>\$ 4,718,892</u>	<u>\$ -</u>
Component units:				
Marshall Economic Develop. Corp.	2,109,264	17,000	-	-
Marshall Downtown Develop. Corp.	10,958	-	5,000	-
Total component units	<u>\$ 2,120,222</u>	<u>\$ 17,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>

General revenues:

Taxes:
Property
Sales
Franchise
Investment earnings
Gain (loss) on sale of capital assets
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position			Discretely Presented	
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Marshall Economic Dev. Corp.	Marshall Downtown Dev. Corp.
\$ (1,942,199)	\$ -	\$ (1,942,199)	\$ -	\$ -
(1,382,348)	-	(1,382,348)	-	-
(604,948)	-	(604,948)	-	-
(7,016,931)	-	(7,016,931)	-	-
(5,437,067)	-	(5,437,067)	-	-
(72,334)	-	(72,334)	-	-
(10,334)	-	(10,334)	-	-
(95,374)	-	(95,374)	-	-
(1,468,753)	-	(1,468,753)	-	-
(1,403,448)	-	(1,403,448)	-	-
(765,353)	-	(765,353)	-	-
(20,199,089)	-	(20,199,089)	-	-
-	(4,640,587)	(4,640,587)	-	-
-	-	-	-	-
-	(4,640,587)	(4,640,587)	-	-
\$ (20,199,089)	\$ (4,640,587)	\$ (24,839,676)	-	-
			(2,092,264)	-
			-	(5,958)
			\$ (2,092,264)	\$ (5,958)
\$ 9,001,467	\$ -	\$ 9,001,467	\$ -	\$ -
10,724,556	-	10,724,556	2,470,754	-
833,007	-	833,007	-	-
1,837,959	415,407	2,253,366	489,494	1,042
14,871	(271,214)	(256,343)	-	-
267,738	48,786	316,524	-	-
2,931,967	(2,931,967)	-	-	-
25,611,565	(2,738,988)	22,872,577	2,960,248	1,042
5,412,476	(7,379,575)	(1,967,099)	867,984	(4,916)
43,586,051	45,939,363	89,525,414	25,039,699	45,300
\$ 48,998,527	\$ 38,559,788	\$ 87,558,315	\$ 25,907,683	\$ 40,384

CITY OF MARSHALL, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	<u>General</u>	<u>Debt Service Fund</u>	<u>Coronavirus Emergency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 10,156,393	\$ 1,162,618	\$ 659,124
Receivables (net of allowances for uncollectibles):			
Current taxes	3,995,070	721,554	-
Delinquent taxes	653,304	114,510	-
Accounts	1,792,456	-	-
Other	4,741	-	-
Due from other funds	2,300,738	-	-
Due from other governments	2,290,561	-	-
Prepaid items	501,733	-	-
Inventory	-	-	-
Total assets	<u>21,694,996</u>	<u>1,998,682</u>	<u>659,124</u>
LIABILITIES			
Accounts payable	390,827	-	252,943
Accrued liabilities	847,092	-	-
Due to other funds	-	87,633	-
Due to other governments	630,670	-	-
Unearned revenue	34,603	-	438,396
Total liabilities	<u>1,903,192</u>	<u>87,633</u>	<u>691,339</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	3,496,798	627,813	-
Unavailable revenue - court fines	375,550	-	-
Unavailable revenue - ambulance	233,166	-	-
Total deferred inflows of resources	<u>4,105,514</u>	<u>627,813</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid items	501,733	-	-
Inventory	-	-	-
Restricted for:			
Promotion and tourism	-	-	-
Public safety	-	-	-
Public works	-	-	-
Street maintenance	-	-	-
Debt service	-	1,283,236	-
Library	-	-	-
Capital projects	-	-	-
Unassigned	15,184,557	-	(32,215)
Total fund balances	<u>15,686,290</u>	<u>1,283,236</u>	<u>(32,215)</u>
Total liabilities, deferred inflows of resources	<u>\$ 21,694,996</u>	<u>\$ 1,998,682</u>	<u>\$ 659,124</u>

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

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,241,966	\$ 3,124,378	\$ 20,344,479
-	169,472	4,886,096
-	-	767,814
-	27,771	1,820,227
-	-	4,741
-	-	2,300,738
-	218,161	2,508,722
-	186	501,919
-	33,632	33,632
<u>5,241,966</u>	<u>3,573,600</u>	<u>33,168,368</u>
1,841,576	95,893	2,581,239
-	3,345	850,437
-	160,681	248,314
-	-	630,670
-	-	472,999
<u>1,841,576</u>	<u>259,919</u>	<u>4,783,659</u>
-	-	4,124,611
-	-	375,550
-	-	233,166
<u>-</u>	<u>-</u>	<u>4,733,327</u>
-	186	501,919
-	33,632	33,632
-	1,251,699	1,251,699
3,400,390	602,932	4,003,322
-	35,288	35,288
-	567,202	567,202
-	-	1,283,236
-	337,148	337,148
-	489,407	489,407
-	(3,813)	15,148,529
<u>3,400,390</u>	<u>3,313,681</u>	<u>23,651,382</u>
<u>\$ 5,241,966</u>	<u>\$ 3,573,600</u>	<u>\$ 33,168,368</u>

CITY OF MARSHALL, TEXAS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

DECEMBER 31, 2024

Total fund balances - governmental funds balance sheet \$ 23,651,382

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not reported in the funds. 59,432,585

Certain receivables will not be collected soon enough to pay for the current period's expenditures and are, therefore, reported as deferred inflows of resources in the funds:

Property taxes	4,124,611
Court fines and fees	375,550
Ambulance billing	233,166

Internal service funds are used by management to charge the cost of certain activities, such as equipment replacement and stores inventory to individual funds. The assets and liabilities of the Internal Service Funds are net of amount allocated to business-type activities, capital assets and long-term liabilities. The net effect of this consolidation is to increase net position. 419,866

Long-term liabilities and related balance sheet items are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds payable	(17,430,000)
Notes payable	(150,742)
Financed purchases payable	(834,096)
Accrued interest payable	(187,253)
Premium on bonds	(436,475)
Compensated absences	(2,059,263)
Net pension liability	(20,377,881)
Total OPEB liability	(1,115,568)

Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings and contributions subsequent to the measurement date for the pension and OPEB plans are recognized as deferred outflows and inflows of resources in the statement of net position.

Deferred outflows of resources related to pension	4,466,649
Deferred outflows of resources related to OPEB	240,974
Deferred inflows of resources related to pension	(1,028,458)
Deferred inflows of resources related to OPEB	(326,520)

Net position of governmental activities \$ 48,998,527

CITY OF MARSHALL, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Debt Service Fund	Coronavirus Emergency Fund
REVENUES			
Property taxes	\$ 7,612,518	\$ 1,292,656	\$ -
Sales taxes	9,900,971	-	-
Franchise taxes	833,007	-	-
Motel occupancy taxes	-	-	-
Charges for services	6,594,556	-	-
Permits and fees	711,044	-	-
Fines and forfeitures	266,032	-	-
Investment income	1,195,350	11,327	-
Intergovernmental	240,567	-	3,668,296
Donations	60,049	-	-
Miscellaneous	250,819	-	-
Total revenues	<u>27,664,913</u>	<u>1,303,983</u>	<u>3,668,296</u>
EXPENDITURES			
Current:			
General government	838,149	-	-
Finance	1,571,255	-	-
Public safety	12,690,651	-	49,939
Public works	4,670,533	-	3,034,051
Tax collection	96,245	-	-
Parks and recreation	1,416,267	-	-
Community and economic development	706,138	-	-
Support services	1,283,297	-	-
Tourism and cultural arts	1,729,667	-	74,608
Debt service:			
Principal	-	1,415,000	-
Interest and fiscal charges	-	707,273	-
Capital outlay	722,389	-	526,621
Total expenditures	<u>25,724,591</u>	<u>2,122,273</u>	<u>3,685,219</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,940,322</u>	<u>(818,290)</u>	<u>(16,923)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfers in	2,111,831	851,457	-
Transfers out	<u>(1,503,453)</u>	<u>-</u>	<u>(15,292)</u>
Total other financing sources and uses	<u>608,378</u>	<u>851,457</u>	<u>(15,292)</u>
NET CHANGE IN FUND BALANCES	2,548,700	33,167	(32,215)
FUND BALANCES, BEGINNING	<u>13,137,590</u>	<u>1,250,069</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 15,686,290</u>	<u>\$ 1,283,236</u>	<u>\$ (32,215)</u>

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

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 32,779	\$ 8,937,953
-	823,585	10,724,556
-	-	833,007
-	1,079,813	1,079,813
-	173,801	6,768,357
-	-	711,044
-	226,706	492,738
526,516	104,482	1,837,675
-	513,777	4,422,640
-	56,577	116,626
-	16,919	267,738
<u>526,516</u>	<u>3,028,439</u>	<u>36,192,147</u>
-	3,210	841,359
-	650	1,571,905
-	95,122	12,835,712
-	1,600	7,706,184
-	-	96,245
-	-	1,416,267
-	250,813	956,951
-	88,660	1,371,957
-	585,824	2,390,099
-	-	1,415,000
-	-	707,273
<u>10,410,781</u>	<u>1,909,120</u>	<u>13,568,911</u>
<u>10,410,781</u>	<u>2,934,999</u>	<u>44,877,863</u>
<u>(9,884,265)</u>	<u>93,440</u>	<u>(8,685,716)</u>
-	14,871	14,871
-	130,529	3,093,817
-	<u>(678,282)</u>	<u>(2,197,027)</u>
-	<u>(532,882)</u>	<u>911,661</u>
(9,884,265)	(439,442)	(7,774,055)
<u>13,284,655</u>	<u>3,753,123</u>	<u>31,425,437</u>
<u>\$ 3,400,390</u>	<u>\$ 3,313,681</u>	<u>\$ 23,651,382</u>

CITY OF MARSHALL, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds	\$ (7,774,055)
Amounts reported for governmental activities in the Statement of Activities are	
The net revenue/(expense) of certain activities of internal service funds are reported with governmental activities. This is the change in net position of the internal service funds.	131,746
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount of capital outlay recorded in the current period net of capital asset disposals.	13,977,243
Depreciation on capital assets is reported in the Statement of Activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds.	(2,914,295)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Repayment of principal of long-term debt	1,782,725
Amortization of:	
Premium on bond issuance	34,270
Interest is accrued in the government-wide financial statements but not at the fund level. This represents the change in the accrual during the period.	(92,350)
Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences liability	264,186
Total OPEB liability	1,170
Net pension liability	31,819
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>(29,983)</u>
Change in net position of governmental activities	<u>\$ 5,412,476</u>

CITY OF MARSHALL, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Business Development Center	Total	Fleet Maintenance Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 16,640,053	\$ -	\$ 16,640,053	\$ 346,676
Restricted - cash and cash equivalents	3,125,918	-	3,125,918	-
Receivables, net	966,176	-	966,176	-
Prepaid items	14,714	-	14,714	-
Inventory	59,442	-	59,442	-
Total current assets	<u>20,806,303</u>	<u>-</u>	<u>20,806,303</u>	<u>346,676</u>
Capital assets:				
Land	218,051	-	218,051	-
Construction in progress	59,499	-	59,499	-
Buildings	1,233,899	-	1,233,899	-
Machinery and equipment	5,570,760	51,831	5,622,591	624,767
Water and wastewater system	81,117,386	-	81,117,386	-
Less accumulated depreciation	<u>(47,869,727)</u>	<u>(51,831)</u>	<u>(47,921,558)</u>	<u>(514,218)</u>
Net capital assets	<u>40,329,868</u>	<u>-</u>	<u>40,329,868</u>	<u>110,549</u>
Total assets	<u>61,136,171</u>	<u>-</u>	<u>61,136,171</u>	<u>457,225</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	771,088	-	771,088	-
OPEB related - retiree health plan	31,560	-	31,560	-
OPEB related - SDBF	<u>14,113</u>	<u>-</u>	<u>14,113</u>	<u>-</u>
Total deferred outflows of resources	<u>816,761</u>	<u>-</u>	<u>816,761</u>	<u>-</u>

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

CITY OF MARSHALL, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
(Continued)

DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Business Development Center	Total	Fleet Maintenance Fund
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,015,462	\$ -	\$ 1,015,462	\$ 37,359
Accrued liabilities	92,353	-	92,353	-
Due to other funds	2,052,424	-	2,052,424	-
Unearned revenue	1,093,060	-	1,093,060	-
Bonds payable	82,000	-	82,000	-
Compensated absences	93,094	-	93,094	-
Total OPEB liability - retiree health plan	4,151	-	4,151	-
Total OPEB liability - SDBF	3,385	-	3,385	-
Total current liabilities	<u>4,435,929</u>	<u>-</u>	<u>4,435,929</u>	<u>37,359</u>
Current liabilities payable from restricted assets:				
Customer deposits	<u>1,020,345</u>	<u>-</u>	<u>1,020,345</u>	<u>-</u>
Total current liabilities payable from restricted assets	<u>1,020,345</u>	<u>-</u>	<u>1,020,345</u>	<u>-</u>
Noncurrent liabilities:				
Bonds payable	16,046,926	-	16,046,926	-
Compensated absences	172,888	-	172,888	-
Total OPEB liability - retiree health plan	85,543	-	85,543	-
Total OPEB liability - SDBF	86,451	-	86,451	-
Net pension liability	<u>1,242,470</u>	<u>-</u>	<u>1,242,470</u>	<u>-</u>
Total noncurrent liabilities	<u>17,634,278</u>	<u>-</u>	<u>17,634,278</u>	<u>-</u>
Total liabilities	<u>23,090,552</u>	<u>-</u>	<u>23,090,552</u>	<u>37,359</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related	246,630	-	246,630	-
OPEB related - retiree health plan	32,289	-	32,289	-
OPEB related - SDBF	<u>23,673</u>	<u>-</u>	<u>23,673</u>	<u>-</u>
Total deferred inflows of resources	<u>302,592</u>	<u>-</u>	<u>302,592</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	22,040,424	-	22,040,424	110,549
Unrestricted	<u>16,519,364</u>	<u>-</u>	<u>16,519,364</u>	<u>309,317</u>
Total net position	<u>\$ 38,559,788</u>	<u>\$ -</u>	<u>\$ 38,559,788</u>	<u>\$ 419,866</u>

