



CITY COUNCIL REGULAR AGENDA

Tuesday, April 9, 2024

Notice is hereby given that the City Council of the City of Big Spring, Texas will meet in Regular Session on Tuesday, April 9, 2024, at 5:30 PM at the City Council Chambers Located at 307 East 4th Street, Big Spring, Texas. **We welcome the public to attend the meeting via telecommunication. Citizens will be able to view the City Council Meeting on Our Local Channel 17 through Suddenlink or on Our Website <http://mybigspring.com/224/Channel-17-Live>.**

CITY COUNCIL MEETING ETIQUETTE

Gentlemen are requested to remove their hats inside the City Council Chambers. As a courtesy to those in attendance, please place your cell phone on "Silent" or "Vibrate." Please, no talking during the meetings. Take all conversations outside so that others can hear.

Thank you!

Open Session

- | | |
|---|-------|
| 1. Call to Order | Moore |
| 2. Invocation | Moore |
| 3. Pledge of Allegiance to the United States Flag and to the Texas State Flag | Moore |

Public Comment

Public Comment – Members of the public are entitled to speak on any topic. Additionally, members of the public may comment on any action item before or during its consideration. Speakers are Requested to Stand at the Podium and State Their Name and Address. Speakers Should Fill out the Form at the Podium and Turn it into the City Secretary. Please Do Not Exceed Five (5) Minutes.

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| 4. Public Comment | Moore |
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Announcements, Presentations and Public Hearings

Public Hearings – The Council will take Input on Items Requiring Public Hearing Items Prior to any Action.
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|---|---------|----------------|
| 5. Presentation and Acceptance of the Big Spring Economic Development Corporation's Financial Statement for Year Ended September 30, 2023 by Bolinger, Segar, Gilbert & Moss L.L.P. | 7-49 | David Copeland |
| 6. Presentation and Acceptance of the Comprehensive Annual Financial Report for Year Ended September 30, 2023 by Bolinger, Segar, Gilbert & Moss L.L.P. | 50-149 | David Copeland |
| 7. PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 507 N DOUGLAS, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LT 12 BK 7 BAUER 50X140 712 ACQ 122602 0.161 ACRES – OWNER: ALICIA V BADILLO | 150-181 | Hagen |
| 8. PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 112 E 13TH, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: E/2 OF LT 6 & LT 7 BK 8 MCDOWELL HEIGHTS 75X140 225 ACQ 03072016 BLK/TRACT 32 1S 0.241 ACRES – OWNER: EDWARD ASH | 182-212 | Hagen |
| 9. PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 1610 W 3RD, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: PART N/115 OF LT 1 BK 9 BROWN 50X118 449 BLK/TRACT 49 0.132 ACRES – OWNER: ESTHER HUGHES | 213-243 | Hagen |

City Manager's Report

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|---|--------|
| 10. City Manager's report on the following items: | Darden |
| <ul style="list-style-type: none">• Large Item Pickup, District 4 - April 17th• Seasonal Jobs Open - Aquatic Center, Golf Crs., Parks & Sports Complex• Blowout at the Bunker | |

Consent Items

- | | | |
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| 11. Approval of the City Council Minutes of the Regular Meeting of March 26, 2024. | 244-250 | Davis |
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12. Acknowledge Receipt of the Convention and Visitors Bureau Board Minutes for the Regular Meeting of February 21, 2024	251	Lewis
13. Final Reading of an Ordinance Amending Chapter 46 of the Big Spring City Code Entitled "Streets, Sidewalks and Other Public Places," Article V "Street Names and Building Numbers," Division 2 "Renaming Streets" Section 46-235 by Amending Subsection (c) to Summarily Deny Repetitive Street Name Petitions for Two Years after City Council Denies the Same Requested Change; Amending Subsection (d) to Clarify that a Street Name Change Petition that Fails Cannot be Reconsidered Unless a New Petition is Submitted; Providing for the Repeal of Conflicting Legislation; Providing for Severability; Finding and Determining that the Meetings at Which the Ordinance was Discussed Were Open to the Public as Required by Law; and Providing an Effective Date	252- 253	McDonald
14. Final Reading of an Ordinance Amending Chapter 2, Section 2-57 of the Big Spring City Code by Establishing Classifications and Number of Positions for the Fire Department Pursuant to Section 143.021, Texas Local Government Code; Providing for Repeal of Conflicting Ordinance; Providing a Severability Clause; Finding and Determining that the Meeting at Which the Ordinance was Discussed were Open to the Public as Required by Law; Providing for Publication; and Providing for an Effective Date	254- 257	Medina
15. Final Reading of an Ordinance Establishing the Fire Department Pay Scale Effective April 14, 2024, in Accordance with Chapter 143 of the Texas Local Government Code; Providing for the Repeal of Ordinances in Conflict Herewith; and Providing for an Effective Date.	258- 260	Medina
16. Final Reading of an Ordinance Establishing the Pay Schedule for Classified Positions Within the Police Department Effective April 14, 2024; Providing for Repeal of Ordinances in Conflict Herewith; and Providing for an Effective Date	261- 264	Medina
17. Final Reading of a Resolution Authorizing the Police Chief to Execute on Behalf of Said City, Education Reimbursement Agreements with New or Recently Hired Employees Who have Paid for Their Own Police Academy Tuition and Fees and Received Certification as a Result; and Requiring that the Employee Reimburse the City for Such Payments if He or She Voluntarily Terminates Employment Prior to the Completion of Three Years of Employment	265- 267	Medina

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| 18. | Final Reading of a Resolution Authorizing the Fire Chief to Execute on Behalf of Said City, Education Reimbursement Agreements with New or Recently Hired Employees Who have Paid for Their Own Fire Academy Tuition and Fees and Received Certification as a Result; and Requiring that the Employee Reimburse the City for Such Payments if He or She Voluntarily Terminates Employment Prior to the Completion of Three Years of Employment | 268-
270 | Medina |
| 19. | Final Reading of a Resolution Authorizing the Fire Chief to Execute on Behalf of Said City, Education Reimbursement Agreements with New or Recently Hired Employees who Have Paid for Their Own Emergency Medical Technician (EMT) Training Tuition and Fees and Received Certification as a Result; and Requiring that the Employee Reimburse the City for Such Payments if He or She Voluntarily Terminates Employment Prior to the Completion of Three Years of Employment | 271-
272 | Medina |
| 20. | Final Reading of a Resolution Authorizing the City Manager to Execute on Behalf of Said City, Relocation Incentive Agreements with Newly Hired Police and Fire Recruits and Requiring that the Employee Reimburse the City of Such Payments and Collection Costs if He or She Voluntarily Terminates Employment Prior to the Completion of Three Years of Employment | 273-
275 | Medina |

Vouchers

- | | | |
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| 21. | Vouchers for 03/28/24 \$ 1,079,565.15 | Hughes |
| 22. | Vouchers for 04/04/24 \$ 621,154.77 | McDonald |

Bids

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|-----|--|-------------|--------|
| 23. | Consideration and Possible Action on Awarding a Bid for the Lead Service Line Inventory Project and Authorizing the City