CITY OF MARSHALL, TEXAS

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Business Development Center	Total	Fleet Maintenance Fund
OPERATING REVENUES				
Charges for services	\$ 11,477,936	\$ -	\$ 11,477,936	\$ -
Miscellaneous	<u>48,786</u>	<u>-</u>	<u>48,786</u>	<u>27,338</u>
Total operating revenues	<u>11,526,722</u>	<u>-</u>	<u>11,526,722</u>	<u>27,338</u>
OPERATING EXPENSES				
Administrative	334,626	-	334,626	-
Water production	2,064,331	-	2,064,331	-
Water distribution/collection	2,052,155	-	2,052,155	-
Wastewater treatment	1,632,411	-	1,632,411	-
Water billing	7,649,591	-	7,649,591	650,412
Engineering	262,702	-	262,702	-
Non-departmental	191,628	-	191,628	-
Materials and supplies	153,433	-	153,433	1,205,690
Depreciation and amortization	<u>1,623,360</u>	<u>-</u>	<u>1,623,360</u>	<u>46,037</u>
Total operating expenses	<u>15,964,237</u>	<u>-</u>	<u>15,964,237</u>	<u>1,902,139</u>
OPERATING INCOME (LOSS)	<u>(4,437,515)</u>	<u>-</u>	<u>(4,437,515)</u>	<u>(1,874,801)</u>
NONOPERATING REVENUES (EXPENSES)				
Loss on disposal of property	-	(271,214)	(271,214)	-
Investment income	415,407	-	415,407	284
Interest expense and fees	<u>(154,286)</u>	<u>-</u>	<u>(154,286)</u>	<u>(28,914)</u>
Total nonoperating revenues (expenses)	<u>261,121</u>	<u>(271,214)</u>	<u>(10,093)</u>	<u>(28,630)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(4,176,394)</u>	<u>(271,214)</u>	<u>(4,447,608)</u>	<u>(1,903,431)</u>
Transfers in	1,360	-	1,360	2,035,177
Transfers out	<u>(2,933,327)</u>	<u>-</u>	<u>(2,933,327)</u>	<u>-</u>
Total capital contributions and transfers	<u>(2,931,967)</u>	<u>-</u>	<u>(2,931,967)</u>	<u>2,035,177</u>
CHANGE IN NET POSITION	<u>(7,108,361)</u>	<u>(271,214)</u>	<u>(7,379,575)</u>	<u>131,746</u>
TOTAL NET POSITION, BEGINNING	<u>45,668,149</u>	<u>271,214</u>	<u>45,939,363</u>	<u>288,120</u>
TOTAL NET POSITION, ENDING	<u>\$ 38,559,788</u>	<u>\$ -</u>	<u>\$ 38,559,788</u>	<u>\$ 419,866</u>

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

CITY OF MARSHALL, TEXAS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Business Development Center	Total	Fleet Maintenance Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 13,509,286	\$ -	\$ 13,509,286	\$ 30,044
Cash paid to employees	17,111	-	17,111	-
Cash paid to suppliers for goods and services	(13,617,921)	-	(13,617,921)	(1,818,743)
Net cash provided by operating activities	(91,524)	-	(91,524)	(1,788,699)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Issuance of debt	14,160,926	-	14,160,926	-
Principal paid on debt	(82,000)	-	(82,000)	-
Interest paid on bonds and other debt	(154,286)	-	(154,286)	(28,914)
Net cash provided by capital and related financing activities	9,525,100	-	9,525,100	(22,535)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	415,407	-	415,407	284
Net cash provided by investing activities	415,407	-	415,407	284
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer in	1,360	-	1,360	2,035,177
Transfer out	(2,933,327)	-	(2,933,327)	-
Net cash provided (used) by noncapital financing activities	(2,931,967)	-	(2,931,967)	2,035,177
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,917,016	-	6,917,016	224,227
CASH AND CASH EQUIVALENTS, BEGINNING	12,848,955	-	12,848,955	122,449
CASH AND CASH EQUIVALENTS, ENDING	\$ 19,765,971	\$ -	\$ 19,765,971	\$ 346,676

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

CITY OF MARSHALL, TEXAS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Business Development Center	Total	Fleet Maintenance Fund
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating gain (loss)	\$ (4,437,515)	\$ -	\$ (4,437,515)	\$ (1,874,801)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization	1,623,360	-	1,623,360	46,037
(Increase) decrease in assets:				
Accounts receivable	(46,021)	-	(46,021)	2,706
Prepaid items	70,900	-	70,900	-
Deferred outflows	541,131	-	541,131	-
Increase (decrease) in liabilities:				
Accounts payable	843,846	-	843,846	37,359
Accrued liabilities	36,072	-	36,072	-
Due to other funds	2,052,424	-	2,052,424	-
Unearned revenue	(54,837)	-	(54,837)	-
Customer deposits	30,998	-	30,998	-
Net pension liability	(770,796)	-	(770,796)	-
Total OPEB liability	(12,055)	-	(12,055)	-
Compensated absences	17,504	-	17,504	-
Deferred inflows	13,465	-	13,465	-
Total adjustments	4,345,991	-	4,345,991	86,102
Net cash provided				
by operating activities	\$ (91,524)	\$ -	\$ (91,524)	\$ (1,788,699)

CITY OF MARSHALL, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Marshall, Texas ("City") was chartered pursuant to an election in 1909 (as amended). The City operates under a commission form of government and provides the following services as authorized by its charter, public safety (police and fire), highway and streets, water and sewer, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting practices generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). The City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

Other more significant accounting and reporting policies and practices used by the City are described below.

A. Reporting Entity

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are appropriately presented as funds of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City.

Based on these criteria, the financial information of the following entities has been discretely presented within the financial statements.

Discretely Presented Component Units

Marshall Economic Development Corporation (MEDCO) was incorporated under the Development Corporation Act of 1979, as amended, Article 5190.6, Tex. Rev. Civ. Stat. Ann., as amended as a non-profit industrial development corporation. The purpose of the corporation is to promote and develop industrial and manufacturing enterprises in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City. The City appoints its five (5) member board of directors and all its policies for program administration must be submitted to the City for approval. Marshall Economic Development Corporation is subject to audit by the City or its representatives and may not issue any debt without City approval. Its revenue is derived from a \$.00375 City sales tax. A separate audit for the year ended December 31, 2024, was performed and may be obtained by contacting MEDCO.

Marshall Higher Education Financing Corporation (HEFCO) was incorporated as a non-profit organization to provide an instrumentality to exercise the powers granted to a higher education authority under Section 53.33 of the Texas Education Code, as authorized by Section 53.35(b) of the Texas Education Code. The Board of Directors are appointed by and subject to removal by the governing body of the City of Marshall and consists of seven (7) persons. HEFCO is authorized by the City of Marshall to carry on functions of a higher education authority for the purpose of financing educational institutions in Harrison County. HEFCO had no assets at year-end and no activity for the year. Since HEFCO had no assets or activity for 2024, it was not included in the financial statements.

The Marshall Downtown Development Corporation (MDDC) was established by resolution of the City Commission of Marshall, Texas, on March 13, 2003, to act as a non-profit corporation for the benefit of the City of Marshall, Texas, specifically to promote and assist in the development, growth, and economic wellbeing of the downtown area. On June 3, 2004, MDDC filed amendments to Articles of Incorporation with the Secretary of State changing the status of the Corporation to a Local Government Corporation under applicable provisions of the Texas Transportation Code. The Board of Directors are appointed by and subject to removal by the governing body of the City of Marshall and consists of not more than seven (7) persons. A separate audit for the year ended December 31, 2024, was performed and may be obtained by contacting MDDC.

B. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of changes in net position) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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

C. Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements.

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The City reports the following major governmental funds:

The **General Fund** is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest, and related costs. The fund balance of the debt service fund is reserved to signify the amounts that are restricted exclusively for debt service.

Coronavirus Emergency Fund: The Coronavirus Emergency Fund is used to account for the resources received from the federal government to be used to respond to the COVID-19 pandemic and its effects on the economy.

The **Capital Improvement Fund** accounts for proceeds from the City's Certificates of Obligation and the expenditures for related capital improvement projects.

Additionally, the City reports the following governmental fund types:

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specified purposes.

Capital Projects Funds: Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets (other than those financed by proprietary funds).

Permanent Fund: The Permanent Fund accounts for assets held by the City pursuant to a trust agreement. The Permanent Fund of the City is the Library Fund.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer and Business Development Center. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet management program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements, except for the Equipment Replacement Fund. The Equipment Replacement Funds are split between governmental and business-type activities. The City has presented the following enterprise funds:

Water and Sewer Fund: Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the water and sewer system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Business Development Center: This fund is used to account for the activities related to services and assistance provided to business in the community.

All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements, fiduciary fund financial statements, and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred, regardless of the timing of related cash flows. General revenues in the government-wide statement consist of taxes and fees. Program revenues consist of charges for service, contributions, and grant revenues. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers delinquent property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income, and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

E. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. *Cash and investments – Statement of Cash Flows*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash of all funds, including restricted cash, but excluding the Payroll cash accounts, are pooled into one common pooled account in order to maximize investment opportunities. The City pools temporary investments into pooled accounts in a public funds investment pool with TexPool. Also, the City pools investments into other authorized investments. Each fund whose monies are deposited in the pooled cash and investment account has an equity therein, and interest has an equity therein, and interest earned on the investment of these monies is allocated based on relative equity at month end. The pooled cash and temporary investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities and certificates of deposit that are owned by a specific fund and that are purchased with a maturity of ninety days or less, are also considered to be "cash equivalents."

The carrying amounts of investments (which are fair value) are based on quoted market values at December 31, 2024. The market values of temporary investments are based on values provided by TexPool at December 31, 2024.

2. *Inventories and prepaid items*

The inventories of the Governmental and Proprietary Funds consist of supplies and are valued at cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in both the government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

In Governmental Funds, reported inventories and prepaid items do not represent available spendable resources and are, therefore, equally offset by a non-spendable fund balance account.

3. *Restricted assets*

These assets consist of cash and investments restricted for water and sewer revenue bond debt service, customer meter deposits, and water and sewer capital projects.

4. *Interfund receivables and payables – transactions between funds*

Short-term amounts owed between funds are classified as "Due To/From Other Funds".

Legally authorized transfers are treated as operating transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

5. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. *Reclassifications*

Certain prior year numbers have been reclassified to conform to the current year presentation. There were no changes to net position or fund balances as previously reported.

7. *Ad Valorem Tax*

Taxes are levied on October 1 and are due on January 1. All unpaid taxes levied on October 1 become delinquent July 1 of the following year. Property taxes are recorded when levied as Taxes Receivable in the General Fund with an offset to Unavailable Revenue - Property Taxes. Revenue is recognized as taxes are collected, except that delinquent tax collections for the first sixty days of the subsequent year are considered susceptible to accrual and recognized in the current year. Taxes levied on October 1 which are collected between October 1 and December 31 are recognized as revenue. Debt Service requirements are satisfied by allocating tax receipts between the General Fund and the Debt Service Fund.

8. *Capital Assets*

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$2,500 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Assets	Years
Buildings	20-50
Water and sewer system	25-50
Infrastructure	20-40
Machinery and equipment	5-12
Improvements	10-25

9. *Deferred Inflows and Outflows of Resources*

In addition to assets, the statement of net position and/or balance sheet 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 assets 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.

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions and other inputs included in determining the pension and OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Differences between expected and actual economic experience for the City's pension and OPEB plan – These effects on the pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet.

In addition, the City has deferred inflows of resources that are required to be reported on the Statements of Net Position under the full accrual basis of accounting. Deferred inflows of resources reported in the Statements of Net Position are as follows:

- Differences between expected and actual economic experience for the City's pension and OPEB plans – These effects on the total pension liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).
- Changes in actuarial assumptions and other inputs included in determining the OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension and OPEB assets – This difference is deferred and amortized over a closed five-year period.

10. *Compensated Absences*

A total of 10 to 15 days vacation and 15 days sick leave per year may be accumulated by each employee. A maximum of 30 days vacation and 90 days sick leave may be accumulated. (Civil Service employees may accumulate an unlimited amount of sick leave.) The City accrues a liability for compensated absences which meet the following criteria:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria the City has accrued a liability for paid absences, which have been earned but not taken by City employees. The City budgets an amount estimated to be paid to terminated employees each year. As a result, none of the liability is anticipated to be liquidated with expendable available financial resources. However, accrued compensated absences are reported on the accrual basis of accounting in the applicable governmental or business-type activity columns of the government-wide statements, and in the enterprise activities of the fund financial statements.

11. *Net Position*

Net position represents the residual of assets plus deferred outflows less liabilities and deferred inflows. Net position 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, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

12. *Defined Benefit Pension Plan*

The fiduciary net position of the Texas Municipal Retirement System (TMRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TMRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. *Other Postemployment Benefits*

TMRS Supplemental Death Benefits Fund

The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which is an optional single employer defined benefit life insurance plan that is administered by TMRS. It provides death benefits to active and, if elected, retired employees of participating employers. Contribution rates are determined annually for each participating municipality as a percentage of that City's covered payroll. The death benefit for retirees is considered an other postemployment benefit (OPEB). The OPEB program is an unfunded trust because the SDBF trust covers both actives and retirees and is not segregated. The Total OPEB Liability of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB Liability, deferred inflows and outflows of resources, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Retiree Insurance Plan

The City, through its substantive commitment to provide other post-employment benefits (OPEB) provides retiree medical coverage to eligible employees. To be eligible, a City employee retiring at age 62 or over must have at least 5 years of service with the City. City employees retiring before age 62 must have at least 20 years of service with the City. Employees with hire dates prior to 2005 and retirement dates after 2007 are eligible to participate in the plan. Retirees are required to pay the premium cost for both single and dependent coverage. The City also subsidizes certain retirees and dependents as a result of prior commitments. The plan qualifies as a single-employer defined benefit plan and is accounted for in the City's Insurance Fund and in the fund where the retiree last worked. A separate financial statement is not issued for the plan.

14. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** Amounts in the assigned fund balance classification are intended to be used for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

15. Change in Accounting Principle

During fiscal year 2024, the City adopted GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

II. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

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 the City to adopt and implement 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 City 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 City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the City has adopted a deposit and investment policy. That policy does address the following risks:

1. Custodial Credit Risks For Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy regarding types of deposits allowed and collateral requirements is:

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect the City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Of the total bank balances, \$250,000 was covered by Federal Depository Insurance for all accounts. The remainder of the accounts were covered by a Federal Home Loan of Dallas letter of credit.

2. Custodial Credit Risk for Investments - This is the risk that, in the event of the failure of the counter party, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City's investment policy for custodial credit risk is:

The laws of the State and prudent treasury management require that all purchased securities be held in safekeeping by either the City, a third-party financial institution, in an insured account with a designated broker/dealer, or the City's designated depository. All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third-party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the City.

All securities pledged to the City for certificates of deposit or demand deposits shall be held by an independent third-party bank domiciled in Texas. The safekeeping bank may be within the same holding company as the bank from which the securities are pledged.

Collateralization

Collateralization shall be required on two types of investments:

- a) certificates of deposit over the FDIC insurance coverage of \$250,000 and
- b) repurchase agreements.

At December 31, 2024, all of the securities are in the City's name and held by the City or its agent.

At December 31, 2024, MEDCO was not exposed to custodial credit risk. MEDCO only had investments in TexPool, a state investment pool, which is not subject to custodial credit risk.

3. Interest Rate Risk - The risk that changes in interest rates will adversely affect the fair value of an investment. According to the City's policy, investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flows of the City and conforming to all applicable state and City statutes governing the investment of public funds. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity.

4. Credit Risk and Concentration Risk - The City's main goal of their investment program is to ensure its safety and maximize financial returns within current market conditions in accordance with policy. The City's investment policy states that diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

Investment Types	Maximum Portfolio Concentration
Obligations of the United States or its agencies and instrumentalities	100%
Direct obligations of this state or its agencies and instrumentalities	50%
Fully insured or collateralized certificates of deposit	100%
Fully collateralized repurchase agreements	100%
Money market funds	50%
Public funds investment pools	100%

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investment with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not invest more than 25% of the portfolio for a period greater than one (1) year. The Investment Officer may not invest any portion for a period greater than three (3) years.

5. Foreign Currency Risk - This is the risk that exchange rates will adversely affect the fair value of an investment. At year-end and during the year, the City was not exposed to foreign currency risk.

The City's investments as of December 31, 2024 are:

Investment Type	Rating	Market Value	WAM
Public Funds Investment Pool:			
TexPool	AAAm (S&P)	\$ 31,962,249	46
Total		<u>\$ 31,962,249</u>	

MEDCO's investments as of December 31, 2024 are:

Investment Type	Rating	Market Value	WAM
Public Funds Investment Pool:			
TexPool	AAAm (S&P)	\$ 2,990,424	46
Total		<u>\$ 2,990,424</u>	

TexPool - TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major national markets, general banking moratorium, or a national state of emergency that affects TexPool's liquidity.

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or it's equivalent) as a practical expedient are not classified in the fair value hierarchy.

III. RECEIVABLES

Receivables as of year-end for the government's individual major funds, nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service Fund	Water and Sewer	Nonmajor Governmental	Total
Receivables:					
Taxes	\$ 4,893,025	\$ 880,067	\$ -	\$ 169,472	\$ 5,942,564
Accounts	4,199,337	-	987,541	27,771	5,214,649
Other	4,741	-	-	-	4,741
Gross	<u>9,097,103</u>	<u>880,067</u>	<u>987,541</u>	<u>197,243</u>	<u>11,161,954</u>
Receivables less:					
Allowance for uncollectibles	<u>(2,651,532)</u>	<u>(44,003)</u>	<u>(21,365)</u>	<u>-</u>	<u>(2,716,900)</u>
Net total receivables	<u>\$ 6,445,571</u>	<u>\$ 836,064</u>	<u>\$ 966,176</u>	<u>\$ 197,243</u>	<u>\$ 8,445,054</u>

IV. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

Primary Government

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,164,764	\$ -	\$ -	\$ 1,164,764
Construction in progress	615,220	-	-	615,220
Total assets not being depreciated	1,779,984	-	-	1,779,984
Capital assets, being depreciated:				
Buildings	27,113,321	950,399	-	28,063,720
Machinery and equipment	19,547,543	5,974,759	-	25,522,302
Improvements	4,247,432	6,683,137	-	10,930,569
Infrastructure	73,810,004	434,577	-	74,244,581
Total capital assets being depreciated	124,718,300	14,042,872	-	138,761,172
Less accumulated depreciation:				
Buildings	(10,780,262)	(470,533)	(543,311)	(11,794,106)
Machinery and equipment	(16,352,935)	(1,179,146)	374,504	(17,157,577)
Improvements	(2,564,072)	(119,129)	1,522	(2,681,679)
Infrastructure	(48,268,413)	(1,237,561)	141,314	(49,364,660)
Total accumulated depreciation	(77,965,682)	(3,006,369)	(25,971)	(80,998,022)
Total capital assets being depreciated, net	46,752,618	11,036,503	(25,971)	57,763,150
Governmental activities capital assets, net	\$ 48,532,602	\$ 11,036,503	\$ (25,971)	\$ 59,543,134
	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 267,032	\$ -	\$ (48,981)	\$ 218,051
Construction in progress	59,499	-	-	59,499
Total assets not being depreciated	326,531	-	(48,981)	277,550
Capital assets, being depreciated:				
Buildings	1,952,824	-	(718,925)	1,233,899
Machinery and equipment	6,066,402	211,611	(655,422)	5,622,591
Water and wastewater system	76,863,601	3,793,402	460,383	81,117,386
Total capital assets being depreciated	84,882,827	4,005,013	(913,964)	87,973,876
Less accumulated depreciation:				
Buildings	(1,466,244)	(17,927)	532,571	(951,600)
Machinery and equipment	(4,201,470)	(301,683)	628,168	(3,874,985)
Water and wastewater system	(41,716,742)	(1,303,750)	(74,481)	(43,094,973)
Total accumulated depreciation	(47,384,456)	(1,623,360)	1,086,258	(47,921,558)
Total capital assets being depreciated, net	37,498,371	2,381,653	172,294	40,052,318
Business-type activities capital assets, net	\$ 37,824,902	\$ 2,381,653	\$ 123,313	\$ 40,329,868

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Marshall Economic Development Corporation:				
Capital assets, not being depreciated:				
Land	\$ 5,265,563	\$ 50,000	\$ -	\$ 5,315,563
Construction in progress	2,505,215	-	-	2,505,215
Total assets not being depreciated	7,770,778	50,000	-	7,820,778
Capital assets, being depreciated:				
Building	10,347,337	-	-	10,347,337
Improvements	1,387,363	-	-	1,387,363
Machinery, tools, and equipment	136,896	12,455	-	149,351
Total capital assets being depreciated	11,871,596	12,455	-	11,884,051
Less accumulated depreciation:				
Building	(2,387,216)	(258,683)	-	(2,645,899)
Improvements	(356,619)	(48,886)	-	(405,505)
Machinery, tools, and equipment	(59,000)	(14,786)	-	(73,786)
Total accumulated depreciation	(2,802,835)	(322,355)	-	(3,125,190)
Total capital assets being depreciated, net	9,068,761	(309,900)	-	8,758,861
Discretely presented component unit capital assets, net	\$ 16,839,539	\$ (259,900)	\$ -	\$ 16,579,639

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 188,198
Tourism and convention development	175,401
Support services	195,560
Public safety	667,026
Public works	1,768,382
Community and economic development	1,468
Non-departmental	10,334
Total depreciation expense - governmental activities	\$ 3,006,369
Business-type activities:	
Water and sewer	\$ 1,623,360
Total depreciation expense - business-type activities	\$ 1,623,360

V. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2024, is as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	\$ 160,681
General Fund	Debt Service	87,633
General Fund	Water & sewer	2,052,424
	Total	\$ 2,300,738

Interfund balances for all the funds are created by short-term deficiencies in cash position in the individual fund. It is anticipated that the balances will be repaid in one year or less.

Similar transactions such as this also exist between the primary government and the City's discretely presented component unit. The City is required to contribute to MEDCO, \$.00375 of the \$.0825 sales tax levied on taxable sales. Monthly, the City receives sales tax remittances from the State of Texas for taxes collected by the State on behalf of the City. Because of the time allowed by the State for merchants to file Sales Tax Returns, a lag exists between when the tax is earned by the City and when it is received. At December 31, 2024, the amount due to MEDCO from the City for its portion of sales tax revenue was \$402,915.

Interfund Transfers

A summary of interfund transfers by fund type is as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 150
General	Internal service fund	1,501,943
Water & sewer	Internal service fund	533,234
Nonmajor governmental	Debt service fund	231,193
Water & sewer	Debt service fund	620,264
General	Water & sewer	1,360
Nonmajor governmental	General	316,710
Nonmajor governmental	Nonmajor governmental	130,379
Coronavirus emergency	General	15,292
Water & sewer	General	1,779,829
Total		<u>\$ 5,130,354</u>

Interfund transfers are primarily made by the City for the following reasons:

- Budgeted transfers to the General Fund from other funds for operating and administrative allocations.
- Transfers from the General Fund to the Internal Service Funds to cover equipment replacement expenditures.
- Transfer to the Capital Improvement Fund to cover furniture and fixtures at the new Animal Adoption Center.
- Transfers to the Debt Service Fund to pay for self-supporting debt service expenditures.

VI. LONG-TERM DEBT

New Debt Issued

In February 2024, the City issued Promissory Note, Series 2024 in the amount of \$14,160,926. This note has an interest rate of 4.98% and will mature in February 2045. This note will be used to fund the purchase of water meters and related equipment and is secured by the City's utility system revenue.

General Obligation Debt

Bonded indebtedness of the City is accounted for in the Statement of Net Position in governmental activities. Payments on the bonds are made by the Debt Service Fund and the Motel Occupancy Tax Fund.

On March 10, 2016, the City passed an ordinance authorizing the issuance of \$3,845,000 General Obligation Refunding Bonds, Series 2016. The proceeds of issuance are to be used for the purpose of refunding \$3,895,000 of the 2018 through 2027 maturities of the City's currently outstanding General Obligation Bonds, Series 2007. The City refunded the General Obligations Bonds, Series 2007 in order to realize interest cost savings. The bonds were issued on April 15, 2016, with interest payable June 15 and December 15 of each year commencing June 15, 2016, until maturity or prior redemption. The City reserves the right, at its option, to redeem the bonds maturing on and after June 15, 2026, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and, if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date fixed for redemption, at any time beginning June 15, 2025.

The proceeds from the refunded existing bond maturities and interest thereon were placed with an escrow agent. The escrowed funds, together with investment earnings thereon, will be sufficient to discharge the Refunding Bonds. Under the escrow agreement, the Escrow Fund is irrevocably pledged to the payment of principal and interest on the Refunding Bonds. On June 15, 2017, there was a full call on all of the General Obligation Bonds, Series 2007.

On June 22, 2017, the City passed an ordinance authorizing the issuance of \$2,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2017. The proceeds of the issuance are to be used as additional funding to complete the renovation of Memorial City Hall, as well as covering the cost of issuing the certificates of obligations. The bonds were issued on July 13, 2017, with interest payable December 15, 2017, and on each June 15 and December 15 thereafter to the date of the final maturity hereof or to the date of redemption prior to maturity. The cost of issuance of the bonds was \$42,500, which has been added to the cost of construction of Memorial City Hall.

On August 8, 2019, the City approved an ordinance authorizing the issuance and sale of \$1,033,000 General Obligation Refunding Bonds, Series 2019, (Bonds) with an interest rate of 2.34%. The proceeds of issuance are to be used for the purpose of redeeming the Combination Tax and Limited Surplus Revenue Certificates of Obligation Series 2010A and to realize a net present value savings of approximately \$10,274. The Bonds constitutes a direct obligation of the City and are payable from an annual ad valorem tax levied against all taxable property in the City, within the limits prescribed by law. The Bonds are expected to be self-supported by hotel/motel taxes. The Bonds are payable over 10 years with annual principal payments on June 15 of each year beginning June 15, 2020, and semiannual interest payments beginning December 15, 2019 and each June 15 and December 15 thereafter until maturity or prior redemption.

On August 8, 2019, the City approved an ordinance authorizing the issuance and sale of City of Marshall, Texas, Limited Tax Note, Series 2019, (Note) for \$853,000, with an interest rate of 2.33% for 7 years. The Note will constitute a direct obligation of the City, payable both as to principal and interest from the pledge of ad valorem taxes levied and collected. The purpose of the Note is to fund the remaining amount required to complete Memorial City Hall renovations and payment of costs of issuance. The Note is payable over 7 years with annual principal payments beginning August 15, 2020, and semiannual interest payments beginning February 15, 2020, and on each August 15 and February 15 thereafter to the date of maturity or redemption prior to maturity.

On August 13, 2020, the City approved an ordinance authorizing the issuance and sale of City of Marshall, Texas, Limited Tax Note, Series 2020, for \$1,795,000 with an interest rate of 1.160%. The Note will constitute a direct obligation to the City, payable both as principal and interest from the pledge of ad valorem taxes levied and collected. The purpose of the note is to fund the constructing, improving, and expansion of public works, including streets and roads, fencing and parking improvements at Airport Park, repairs and improvements for fire stations and police stations, repairs and improvements at Marshall City Arena, Marshall Convention Center, and City Library, upgrading the City's data center and information technology system, and payment of costs of issuance. The Note is payable over 7 years, with annual principal payments beginning June 1, 2022, with semiannual interest payments beginning June 1, 2022, and on each December 1 and June 1 thereafter to the date of maturity.

A summary of changes in long-term debt for the year ended December 31, 2024 is as follows:

	Interest Rates to Maturity	Amounts Original Issued	Amounts Outstanding Beginning	Issued Current Year	Refunded/ Retired Current Year	Amounts Outstanding Ending	Interest Current Year	Due Within One Year
Bonded Indebtedness								
Governmental activities:								
Bonds, notes and leases:								
CO Series 2017	2.173%	\$ 2,000,000	\$ 1,570,000	\$ -	\$ 80,000	\$ 1,490,000	\$ 33,247	\$ 85,000
GO Refunding Series 2016	2-4%	3,845,000	1,670,000	-	395,000	1,275,000	54,950	405,000
GO Refunding Series 2019	2.34%	1,033,000	648,000	-	104,000	544,000	13,947	103,000
Limited Tax Note, Series 2019	2.33%	853,000	382,000	-	125,000	257,000	8,900	127,000
Limited Tax Note, Series 2020	1.16%	1,795,000	1,040,000	-	256,000	784,000	10,579	258,000
CO Series 2023A	4-5%	13,535,000	13,535,000	-	455,000	13,080,000	575,328	435,000
Premium on bonds		588,491	470,746	-	34,270	436,476	-	-
Notes payable	1.95-2%	1,066,852	226,111	-	75,370	150,741	4,648	75,370
Financed purchases	4%	1,978,661	1,126,451	-	292,355	834,096	44,838	339,467
Total bonds, notes and leases		<u>26,695,004</u>	<u>20,668,308</u>	<u>-</u>	<u>1,816,995</u>	<u>18,851,313</u>	<u>746,437</u>	<u>1,827,837</u>
Compensated absences		-	2,323,449	-	264,186	2,059,263	-	720,742
Total governmental activities		<u>\$26,695,004</u>	<u>\$22,991,757</u>	<u>\$ -</u>	<u>\$ 2,081,181</u>	<u>\$20,910,576</u>	<u>\$ 746,437</u>	<u>\$ 2,548,579</u>
Business-type activities:								
Bonds, notes and leases:								
CO Series 2023 (TWDB FIF)	N/A	\$ 2,050,000	\$ 2,050,000	\$ -	\$ 82,000	\$ 1,968,000	\$ -	\$ 82,000
Promissory Note, Series 2024	4.98%	14,160,926	-	14,160,926	-	14,160,926	-	-
Total bonds, notes and leases		<u>16,210,926</u>	<u>2,050,000</u>	<u>14,160,926</u>	<u>82,000</u>	<u>16,128,926</u>	<u>-</u>	<u>82,000</u>
Compensated absences		-	248,478	17,504	-	265,982	-	93,094
Total business-type activities		<u>\$16,210,926</u>	<u>\$ 2,298,478</u>	<u>\$14,178,430</u>	<u>\$ 82,000</u>	<u>\$16,394,908</u>	<u>\$ -</u>	<u>\$ 175,094</u>

Increases and decreases to compensated absences are presented as a net change.

Debt service requirements are as follows:

General Obligation Bonds:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total Requirements
2025	\$ 508,000	\$ 54,425	\$ 562,425
2026	425,000	36,620	461,620
2027	589,000	17,535	606,535
2028	147,000	5,230	152,230
2029	150,000	1,755	151,755
Total	<u>\$ 1,819,000</u>	<u>\$ 115,565</u>	<u>\$ 1,934,565</u>

Certificates of Obligation, Revenue Bonds, and Limited Tax Note - Governmental Activities

Certificates of Obligation, Revenue Bonds, and Limited Tax Note:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total Requirements
2025	\$ 905,000	\$ 640,553	\$ 1,545,553
2026	1,036,000	609,847	1,645,847
2027	935,000	576,888	1,511,888
2028	700,000	547,168	1,247,168
2029	730,000	517,626	1,247,626
2030-2034	3,705,000	2,266,929	5,971,929
2035-2039	3,875,000	1,444,213	5,319,213
2040-2043	3,725,000	598,438	4,323,438
Total	<u>\$ 15,611,000</u>	<u>\$ 7,201,659</u>	<u>\$ 22,812,659</u>

Certificates of Obligation and Promissory Note – Business-Type Activities

Certificates of Obligation and Promissory Note:

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total Requirements
2025	\$ 82,000	\$ 679,748	\$ 761,748
2026	82,000	705,214	787,214
2027	490,000	705,214	1,195,214
2028	530,000	684,896	1,214,896
2029	573,000	662,585	1,235,585
2030-2034	3,396,569	2,909,013	6,305,582
2035-2039	4,234,749	2,084,562	6,319,311
2040-2044	5,286,810	1,032,501	6,319,311
2045-2048	1,453,798	56,065	1,509,863
Total	<u>\$ 16,128,926</u>	<u>\$ 9,519,798</u>	<u>\$ 25,648,724</u>

Financed Purchases - Governmental Activities

The City has entered into various financing agreements for the purchase of equipment. The terms of these agreements are summarized below:

Purpose	Interest Rate	Initial Year of Agreement	Amount of Initial Liability	Interest Current Year	Amounts Outstanding At Year End
Right to use:					
Vehicles	3.98%	2022	\$ 564,481	\$ 13,466	\$ 229,935
Fire Truck	3.98%	2022	727,951	28,914	555,362
Backhoe	3.99%	2022	130,887	2,458	48,799
Totals			<u>\$ 1,423,319</u>	<u>\$ 44,838</u>	<u>\$ 834,096</u>

Debt service requirements to maturity on the leases are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total Requirements
2025	\$ 339,467	\$ 33,201	\$ 372,668
2026	302,238	19,686	321,924
2027	192,391	7,657	200,048
Total	<u>\$ 834,096</u>	<u>\$ 60,544</u>	<u>\$ 894,640</u>

Notes Payable - Governmental Activities

On November 15, 2016, the City entered into a loan agreement with Panola National Bank in the amount of \$690,000 for the purchase of a fire truck. In 2016, the City spent \$626,757 of the loan proceeds. The rest of the loan proceeds (\$61,439) was spent in 2017 for add-ons to the fire trucks. Five principal payments of \$115,000 plus interest are due annually beginning January 20, 2018 and one payment of \$117,243 is due on January 20, 2024. The interest rate on the loan is fixed at 1.950%. Interest paid on this loan in 2024 was \$2,243.

On January 5, 2022, the City entered into a loan agreement with VeraBank in the amount of \$376,852 for the purchase of police vehicles. Payments are due annually in 5 payments of \$80,014 (includes principal and interest) beginning on January 5, 2022, and on the same day each year thereafter. The interest rate on the loan is 2.00%.

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total Requirements
2025	\$ 75,370	\$ 4,648	\$ 80,018
2026	75,371	4,648	80,019
Total	<u>\$ 150,741</u>	<u>\$ 9,296</u>	<u>\$ 160,037</u>

Notes Payable – Discretely Presented Component Units

On October 8, 2009, MEDCO executed a note with Texas Bank and Trust in the amount of \$1,000,000 to purchase land, building, and improvements. Payments are due quarterly at \$33,173 (includes principal and interest) for the next nine years at a fixed interest rate of 5.83%. On June 3, 2014, the balance of the loan was \$616,270 plus interest of \$8,662 for a total of \$624,932 that was rolled into a new loan with Texas Bank and Trust as explained below.

On May 22, 2014, MEDCO entered into a loan agreement for \$6,540,000 with Texas Bank and Trust. The interest rate of the loan is 3.25% and the payment terms are: accrued interest shall be payable monthly starting June 1, 2014 and continuing each month until and including December 31, 2014. Principal and interest shall be payable in monthly installments of \$46,100 including interest, starting February 1, 2015, and continuing each month until the entire principal balance is due on January 1, 2025. The entire unpaid interest and principal shall be due and payable in full with a balloon payment on January 1, 2025, the scheduled maturity date. The purposes of the loan are to provide funds to pay for a project relating to a Performance Agreement and lease between MEDCO and Rio Ammunition, Inc. to the extent of \$5,900,000 and to the extent of \$624,932 the loan represents a refinance and renewal of an existing loan. MEDCO pledges and grants a security interest and a first lien on pledged revenues (sales tax). The principal balance of this loan was retired as of December 31, 2024.

On December 31, 2014, MEDCO entered into a loan agreement for \$967,965 with Bancorp South Bank. The interest rate of the loan is 3.950% and the payment terms are: principal and interest shall be payable in monthly installments of \$9,814 including interest, starting February 10, 2015, and continuing each month for 120 months. The purpose of the loan is to provide additional funding for the construction of Rio Ammunition, Inc. This loan is secured by real estate. The principal balance of this loan was retired as of December 31, 2024.

Changes in Long-term Debt - Discretely Presented Component Unit

	Amounts Outstanding Beginning	Issued Current Year	Retired Current Year	Amounts Outstanding Ending	Due Within One Year
Component unit activities:					
Other liabilities:					
Notes payable	\$ 3,098,500	\$ -	\$ 3,098,500	\$ -	\$ -
Total other liabilities	3,098,500	-	3,098,500	-	-
Total component unit activities					
long-term liabilities	\$ 3,098,500	\$ -	\$ 3,098,500	\$ -	\$ -

VII. DEFINED BENEFIT PENSION PLANS

1. Texas Municipal Retirement System

Plan Description.

The City of Marshall participates as one of 909 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) 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 annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

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 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.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, or 5 years at age 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	50% of CPI, repeating

Employees covered by benefit terms. At the December 31, 2023, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	211
Inactive employees entitled to but not yet receiving benefits	128
Active employees	<u>182</u>
Total	<u><u>521</u></u>

Contributions. Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, 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 contributions rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City of Marshall were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City of Marshall were 15.65% and 16.50% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended December 31, 2024, were \$1,757,132 and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.35% per year
Investment Rate of Return	6.75%

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set forward for males and a 3- year set-forward for females. In addition, a 3.5% and 3.0% minimum.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income 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 investment expenses 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35%	6.70%
Core Fixed Income	6%	4.70%
Non-Core Fixed Income	20%	8.00%
Other Public and Private	12%	8.00%
Real Estate	12%	7.60%
Hedge Funds	5%	6.40%
Private Equity	10%	11.60%
Total	100%	

Discount Rate. The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member 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 Members. 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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2023	\$ 67,024,307	\$ 56,791,466	\$ 10,232,841
Changes for the year:			
Service cost	1,624,557	-	1,624,557
Interest	4,433,140	-	4,433,140
Change of benefit terms	-	-	-
Difference between expected and actual experience	(1,182,187)	-	(1,182,187)
Changes in assumptions	(498,465)		(498,465)
Contributions - employer	-	1,505,286	(1,505,286)
Contributions - employee	-	673,292	(673,292)
Net investment income	-	6,556,893	(6,556,893)
Benefit payments, including refunds of employee contributions	(4,320,861)	(4,320,861)	-
Administrative expense	-	(41,816)	41,816
Other changes	-	(292)	292
Net changes	56,184	4,372,502	(4,316,318)
Balance at 12/31/2024	<u>\$ 67,080,491</u>	<u>\$ 61,163,968</u>	<u>\$ 5,916,523</u>

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Single Discr Rate Assumption (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 14,152,862	\$ 5,916,523	\$ (918,369)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2024, the City recognized pension expense of \$868,318. As of December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 294,614	\$ 826,107
Changes in actuarial assumptions	-	348,324
Difference between projected and actual investment earnings	1,620,099	-
Contributions subsequent to the measurement date	1,757,132	-
Total	<u>\$ 3,671,845</u>	<u>\$ 1,174,431</u>

\$1,757,132 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended December 31,	
2025	\$ 139,445
2026	75,259
2027	1,070,270
2028	<u>(544,692)</u>
Total	<u>\$ 740,282</u>

2. Firefighter Relief and Retirement Fund (FRRF)

Plan Description. The City contributes to the retirement plan for firefighters in the Marshall Fire Department known as the Marshall Firemen's Relief and Retirement Fund ("the Fund" or "FRRF"). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Marshall Firemen's Relief and Retirement Fund. The Fund is not considered a part of the City's reporting entity because the City does not have a fiduciary responsibility for the Fund's assets, nor can the City impose its will on the Fund. Also, the Fund is not fiscally dependent on the City since the Board of Trustees can determine employee contribution rates without approval by the City. The Fund issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Marshall Firemen's Relief and Retirement Fund at P.O. Box 9759, Longview, Texas. See that report for all information about the plan fiduciary net position.

Benefits Provided. Firefighters in the Marshall Fire Department are covered by the Marshall Firemen's Relief and Retirement Fund, which provides service retirement, death, disability and termination benefits. These benefits fully vest after 20 years of credited service. Members may retire at attainment of age 53 and completion of 20 years of service (age 50 and 10 years of service for members hired on or before December 31, 2018). The Fund provides a monthly normal retirement benefit, payable in a joint and two-thirds to surviving spouse form of annuity, equal to 3.125% of the member's highest 36-month average salary, multiplied by years of credited service as of date of termination with a maximum of 20 years, plus, a longevity benefit equal to \$65 for each year of service in excess of 20 years. A retiring member eligible for normal service retirement with certain minimum combinations of years of service and age has the option to elect the Retroactive Deferred Retirement Option Provision (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit.

Members Covered by the Fund. In the December 31, 2023, actuarial valuation, the following numbers of members were covered by the Fund:

Active employees	43
Terminated with deferred benefits	15
Retirees and beneficiaries in pay	39
Total	<u>97</u>

Funding Policy. The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the city.

While the contribution requirements are not actuarially determined, state law requires that each Fund of benefits adopted by the Fund must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the members and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, the Fund's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the Fund's UAAL is determined using an open, level percentage of payroll method.

The funding policy of the Fund requires contributions by the members at the rate elected by the members according to the Act. The City's contribution rate is determined annually by the City. The City contribution rate increased from 21.80% to 22.40% of member payroll, and the active firefighters contribution rate remained 16% of plan compensation.

Net Pension Liability. The City of Marshall's net pension liability was measured as December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date.

Total pension liability	\$ 24,604,956
Plan fiduciary net position	<u>8,901,128</u>
City's net pension liability	<u>\$ 15,703,828</u>

Plan fiduciary net position as a percentage of the total pension liability	36.2%
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Actuarial Assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Total payroll growth	3.75% per annum
Investment rate of return	7.25% per annum

PubS-2010 (public safety) below median income mortality tables for employees and for retirees, projected for mortality improvement generationally using the projection scale MP-2020.

The expected long-term rate of return by asset class is as follows:

Equity	6%
Fixed Income	4%
Cash	0%

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The long-term expected rate of return on pension plan investments of 7.25% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City of Marshall, calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Firefighters' Fund Net Pension Liability	\$ 18,929,504	\$ 15,703,828	\$ 13,036,019

Plan Fiduciary Net Position. The plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the plan fiduciary net position is available in the Fund's separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2022	\$ 23,799,145	\$ 8,017,137	\$ 15,782,008
Changes for the year:			
Service cost	537,098	-	537,098
Interest	1,712,056	-	1,712,056
Experience	-	-	-
Contributions - employer	-	701,079	(701,079)
Contributions - employee	-	500,719	(500,719)
Net investment income	-	1,182,886	(1,182,886)
Benefit payments	(1,443,343)	(1,443,343)	-
Administrative expense	-	(57,350)	57,350
Benefit terms	-	-	-
Assumption changes	-	-	-
Net changes	805,811	883,991	(78,180)
Balance at 12/31/2023	\$ 24,604,956	\$ 8,901,128	\$ 15,703,828

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2024, the City's GASB 68 pension expense was \$1,497,132. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 100,657
Changes in actuarial assumptions	127,322	-
Difference between projected and actual investment earnings	606,544	-
Contributions subsequent to the measurement date	832,026	-
Total	<u>\$ 1,565,892</u>	<u>\$ 100,657</u>

\$832,026 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended December 31,	
2025	\$ 261,753
2026	221,947
2027	272,005
2028	(122,496)
Total	<u>\$ 633,209</u>

VIII. OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATIONS

Post-retirement Health Benefits

Plan Description and Funding Policy. City Policy allows the City to provide health and dental insurance for all active employees and qualified retirees with Blue Cross/Blue Shield of Texas. The current rate for active employees is \$722 and retirees is \$822 per month. Employees who have retired, completed 20 years of service, and have reached age 60 and wish to continue on the City's health plan must pay the difference between the retiree blended rate and the amount the City currently pays for active employee coverage. The current rate for these retirees is \$822 per month, which is intended to be the blended rate that does not create an implicit subsidy. Retiree medical and dental coverage ends at age 65. Retirees pay for any dependent coverage and for dental coverage. Employees hired after August 1, 2005 will not be eligible to remain on the health plan upon retirement.

At December 31, 2023, the following employees were covered by the benefit terms:

Active members	30
Retirees	<u>1</u>
Total	<u>31</u>

Total OPEB Liability. The City's total OPEB liability of \$427,113 was measured as of December 31, 2024 and was determined by a simplified actuarial valuation as of December 31, 2023.

Actuarial Assumptions. The City's annual other post employment benefit cost is calculated based on an actuarial valuation. The actuarial method utilized was the projected unit credit method. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and 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 reflect a long-term perspective and 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. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

The City had an actuarial valuation performed on December 31, 2023. The City has elected to have a full valuation performed every two years. The allocation of the total liability was based upon straight years of service ratio and was amortized over a 20-year period, using a 4.08% discount rate. The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed 50% of future retirees elect the benefit. Medical inflation was taken at 6.0% for pre-Medicare grading down to 3.7% is the ultimate. Post Medicare benefits were not considered since the plan provides for no post-Medicare coverage or subsidy.

The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

Actuarial Valuation Date	12/31/2023
Discount Rate	4.08% per annum
Salary Increases	3.50% for annum
Mortality	The rates are based upon the Pub-2010 mortality table with generational scale MP-2021.
Health care cost trend rates	6.70% pre-medicare medical and RX benefits decreasing to an ultimate rate of 3.70%

Discount Rate. The discount rate of 4.08% is based upon the yield of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The other financial assumptions for long-term inflation, payroll growth, and salary scale were taken from the TMRS actuary study. The per capita claims costs and how these costs are expected to escalate in the future were set by HUB International who develops the funding rates.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2023	\$ 456,676
Changes for the year:	
Service cost	9,067
Interest	14,691
Difference between expected and actual experience	-
Changes of assumptions	(22,852)
Benefit payments	(30,469)
Net changes	(29,563)
Balance at 12/31/2024	<u>\$ 427,113</u>

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.08%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's total OPEB liability	\$ 455,035	\$ 427,113	\$ 400,051

Healthcare Cost Trend Rate Sensitivity Analysis. The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

		<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's total OPEB liability	\$	388,013	\$ 427,113	\$ 471,266

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2024, the City recognized a OPEB expense of \$43,466. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 128,766	\$ (93,638)
Changes in actuarial assumptions	21,518	(60,121)
Total	<u>\$ 150,284</u>	<u>\$ (153,759)</u>

Amounts currently reported as deferred outflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

<u>For the Year Ended December 31,</u>	
2025	\$ 19,708
2026	19,706
2027	3,004
2028	(17,722)
2029	(17,639)
Thereafter	(10,532)
Total	<u>\$ (3,475)</u>

IX. DEFINED OTHER POSTEMPLOYMENT BENEFIT PLANS

TMRS Supplemental Death Benefits Fund

Plan Description. The City also participates in a single 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.

TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com.

Benefits Provided. Payments from this fund are similar to group term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of \$7,500. The obligations of this plan are payable only from the SDBF and are not an obligation of, or claim against, the TMRS Pension Trust Fund.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	160
Inactive employees entitled to but not yet receiving benefits	27
Active employees	<u>182</u>
Total	<u><u>369</u></u>

Contributions. The member cities contribute to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. 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 life insurance during employees' entire careers.

As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

For the calendar years 2023 and 2024, the total SDBF contributions rate for the City was 0.57% and 0.56%, respectively, while the retiree portion of the SDBF contribution was 0.34% and 0.33%. The City's retiree-only portion of contributions for the years ended December 31, 2022 and 2023, were \$27,162 and \$32,703, respectively. Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Actuarial Assumptions. The City's total OPEB liability was measured as of December 31, 2024, and was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions:

The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall	3.60% to 11.85% including inflation
Discount rate	3.77%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables with rates projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

The actuarial cost method being used is known as the Entry Age Normal Method. This method develops the annual cost of the Plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member's compensation through their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf.

The normal cost is calculated using an entry age based on benefit service with the City. If a member has additional time-only vesting service through service with other TMRS cities or other public agencies, they retain this for determination of benefit eligibility and decrement rates. The salary-weighted average of these rates is the total normal cost rate. The unfunded actuarial accrued liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated.

These actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB Liability	\$ 1,017,628	\$ 867,985	\$ 749,111

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At December 31, 2024, the City reported a liability of \$867,985 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2022. For the year ended December 31, 2024, the City recognized OPEB expense of \$24,743. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	\$ 809,200
Changes for the year:	
Service cost	25,970
Interest	32,636
Difference between expected and actual experience	(8,924)
Changes of assumptions and other inputs	41,806
Benefit payments	(32,703)
Net changes	58,785
Balance at 12/31/2023	<u>\$ 867,985</u>

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 71	\$ 20,648
Changes in actuarial assumptions	76,659	208,075
Contributions subsequent to the measurement date	59,633	-
Totals	<u>\$ 136,363</u>	<u>\$ 228,723</u>

\$59,633 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending December 31, 2025. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended December 31,	
2025	\$ (45,608)
2026	(71,015)
2027	(39,597)
2028	<u>4,227</u>
Total	<u>\$ (151,993)</u>

X. RISK MANAGEMENT

The City places all of its property, liability and workers' compensation coverage with Texas Municipal League, a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to Texas Municipal League for its general insurance coverage. The risk pool is self-sustaining through member premiums and reinsures through commercial companies. The limits of liability and deductibles are:

	Limit		Deductible
General Liability	\$ 2,000,000	Each Occurrence	10,000
	4,000,000	Annual Aggregate	
Auto Liability	1,000,000	Each Occurrence	5,000
Law Enforcement Liability	2,000,000	Each Occurrence	5,000
	4,000,000	Annual Aggregate	
Errors and Omissions Liability	1,000,000	Each Wrongful Act	10,000
	2,000,000	Annual Aggregate	
Real & Personal Property	88,685,518		1,000
Mobile Equipment	2,681,749		500
Boiler & Machinery	5,531,392		5,000
Supplemental Sewage Backup	25,000	Each Structure	
	50,000	Each Occurrence	500
Cyber Liability and Data Breach Response:			
Information Security and Privacy Liability and Website Media Content Liability	1,000,000	Aggregate Limit	-
All Damages, Expenses, Loss and Costs	100,000	Aggregate Limit	-
Notified Individuals	10,000	Aggregate Limit	-
Breach Response: Professional Services	50,000	Aggregate Limit	-

XI. SOLID WASTE COLLECTION CONTRACT

The City has contracted for solid waste collection with a third party. The contract began January 1, 2019, and terminates December 31, 2025, with no extension. Under the terms of the agreement the City bills customers and collects payments and retains a percentage of the charges. Payments during 2024 for sanitation services were \$3,326,422.

XII. NORTHEAST TEXAS MUNICIPAL WATER DISTRICT RAW WATER PURCHASE CONTRACT

The City entered into an agreement with Northeast Texas Municipal Water District on February 1, 2006. The District shall sell and deliver water from Lake of The Pines in amounts up to and including 9,000 acre-feet per annum to the City. Payments made to the District are based on schedules, quantities, and rates detailed in the contract. The term of the agreement is for fifty years. At the expiration of the agreement, it may be renewed and extended up to an additional period of fifty years. In accordance with the termination event provisions of the agreement, the parties may terminate it within three months after acquiring knowledge of such events with written notice specifying the date on which supplying raw water under the agreement is to terminate, which shall be at least six months from the date of the written notice.

XIII. CONTINGENT LIABILITIES

Contingencies

The City is exposed to various claims and litigation. The outcome of events are not presently determinable and the amount of the City's potential liability cannot be reasonably estimated at this time.

Federal and State Programs

Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made, in compliance with program guidelines, to the granting agency. These programs are governed by various statutory rules and regulations of grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, the City has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of fund monies may be required. As it pertains to other matters of compliance, in the opinion of the City's administration, there are no significant contingent liabilities relating to matters of compliance and accordingly, no provision has been made in the accompanying financial statements for such contingencies.

XIV. COMMITMENTS

The City has entered into various contracts for improvements and extensions to the sewer system, water supply and treatment facilities. Funds for these contracts will be provided by various bond issues.

XV. SIGNIFICANT FORTHCOMING STANDARDS

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

DRAFT

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF MARSHALL, TEXAS

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 6,451,204	\$ 6,451,204	\$ 7,612,518	\$ 1,161,314
Sales taxes	9,962,629	9,962,629	9,900,971	(61,658)
Franchise taxes	895,000	895,000	833,007	(61,993)
Charges for services	5,363,000	5,594,108	6,594,556	1,000,448
Permits and fees	725,750	675,750	711,044	35,294
Fines and forfeitures	301,205	301,205	266,032	(35,173)
Investment income	353,246	1,032,277	1,195,350	163,073
Intergovernmental	287,775	287,775	240,567	(47,208)
Donations	5,000	12,200	60,049	47,849
Miscellaneous	9,000	9,000	250,819	241,819
Total revenues	<u>24,353,809</u>	<u>25,221,148</u>	<u>27,664,913</u>	<u>2,443,765</u>
EXPENDITURES				
Current:				
General government	1,038,669	1,007,722	838,149	169,573
Finance	1,645,729	1,887,911	1,571,255	316,656
Public safety	11,681,802	12,569,652	12,690,651	(120,999)
Public works	4,349,790	4,791,869	4,670,533	121,336
Tax collection	114,094	114,094	96,245	17,849
Parks and recreation	1,467,120	1,528,542	1,416,267	112,275
Community and economic development	804,488	836,957	706,138	130,819
Support services	1,263,863	1,292,536	1,283,297	9,239
Tourism and cultural arts	1,725,557	1,874,191	1,729,667	144,524
Capital outlay	825,000	827,493	722,389	105,104
Total expenditures	<u>24,916,112</u>	<u>26,730,967</u>	<u>25,724,591</u>	<u>1,006,376</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(562,303)</u>	<u>(1,509,819)</u>	<u>1,940,322</u>	<u>3,450,141</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,147,744	2,166,539	2,111,831	(54,708)
Transfers out	<u>(1,039,948)</u>	<u>(1,519,943)</u>	<u>(1,503,453)</u>	<u>16,490</u>
Total other financing sources (uses)	<u>1,107,796</u>	<u>646,596</u>	<u>608,378</u>	<u>(38,218)</u>
NET CHANGE IN FUND BALANCES	545,493	(863,223)	2,548,700	3,411,923
FUND BALANCES, BEGINNING	<u>13,137,590</u>	<u>13,137,590</u>	<u>13,137,590</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 13,683,083</u>	<u>\$ 12,274,367</u>	<u>\$ 15,686,290</u>	<u>\$ 3,411,923</u>

The accompanying notes are an integral part of this schedule.

CITY OF MARSHALL, TEXAS

NOTES TO BUDGETARY SCHEDULE

DECEMBER 31, 2024

Summary of Significant Accounting Policies

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Funds, Motel Occupancy Tax Fund, Street Maintenance Fund, Litter Control Fund, and EMS ESD Fund. All annual appropriations lapse at fiscal year-end.

The City Council follows these procedures in establishing budgetary data reflected in the financial statements.

1. Prior to the end of August, the City Commission, City Manager, and department heads meet in publicly held budget workshops and prepare a tentative budget for the following year.
2. Duly advertised public hearings are held to obtain taxpayers comments.
3. Prior to October 1, the budget is legally enacted.
4. The City budgets by departmental category. Formal budget integration into the accounting system is employed as a management control device.

CITY OF MARSHALL, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

FOR THE YEAR ENDED DECEMBER 31, 2024

Plan Year Ended December 31,	<u>2015</u>	<u>2016</u>	<u>2017</u>
A. Total Pension Liability			
Service Cost	\$ 1,317,472	\$ 1,349,774	\$ 1,360,160
Interest (on the Total Pension Liability)	3,556,882	3,561,898	3,692,623
Difference between expected and actual experience	(575,781)	(25,089)	(735,674)
Changes of assumptions	695,565	-	-
Benefit payments, including refunds of employee contributions	<u>(3,162,757)</u>	<u>(2,945,304)</u>	<u>(2,964,912)</u>
Net Change in Total Pension Liability	1,831,381	1,941,279	1,352,197
Total Pension Liability - Beginning	<u>51,735,245</u>	<u>53,566,626</u>	<u>55,507,905</u>
Total Pension Liability - Ending	<u>\$ 53,566,626</u>	<u>\$ 55,507,905</u>	<u>\$ 56,860,102</u>
B. Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,311,982	\$ 1,280,192	\$ 1,336,984
Contributions - Employee	548,947	553,510	560,308
Net Investment Income	67,466	3,003,122	6,415,707
Benefit payments, including refunds of employee contributions	(3,162,757)	(2,945,304)	(2,964,912)
Administrative Expense	(41,096)	(33,924)	(33,258)
Other	<u>(2,030)</u>	<u>(1,828)</u>	<u>(1,685)</u>
Net Change in Plan Fiduciary Net Position	(1,277,488)	1,855,768	5,313,144
Plan Fiduciary Net Position - Beginning	<u>45,724,371</u>	<u>44,446,883</u>	<u>46,302,651</u>
Plan Fiduciary Net Position - Ending	<u>\$ 44,446,883</u>	<u>\$ 46,302,651</u>	<u>\$ 51,615,795</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 9,119,743</u>	<u>\$ 9,205,254</u>	<u>\$ 5,244,307</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.97%	83.42%	90.78%
Covered Payroll	\$ 7,842,093	\$ 7,907,289	\$ 7,991,538
Net Pension Liability as a Percentage of Covered-Employee Payroll	116.29%	116.41%	65.62%

2018	2019	2020	2021	2022	2023
\$ 1,395,937	\$ 1,498,701	\$ 1,524,142	\$ 1,427,772	\$ 1,583,837	\$ 1,624,557
3,777,242	3,882,459	4,021,627	4,136,680	4,273,273	4,433,140
(340,293)	(35,575)	(186,568)	166,594	665,076	(1,182,187)
-	264,805	-	-	-	(498,465)
<u>(3,197,858)</u>	<u>(3,453,140)</u>	<u>(3,669,573)</u>	<u>(3,543,501)</u>	<u>(4,027,432)</u>	<u>(4,320,861)</u>
1,635,028	2,157,250	1,689,628	2,187,545	2,494,754	56,184
<u>56,860,102</u>	<u>58,495,130</u>	<u>60,652,380</u>	<u>62,342,008</u>	<u>64,529,553</u>	<u>67,024,307</u>
<u>\$ 58,495,130</u>	<u>\$ 60,652,380</u>	<u>\$ 62,342,008</u>	<u>\$ 64,529,553</u>	<u>\$ 67,024,307</u>	<u>\$ 67,080,491</u>
\$ 1,380,365	\$ 1,429,734	\$ 1,445,245	\$ 1,376,870	\$ 1,476,148	\$ 1,505,286
573,785	618,932	627,588	593,844	655,616	673,292
(1,545,251)	7,537,593	4,161,998	7,477,294	(4,612,558)	6,556,893
(3,197,858)	(3,453,140)	(3,669,573)	(3,543,501)	(4,027,432)	(4,320,861)
(29,882)	(42,625)	(26,958)	(34,636)	(39,979)	(41,816)
<u>(1,561)</u>	<u>(1,280)</u>	<u>(1,052)</u>	<u>238</u>	<u>47,707</u>	<u>(292)</u>
(2,820,402)	6,089,214	2,537,248	5,870,109	(6,500,498)	4,372,502
<u>51,615,795</u>	<u>48,795,393</u>	<u>54,884,607</u>	<u>57,421,855</u>	<u>63,291,964</u>	<u>56,791,466</u>
<u>\$ 48,795,393</u>	<u>\$ 54,884,607</u>	<u>\$ 57,421,855</u>	<u>\$ 63,291,964</u>	<u>\$ 56,791,466</u>	<u>\$ 61,163,968</u>
<u>\$ 9,699,737</u>	<u>\$ 5,767,773</u>	<u>\$ 4,920,153</u>	<u>\$ 1,237,589</u>	<u>\$ 10,232,841</u>	<u>\$ 5,916,523</u>
83.42%	90.49%	92.11%	98.08%	84.73%	91.18%
\$ 8,196,928	\$ 8,841,891	\$ 8,965,540	\$ 8,483,493	\$ 9,366,277	\$ 9,618,456
118.33%	65.23%	54.88%	14.59%	109.25%	61.51%

CITY OF MARSHALL, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS FOR THE LAST 10 FISCAL YEARS
FOR THE YEAR ENDED DECEMBER 31, 2024

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,311,982	\$ 1,311,982	\$ -	\$ 7,842,903	16.73%
2016	1,280,192	1,280,192	-	7,907,289	16.19%
2017	1,336,984	1,336,984	-	7,991,538	16.73%
2018	1,380,364	1,380,364	-	8,196,933	16.84%
2019	1,429,734	1,429,734	-	8,841,892	16.17%
2020	1,443,521	1,443,521	-	8,954,843	16.12%
2021	1,376,870	1,376,870	-	8,483,485	16.23%
2022	1,476,590	1,476,590	-	9,369,225	15.76%
2023	1,505,584	1,505,584	-	9,620,345	15.65%
2024	1,757,132	1,757,132	-	10,649,283	16.50%

Notes to Schedule of Contributions

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes

There were no benefit changes during the year.

CITY OF MARSHALL, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
FIREMAN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS FOR THE LAST 10 YEARS

FOR THE YEAR ENDED DECEMBER 31, 2024

Plan Year Ended December 31,	<u>2015</u>	<u>2016</u>	<u>2017</u>
A. Total Pension Liability			
Service Cost	\$ 371,513	\$ 400,305	\$ 440,900
Interest	1,322,897	1,333,835	1,439,690
Changes of benefit provisions	-	-	-
Changes between expected and actual experience	-	200,547	-
Changes of assumptions	-	150,107	-
Benefit payments	<u>(1,110,534)</u>	<u>(1,252,982)</u>	<u>(1,066,677)</u>
Net Change in Total Pension Liability	583,876	831,812	813,913
Total Pension Liability - Beginning	<u>17,253,390</u>	<u>17,837,266</u>	<u>18,669,078</u>
Total Pension Liability - Ending	<u>\$ 17,837,266</u>	<u>\$ 18,669,078</u>	<u>\$ 19,482,991</u>
B. Plan Fiduciary Net Position			
Contributions by the city	\$ 486,443	\$ 506,523	\$ 516,808
Contributions by the employees	357,493	372,247	383,450
Net investment income	(210,617)	575,344	997,663
Benefit payments	(1,110,534)	(1,252,982)	(1,066,677)
Administrative expenses	<u>(12,357)</u>	<u>(2,877)</u>	<u>(16,563)</u>
Net Change in Plan Fiduciary Net Position	(489,572)	198,255	814,681
Plan Fiduciary Net Position - Beginning	<u>8,003,545</u>	<u>7,513,973</u>	<u>7,712,228</u>
Plan Fiduciary Net Position - Ending	<u>\$ 7,513,973</u>	<u>\$ 7,712,228</u>	<u>\$ 8,526,909</u>
C. City's Net Pension Liability - Ending (A) - (B)	<u>\$ 10,323,293</u>	<u>\$ 10,956,850</u>	<u>\$ 10,956,082</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.1%	41.3%	43.8%
E. Covered Payroll	\$ 2,553,521	\$ 2,658,907	\$ 2,738,929
F. City's Net Pension Liability as a Percentage of Covered Payroll	404.3%	412.1%	400.0%

Note: This schedule is required to have 10 years of information, but the information prior to 2015 is not available.

2018	2019	2020	2021	2022	2023
\$ 529,160	\$ 526,298	\$ 546,060	\$ 490,899	\$ 551,552	\$ 537,098
1,446,763	1,499,742	1,552,899	1,597,052	1,661,004	1,712,056
-	-	25,140	-	-	-
(636,901)	-	(59,820)	-	(147,822)	-
977,212	-	572,964	-	21,216	-
<u>(1,630,156)</u>	<u>(1,397,609)</u>	<u>(1,276,480)</u>	<u>(1,241,724)</u>	<u>(1,291,295)</u>	<u>(1,443,343)</u>
686,078	628,431	1,360,763	846,227	794,655	805,811
<u>19,482,991</u>	<u>20,169,069</u>	<u>20,797,500</u>	<u>22,158,263</u>	<u>23,004,490</u>	<u>23,799,145</u>
<u>\$ 20,169,069</u>	<u>\$ 20,797,500</u>	<u>\$ 22,158,263</u>	<u>\$ 23,004,490</u>	<u>\$ 23,799,145</u>	<u>\$ 24,604,956</u>
\$ 527,752	\$ 567,487	\$ 583,682	\$ 618,285	\$ 680,036	\$ 701,079
387,849	465,712	407,407	442,553	499,200	500,719
(524,859)	1,372,728	923,657	888,061	(1,410,219)	1,182,886
(1,630,156)	(1,397,609)	(1,276,480)	(1,241,724)	(1,291,295)	(1,443,343)
<u>(8,655)</u>	<u>(14,464)</u>	<u>(5,633)</u>	<u>(36,001)</u>	<u>(37,086)</u>	<u>(57,350)</u>
(1,248,069)	993,854	632,633	671,174	(1,559,364)	883,991
<u>8,526,909</u>	<u>7,278,840</u>	<u>8,272,694</u>	<u>8,905,327</u>	<u>9,576,501</u>	<u>8,017,137</u>
<u>\$ 7,278,840</u>	<u>\$ 8,272,694</u>	<u>\$ 8,905,327</u>	<u>\$ 9,576,501</u>	<u>\$ 8,017,137</u>	<u>\$ 8,901,128</u>
<u>\$ 12,890,229</u>	<u>\$ 12,524,806</u>	<u>\$ 13,252,936</u>	<u>\$ 13,427,989</u>	<u>\$ 15,782,008</u>	<u>\$ 15,703,828</u>
36.1%	39.8%	40.2%	41.6%	33.7%	36.2%
\$ 2,770,350	\$ 2,816,321	\$ 2,910,050	\$ 2,765,957	\$ 3,120,000	\$ 3,129,494
465.3%	444.7%	455.4%	485.5%	505.8%	501.8%

CITY OF MARSHALL, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION FIREMAN'S RELIEF AND RETIREMENT FUND SCHEDULE OF CONTRIBUTIONS FOR THE LAST 10 FISCAL YEARS FOR THE YEAR ENDED DECEMBER 31, 2024

Fiscal Year Ended December 31,	Annual Required Contribution	Contributions in Relation to the Annual Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of of Covered Payroll
2015	\$ 843,936	\$ 843,936	\$ -	\$ 2,553,521	33.0%
2016	878,770	878,770	-	2,658,907	33.1%
2017	900,258	900,258	-	2,738,929	32.9%
2018	915,601	915,601	-	2,770,444	33.0%
2019	1,033,199	1,033,199	-	2,816,321	36.7%
2020	991,089	991,089	-	2,910,050	34.1%
2021	1,037,074	1,037,074	-	2,765,957	37.5%
2022	1,179,237	1,179,237	-	3,204,448	36.8%
2023	1,149,609	1,149,609	-	3,123,938	36.8%
2024	1,426,330	1,426,330	-	3,714,402	38.4%

Notes to Schedule of Contributions

Valuation Date:

December 31, 2023

Notes

Contributions to the Fund are based on the TLFFRA requirements rather than an actuarially determined rate. The funding policy for the Marshall Firemen's Relief and Retirement Fund requires contributions from both the City and the firefighters.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	15 years
Asset Valuation Method	Fair Value
Salary Increases	3.75% per annum
Investment Rate of Return	7.25% per annum
Retirement Age	50% of Active firefighters are assumed to retire at age 50 and 20. The remaining 50% are assumed enter DROP at age 53 and 20 years of service or current age if older and retire at age 56. Terminated firefighters entitled to deferred benefits are assumed to retire on the later of age 50 or age on the valuation date.
Mortality	Pubs-2010 mortality table projected generationally with Scale MP-2021.

CITY OF MARSHALL, TEXAS

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS FUND**

FOR THE YEAR ENDED DECEMBER 31, 2024

Plan Year ended December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>
A. Total OPEB liability			
Service Cost	\$ 20,778	\$ 24,591	\$ 22,105
Interest	25,850	25,905	30,193
Difference between expected and actual experience	-	40,058	(69,485)
Changes of assumptions	57,123	(50,454)	138,792
Benefit payments, including refunds of employee contributions	<u>(6,393)</u>	<u>(7,377)</u>	<u>(7,958)</u>
Net change in Total OPEB liability	97,358	32,723	113,647
Total OPEB liability - beginning	<u>676,668</u>	<u>774,026</u>	<u>806,749</u>
Total OPEB liability - ending	<u>\$ 774,026</u>	<u>\$ 806,749</u>	<u>\$ 920,396</u>
B. Covered-employee payroll	\$ 7,991,538	\$ 8,196,928	\$ 8,841,891
C. Total OPEB liability as a percentage of covered-employee payroll	9.69%	9.84%	10.41%

Note: This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 33,172	\$ 40,721	\$ 44,022	\$ 25,970
25,644	21,873	21,139	32,636
(22,262)	(16,862)	126	(8,924)
136,761	32,877	(369,374)	41,806
<u>(8,966)</u>	<u>(22,905)</u>	<u>(27,162)</u>	<u>(32,703)</u>
164,349	55,704	(331,249)	58,785
<u>920,396</u>	<u>1,084,745</u>	<u>1,140,449</u>	<u>809,200</u>
<u>\$ 1,084,745</u>	<u>\$ 1,140,449</u>	<u>\$ 809,200</u>	<u>\$ 867,985</u>
\$ 8,965,540	\$ 8,483,493	\$ 9,366,277	\$ 9,618,456
12.10%	13.44%	8.64%	9.02%

CITY OF MARSHALL, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTHCARE PLAN

FOR THE YEAR ENDED DECEMBER 31, 2024

Plan Year ended December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>
A. Total OPEB liability			
Service Cost	\$ 12,393	\$ 11,283	\$ 12,239
Interest (on the Total OPEB Liability)	21,351	21,605	14,030
Difference between expected and actual experience	-	46,014	-
Changes of assumptions	(22,867)	(3,685)	17,024
Benefit payments, including refunds of employee contributions	<u>(116,353)</u>	<u>(88,060)</u>	<u>(96,692)</u>
Net change in Total OPEB liability	(105,476)	(12,843)	(53,399)
Total OPEB liability - beginning	<u>666,461</u>	<u>560,985</u>	<u>548,142</u>
Total OPEB liability - ending (a)	<u>\$ 560,985</u>	<u>\$ 548,142</u>	<u>\$ 494,743</u>
B. Covered-employee payroll	\$ 10,515,495	\$ 9,397,023	\$ 9,679,000
C. Total OPEB liability as a percentage of covered-employee payroll	5.33%	5.83%	5.11%

Note: This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

2020	2021	2022	2023
\$ 14,711 9,771	\$ 16,381 13,182	\$ 7,631 20,879	\$ 9,067 14,691
251,965 2,469	22,825 (58,905)	(128,318) 13,540	- (22,852)
<u>(97,666)</u>	<u>(105,400)</u>	<u>(21,132)</u>	<u>(30,469)</u>
181,250	(111,917)	(107,400)	(29,563)
<u>494,743</u>	<u>675,993</u>	<u>564,076</u>	<u>456,676</u>
<u>\$ 675,993</u>	<u>\$ 564,076</u>	<u>\$ 456,676</u>	<u>\$ 427,113</u>
\$ 11,482,000	\$ 12,799,247	\$ 13,026,809	\$ 14,399,955
5.89%	4.41%	3.51%	2.97%

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF MARSHALL, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	Special Revenue			
	Motel Occupancy Fund	Community Development Fund	Municipal Court Tech Fund	Street Maintenance Fund
ASSETS				
Cash and cash equivalents	\$ 1,040,388	\$ 39,038	\$ 8,876	\$ 418,061
Receivables:				
Current taxes	169,472	-	-	-
Accounts	-	-	-	-
Due from other governments	-	69,020	-	149,141
Prepaid items	86	-	-	-
Inventory	-	-	-	-
Total assets	<u>1,209,946</u>	<u>108,058</u>	<u>8,876</u>	<u>567,202</u>
LIABILITIES				
Accounts payable	27,328	-	-	-
Accrued liabilities	3,345	-	-	-
Due to other funds	<u>33,781</u>	<u>1,765</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>64,454</u>	<u>1,765</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid items	86	-	-	-
Inventory	-	-	-	-
Restricted:				
Promotion and tourism	1,145,406	106,293	-	-
Public safety	-	-	8,876	-
Public works	-	-	-	-
Street maintenance	-	-	-	567,202
Library	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>1,145,492</u>	<u>106,293</u>	<u>8,876</u>	<u>567,202</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,209,946</u>	 <u>\$ 108,058</u>	 <u>\$ 8,876</u>	 <u>\$ 567,202</u>

Special Revenue					
Litter Control Fund	Child Safety Seat Fund	Wonderland of Lights	EMS EMD Fund	State Forfeiture Fund	Structural Modifications
\$ 29,288	\$ 30,548	\$ 133,114	\$ 36,794	\$ 321,816	\$ 107,985
-	-	-	-	-	-
6,000	-	6,771	-	-	15,000
-	-	-	-	-	-
-	-	100	-	-	-
-	-	33,632	-	-	-
<u>35,288</u>	<u>30,548</u>	<u>173,617</u>	<u>36,794</u>	<u>321,816</u>	<u>122,985</u>
-	-	54,978	-	-	-
-	-	-	-	-	-
-	-	88,720	-	-	-
-	-	<u>143,698</u>	-	-	-
-	-	100	-	-	-
-	-	33,632	-	-	-
-	-	-	-	-	-
-	30,548	-	36,794	321,816	-
35,288	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	122,985
-	-	(3,813)	-	-	-
<u>35,288</u>	<u>30,548</u>	<u>29,919</u>	<u>36,794</u>	<u>321,816</u>	<u>122,985</u>
<u>\$ 35,288</u>	<u>\$ 30,548</u>	<u>\$ 173,617</u>	<u>\$ 36,794</u>	<u>\$ 321,816</u>	<u>\$ 122,985</u>

CITY OF MARSHALL, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	Special Revenue			
	Lease Funds Police & Fire Departments	Local Grants	State Grants	TIRZ Fund
ASSETS				
Cash and cash equivalents	\$ 26,267	\$ 3,683	\$ 13,638	\$ 344,113
Receivables:				
Current taxes	-	-	-	-
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>26,267</u>	<u>3,683</u>	<u>13,638</u>	<u>344,113</u>
LIABILITIES				
Accounts payable	300	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid items	-	-	-	-
Inventory	-	-	-	-
Restricted:				
Promotion and tourism	-	-	-	-
Public safety	25,967	3,683	13,638	-
Public works	-	-	-	-
Street maintenance	-	-	-	-
Library	-	-	-	-
Capital projects	-	-	-	344,113
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>25,967</u>	<u>3,683</u>	<u>13,638</u>	<u>344,113</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 26,267</u>	 <u>\$ 3,683</u>	 <u>\$ 13,638</u>	 <u>\$ 344,113</u>

Special Revenue		Capital Projects		Permanent	
Building Security	Federal Forfeiture	Debt-Funded Projects	Capital Improvement Fund	Library Fund	Total Other Governmental Funds
\$ 122,491	\$ 39,119	\$ -	\$ 59,587	\$ 349,572	\$ 3,124,378
-	-	-	-	-	169,472
-	-	-	-	-	27,771
-	-	-	-	-	218,161
-	-	-	-	-	186
-	-	-	-	-	33,632
<u>122,491</u>	<u>39,119</u>	<u>-</u>	<u>59,587</u>	<u>349,572</u>	<u>3,573,600</u>
-	-	-	863	12,424	95,893
-	-	-	-	-	3,345
-	-	-	36,415	-	160,681
-	-	-	37,278	12,424	259,919
-	-	-	-	-	186
-	-	-	-	-	33,632
-	-	-	-	-	1,251,699
122,491	39,119	-	-	-	602,932
-	-	-	-	-	35,288
-	-	-	-	-	567,202
-	-	-	-	337,148	337,148
-	-	-	22,309	-	489,407
-	-	-	-	-	(3,813)
<u>122,491</u>	<u>39,119</u>	<u>-</u>	<u>22,309</u>	<u>337,148</u>	<u>3,313,681</u>
\$ <u>122,491</u>	\$ <u>39,119</u>	\$ <u>-</u>	\$ <u>59,587</u>	\$ <u>349,572</u>	\$ <u>3,573,600</u>

CITY OF MARSHALL, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue			
	Motel Occupancy Fund	Community Development Fund	Municipal Court Tech Fund	Street Maintenance Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	823,585
Intergovernmental	-	250,813	-	-
Motel occupancy taxes	1,079,813	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	6,274	-
Investment income	4,504	-	-	75,222
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,084,317</u>	<u>250,813</u>	<u>6,274</u>	<u>898,807</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Finance	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Tourism and cultural arts	294,560	-	-	-
Community and economic development	-	250,813	-	-
Support services	-	-	-	-
Capital outlay	-	-	-	1,438,887
Total expenditures	<u>294,560</u>	<u>250,813</u>	<u>-</u>	<u>1,438,887</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>789,757</u>	<u>-</u>	<u>6,274</u>	<u>(540,080)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(678,282)	-	-	-
Total other financing sources (uses)	<u>(678,282)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	111,475	-	6,274	(540,080)
FUND BALANCES, BEGINNING	<u>1,034,017</u>	<u>106,293</u>	<u>2,602</u>	<u>1,107,282</u>
FUND BALANCES, ENDING	<u>\$ 1,145,492</u>	<u>\$ 106,293</u>	<u>\$ 8,876</u>	<u>\$ 567,202</u>

Special Revenue

Litter Control Fund	Child Safety Seat Fund	Wonderland of Lights	EMS EMD Fund	State Forfeiture Fund	Structural Modifications
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	198,000	-	-
-	-	-	-	-	-
-	-	170,051	-	-	3,750
-	-	-	-	189,572	-
-	390	-	-	1,892	-
7,631	1,049	3,269	-	-	15,000
-	-	-	-	-	-
<u>7,631</u>	<u>1,439</u>	<u>173,320</u>	<u>198,000</u>	<u>191,464</u>	<u>18,750</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,162	15,895	-
1,600	-	-	-	-	-
-	-	263,888	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	277,236	-	-
<u>1,600</u>	<u>-</u>	<u>263,888</u>	<u>280,398</u>	<u>15,895</u>	<u>-</u>
-	-	-	-	-	-
<u>6,031</u>	<u>1,439</u>	<u>(90,568)</u>	<u>(82,398)</u>	<u>175,569</u>	<u>18,750</u>
-	-	-	-	-	14,871
150	-	130,379	-	-	-
-	-	-	-	-	-
<u>150</u>	<u>-</u>	<u>130,379</u>	<u>-</u>	<u>-</u>	<u>14,871</u>
6,181	1,439	39,811	(82,398)	175,569	33,621
<u>29,107</u>	<u>29,109</u>	<u>(9,892)</u>	<u>119,192</u>	<u>146,247</u>	<u>89,364</u>
\$ <u>35,288</u>	\$ <u>30,548</u>	\$ <u>29,919</u>	\$ <u>36,794</u>	\$ <u>321,816</u>	\$ <u>122,985</u>

CITY OF MARSHALL, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue			
	Lease Funds Police & Fire Departments	Local Grants	State Grants	TIRZ Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 32,779
Sales taxes	-	-	-	-
Intergovernmental	7,136	45,000	12,828	-
Motel occupancy taxes	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	204	-	-	-
Donations	-	-	-	-
Miscellaneous	-	16,919	-	-
Total revenues	<u>7,340</u>	<u>61,919</u>	<u>12,828</u>	<u>32,779</u>
EXPENDITURES				
Current:				
General government	-	-	3,210	-
Finance	-	-	-	-
Public safety	299	58,236	-	-
Public works	-	-	-	-
Tourism and cultural arts	-	-	-	-
Community and economic development	-	-	-	-
Support services	-	-	-	-
Capital outlay	-	34,099	-	-
Total expenditures	<u>299</u>	<u>92,335</u>	<u>3,210</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>7,041</u>	<u>(30,416)</u>	<u>9,618</u>	<u>32,779</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	7,041	(30,416)	9,618	32,779
FUND BALANCES, BEGINNING	<u>18,926</u>	<u>34,099</u>	<u>4,020</u>	<u>311,334</u>
FUND BALANCES, ENDING	<u>\$ 25,967</u>	<u>\$ 3,683</u>	<u>\$ 13,638</u>	<u>\$ 344,113</u>

Special Revenue		Capital Projects		Permanent	
Building Security	Federal Forfeiture	Debt-Funded Projects	Capital Improvement Fund	Library Fund	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,779
-	-	-	-	-	823,585
-	-	-	-	-	513,777
-	-	-	-	-	1,079,813
-	-	-	-	-	173,801
7,220	23,640	-	-	-	226,706
3,954	250	10,471	253	7,342	104,482
-	-	-	20,455	9,173	56,577
-	-	-	-	-	16,919
<u>11,174</u>	<u>23,890</u>	<u>10,471</u>	<u>20,708</u>	<u>16,515</u>	<u>3,028,439</u>
-	-	-	-	-	3,210
650	-	-	-	-	650
-	2,788	-	14,742	-	95,122
-	-	-	-	-	1,600
-	-	-	-	27,376	585,824
-	-	-	-	-	250,813
-	-	88,660	-	-	88,660
-	-	158,898	-	-	1,909,120
<u>650</u>	<u>2,788</u>	<u>247,558</u>	<u>14,742</u>	<u>27,376</u>	<u>2,934,999</u>
<u>10,524</u>	<u>21,102</u>	<u>(237,087)</u>	<u>5,966</u>	<u>(10,861)</u>	<u>93,440</u>
-	-	-	-	-	14,871
-	-	-	-	-	130,529
-	-	-	-	-	(678,282)
-	-	-	-	-	(532,882)
10,524	21,102	(237,087)	5,966	(10,861)	(439,442)
<u>111,967</u>	<u>18,017</u>	<u>237,087</u>	<u>16,343</u>	<u>348,009</u>	<u>3,753,123</u>
<u>\$ 122,491</u>	<u>\$ 39,119</u>	<u>\$ -</u>	<u>\$ 22,309</u>	<u>\$ 337,148</u>	<u>\$ 3,313,681</u>

CITY OF MARSHALL, TEXAS

DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 1,215,627	\$ 1,215,627	\$ 1,292,656	\$ 77,029
Investment income	17,000	17,000	11,327	(5,673)
Total revenues	<u>1,232,627</u>	<u>1,232,627</u>	<u>1,303,983</u>	<u>71,356</u>
EXPENDITURES				
Debt service:				
Principal	1,507,000	1,507,000	1,415,000	92,000
Interest	<u>703,352</u>	<u>703,352</u>	<u>707,273</u>	<u>(3,921)</u>
Total expenditures	<u>2,210,352</u>	<u>2,210,352</u>	<u>2,122,273</u>	<u>88,079</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(977,725)</u>	<u>(977,725)</u>	<u>(818,290)</u>	<u>159,435</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>851,318</u>	<u>851,318</u>	<u>851,457</u>	<u>139</u>
Total other financing sources (uses)	<u>851,318</u>	<u>851,318</u>	<u>851,457</u>	<u>139</u>
NET CHANGE IN FUND BALANCE	<u>(126,407)</u>	<u>(126,407)</u>	<u>33,167</u>	<u>159,574</u>
FUND BALANCE, BEGINNING	<u>1,250,069</u>	<u>1,250,069</u>	<u>1,250,069</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,123,662</u>	<u>\$ 1,123,662</u>	<u>\$ 1,283,236</u>	<u>\$ 159,574</u>

CITY OF MARSHALL, TEXAS

MOTEL OCCUPANCY TAX
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Motel occupancy taxes	\$ 1,106,546	\$ 1,106,546	\$ 1,079,813	\$ (26,733)
Investment income	3,500	4,248	4,504	256
Total revenues	<u>1,110,046</u>	<u>1,110,794</u>	<u>1,084,317</u>	<u>(26,477)</u>
EXPENDITURES				
Current:				
Tourism and cultural arts	<u>465,810</u>	<u>588,558</u>	<u>294,560</u>	<u>293,998</u>
Total expenditures	<u>465,810</u>	<u>588,558</u>	<u>294,560</u>	<u>293,998</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>644,236</u>	<u>522,236</u>	<u>789,757</u>	<u>267,521</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(678,282)</u>	<u>(678,282)</u>	<u>(678,282)</u>	<u>-</u>
Total other financing sources (uses)	<u>(678,282)</u>	<u>(678,282)</u>	<u>(678,282)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(34,046)</u>	<u>(156,046)</u>	<u>111,475</u>	<u>267,521</u>
FUND BALANCES, BEGINNING	<u>1,034,017</u>	<u>1,034,017</u>	<u>1,034,017</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 999,971</u>	<u>\$ 877,971</u>	<u>\$ 1,145,492</u>	<u>\$ 267,521</u>

CITY OF MARSHALL, TEXAS**STREET MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Sales taxes	\$ 827,219	\$ 827,219	\$ 823,585	\$ (3,634)
Investment income	<u>75,000</u>	<u>75,000</u>	<u>75,222</u>	<u>222</u>
Total revenues	<u>902,219</u>	<u>902,219</u>	<u>898,807</u>	<u>(3,412)</u>
EXPENDITURES				
Capital outlay	<u>902,219</u>	<u>1,485,838</u>	<u>1,438,887</u>	<u>46,951</u>
Total expenditures	<u>902,219</u>	<u>1,485,838</u>	<u>1,438,887</u>	<u>46,951</u>
NET CHANGE IN FUND BALANCES	-	(583,619)	(540,080)	43,539
FUND BALANCES, BEGINNING	<u>1,107,282</u>	<u>1,107,282</u>	<u>1,107,282</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,107,282</u>	<u>\$ 523,663</u>	<u>\$ 567,202</u>	<u>\$ 43,539</u>

CITY OF MARSHALL, TEXAS

LITTER CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Donations	\$ 12,000	\$ 12,000	\$ 7,631	\$ (4,369)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>7,631</u>	<u>(4,369)</u>
EXPENDITURES				
Current:				
Public works	<u>12,000</u>	<u>12,000</u>	<u>1,600</u>	<u>10,400</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>1,600</u>	<u>10,400</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>6,031</u>	<u>6,031</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>150</u>	<u>150</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>150</u>	<u>150</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>6,181</u>	<u>6,181</u>
FUND BALANCES, BEGINNING	<u>29,107</u>	<u>29,107</u>	<u>29,107</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 29,107</u>	<u>\$ 29,107</u>	<u>\$ 35,288</u>	<u>\$ 6,181</u>

CITY OF MARSHALL, TEXAS

EMS ESD FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 198,000	\$ (2,000)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>198,000</u>	<u>(2,000)</u>
EXPENDITURES				
Public Safety	-	-	3,162	(3,162)
Capital outlay	<u>300,000</u>	<u>300,000</u>	<u>277,236</u>	<u>22,764</u>
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>280,398</u>	<u>19,602</u>
NET CHANGE IN FUND BALANCES	(100,000)	(100,000)	(82,398)	17,602
FUND BALANCES, BEGINNING	<u>119,192</u>	<u>119,192</u>	<u>119,192</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 19,192</u>	<u>\$ 19,192</u>	<u>\$ 36,794</u>	<u>\$ 17,602</u>

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COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S 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**

Honorable Mayor and
Members of the City Council
City of Marshall, Texas

We have audited, in accordance with 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshall, Texas (the "City"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's 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 financial statements. 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*.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

City of Marshall, Texas' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our engagement and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Waco, Texas
July 24, 2025

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Mayor and
Members of the City Council
City of Marshall, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Marshall, Texas' (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Marshall, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Waco, Texas
July 24, 2025

DRAFT

CITY OF MARSHALL, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through Expenditures
U.S. Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grant - Entitlement (CDBG-Entitlement Grants Cluster)	14.218	B23MC480034	\$ 250,813	\$ 97,533
Total U.S. Department of Housing and Urban Development			<u>250,813</u>	<u>97,533</u>
U.S. Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.606	N/A	<u>1,577</u>	<u>-</u>
Total U.S. Department of Justice			<u>1,577</u>	<u>-</u>
U.S. Department of the Treasury				
Direct Programs:				
American Rescue Plan Act - COVID-19	21.027	SLT-8193	<u>3,560,672</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>3,560,672</u>	<u>-</u>
National Endowment for the Humanities				
Passed through Texas State Library and Archives Commission				
Grants to States	45.310	N/A	<u>1,623</u>	<u>-</u>
Total Texas State Library and Archives Commission			<u>1,623</u>	<u>-</u>
Total National Endowment for the Humanities			<u>1,623</u>	<u>-</u>
Centers for Medicare and Medicaid Services				
Passed through Texas Health and Human Services Commission				
Texas Ambulance Services Supplemental Payment Program (Medicaid Cluster)	93.778	FY 22 UC	<u>15,292</u>	<u>-</u>
Total Texas Health and Human Services Commission			<u>15,292</u>	<u>-</u>
Total Centers for Medicare and Medicaid Services			<u>15,292</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 3,829,977</u>	<u>\$ 97,533</u>

The accompanying notes are an integral part of this schedule.

CITY OF MARSHALL, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards ("the Schedule") includes the federal grant activity of City of Marshall, Texas (the "City"). The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. These expenditures are accounted for in the General and Special Revenue Funds and are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
2. The City has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF MARSHALL, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes (2024-001)

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted?

No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? None

Significant deficiency(ies) identified? No

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)

No

Identification of major programs:

Assistance Listing Number:
21.027

Name of Federal Program or Cluster:
American Rescue Plan Act - COVID-19

Dollar threshold used to distinguish between type A and type B programs

\$750,000

Auditee qualified as low-risk auditee?

No

Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

2024-001

Findings and Questioned Costs for Federal Awards

None

CITY OF MARSHALL TEXAS, TEXAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

FOR THE YEAR ENDED DECEMBER 31, 2024

Section II: Financial Statement Finding

Item 2024-001: Bank Reconciliations - Recurring

Criteria: Management is responsible for establishing and maintaining effective and timely internal controls over bank reconciliations to prevent or detect errors, whether intentional or unintentional

Condition and Context: Management performed bank reconciliations and identified issues, but the issues identified were not resolved in a timely manner.

Cause: The City's Finance Department personnel experienced some turnover in the past twelve months that created significant gaps in the bank reconciliation process. The City discovered a setting in their financial software that was making identifying deposits and errors very difficult and time-consuming.

Effect or Potential Effect: Management did not follow established bank reconciliation procedures and as a result accurate financial information was not available in a timely manner.

Recommendation: The City should follow established procedures by performing bank reconciliations and resolving identified errors in a timely manner.

Responsible Official's Response: The City agrees with this finding and has taken corrective action to ensure that established procedures are followed, and bank reconciliations are performed on a timely basis.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

Financial Statement Finding

Item 2022-001: Bank Reconciliations

Criteria: Management is responsible for establishing and maintaining effective and timely internal controls over bank reconciliations to prevent or detect errors, whether intentional or unintentional

Condition and Context: Management performed bank reconciliations and identified issues, but the issues identified were not resolved in a timely manner.

Cause: The City's Finance Department personnel experienced some turnover in the past twelve months that created significant gaps in the bank reconciliation process. The City discovered a setting in their financial software that was making identifying deposits and errors very difficult and time-consuming.

Effect or Potential Effect: Management did not follow established bank reconciliation procedures and as a result accurate financial information was not available in a timely manner.

Recommendation: The District should follow established procedures by performing bank reconciliations and resolving identified errors in a timely manner.

Responsible Official's Response: The District agrees with this finding and has taken corrective action to ensure that established procedures are followed, and bank reconciliations are performed on a timely basis.

Current Status: In process. See Finding 2024-001.



TO: City Council
DATE: July 24, 2025
ITEM #: 10.B
SUBJECT: Fleet Management Program Update and Report on Sale and Leaseback of Vehicles. (Finance & Support Services)

Recommendation for Action: Staff has reviewed the Fleet Management Report as presented. No formal action is required by the City Council at this time. The report is provided for informational purposes to ensure transparency regarding the completion of the sale and leaseback process for 13 vehicles and to provide an update on the overall Fleet Management Program.

Executive Summary: The Fleet Management Report is presented to the City Council for informational purposes. This report provides an update on the City's Fleet Management Program and documents the completion of the sale and leaseback process for 13 vehicles. The sale of these vehicles will infuse approximately \$258,750 in cash to the City. The 13 vehicles will then be incorporated into the City's Enterprise lease and maintenance programs for a 36-month term, after which they will be replaced in accordance with the City's current fleet replacement schedule. No Council action is required at this time. Staff will continue to oversee fleet operations and bring forward any future recommendations as needed.

Focus Area(s): This item aligns with the following council adopted focus area(s): Improving Infrastructure

Budget Cost: N/A

Staff Contact: Kristina Hamilton, Interim Finance Director & Randy Pritchard, Support Services Director

Attachments: 1. Enterprise Presentation - July 2025



CLIENT EXPERIENCE



PROACTIVE COMMUNICATION



RESPONSIVENESS



EASE OF PROCESS



FLEET SUMMARY

-Leased Vehicles in Fleet

78

-Owned Vehicles in Fleet

86

-Total Vehicles in Fleet (Leased & Owned)

164



ORDER STATUS

-Currently on order:

13

-Remaining Vehicles to order in Next 12 Months:

6

-Leasebacks

13



VEHICLE RESALE

-Life to Date Targeted Vehicles to Sell

65

-Vehicles Sold

0

-Vehicles Turned in To Sell in Next 30 Days

3

-Anticipated Equity if all Targeted vehicles are sold

\$597,000



LEASEBACKS

-Vehicles to Leaseback

13

-Cash Infusion

\$258,750

-Total Monthly Payment

\$7,238

-Leaseback Term

36 months

-Estimated Equity at Term

\$162,000



MY26 EXPECTATIONS

-Fleet Budget

\$1,407,497

-Original Anticipated Fleet Budget

\$1,605,503



CREDIT FACILITY

-Open credit facility of:

\$6,000,000

-Approximately in use:

\$4,100,176

-Estimated fleet equity position:

\$-1,007,930

-Financial review date:

December 2025

-Credit line status:

Active



PRODUCT SUMMARY:

Vehicles on Full Maintenance:

47

-No maintenance in 6+ months:

34

Vehicles on Maintenance Management:

114

-No maintenance in 6+ months:

92

-Repair Approval Limits:

\$1000



CONTACT INFORMATION:

-Primary Fleet:

Randy

-Primary Maintenance:

Randy

-Secondary Maintenance:

Lt. Huffman

-License & Title:

Randy

-Vehicle Delivery:

Randy

-Billing:

Randy, Jacki & Kristina

Fleet Analysis for City of Marshall

Current Fleet			140		Fleet Growth		1.43%		Proposed Fleet			142	
Current Avg. Cycle			9.2		Annual Miles		9,075		Proposed Cycle			4.7	
Est. Current Maint.			\$208		Percentage of Idle Time		17%		Est. New Vehicle Maint			\$57	
Current Fuel Economy			18		Cost of Fuel		\$3.00		Est. New Vehicle Fuel Economy			20	
Fleet Mix						Fleet Cost						Annual	
Fiscal Year Start	Fleet Size	Annual Needs	Owned	Leased	Lease/Finance*	Upfront Capital & Equipment	Est. Maintenance & Fuel	Equity	Telematics	Fleet Budget	Net Difference	Savings Balance	
Current	140	13	140	0		167,856	654,517	-13,000	0	1,505,695	0	0	
2024	142	88	39	103	1,157,066	391,500	441,757	-949,418	0	1,040,904	464,790	464,790	
2025	142	12	27	115	1,192,533	150,000	418,783	-115,800	0	1,645,516	(139,822)	324,969	
2026	142	11	16	126	1,305,150	89,000	413,362	-201,930	0	1,605,583	(99,888)	225,080	
2027	142	13	20	122	1,403,451	107,000	405,864	-530,348	0	1,385,967	119,727	344,808	
2028	142	24	20	122	1,403,451	15,000	405,864	-1,107,654	0	716,661	789,034	1,133,841	
2029	142	59	20	122	1,403,451	368,000	405,864	-239,409	0	1,937,906	(432,212)	701,630	
2030	142	20	20	122	1,403,451	158,500	405,864	-118,099	0	1,849,716	(344,021)	357,609	
2031	142	8	20	122	1,403,451	89,000	405,864	-557,529	0	1,340,786	164,908	522,517	
2032	142	33	20	122	1,403,451	122,000	405,864	-24,430	0	1,906,885	(401,190)	121,326	
2033	142	4	20	122	1,403,451	0	405,864	-1,143,051	0	666,264	839,431	960,757	
EST. TOTAL 10-YEAR SAVINGS											\$960,757		

* Lease Rates are conservative estimates

**Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

***Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity



TO: City Council
DATE: July 24, 2025
ITEM #: 10.C
SUBJECT: Discussion Regarding Possible Dates to Conduct Meetings for FY26 Budget. (Finance)

Recommendation for Action: It is recommended that the City Council provide direction to staff regarding preferred dates and times to conduct meetings and workshops for the development and adoption of the Fiscal Year 2026 (FY26) Budget. Staff will utilize this input to ensure all necessary scheduling and public notice requirements are met.

Executive Summary: As the Fiscal Year 2026 (FY26) budget process progresses, staff is requesting City Council input on scheduling the remaining meetings and workshops necessary for budget review and adoption. Confirming these dates at this stage ensures sufficient time for final discussions, public engagement, and compliance with required deadlines prior to formal budget approval.

Focus Area(s): This item aligns with the following council adopted focus area(s): Improving Communication

Budget Cost: N/A

Staff Contact: Kristina Hamilton, Interim Finance Director

Attachments: None



TO: City Council
DATE: July 24, 2025
ITEM #: 11.A
SUBJECT: An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel – Annual evaluation of City Attorney.

Recommendation for Action: Convene in an executive session.

Executive Summary:

1. An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel – Annual evaluation of City Attorney.

Focus Area(s): Investing in our Workforce

Budget Cost: N/A

Staff Contact: Christol Hall, HR Director

Attachments: None



TO: City Council
DATE: July 24, 2025
ITEM #: 11.B
SUBJECT: An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel – Annual evaluation of City Secretary.

Recommendation for Action: Convene in an executive session.

Executive Summary:

1. An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel – Annual evaluation of City Secretary.

Focus Area(s): Investing in our Workforce

Budget Cost: N/A

Staff Contact: Christol Hall, HR Director

Attachments: None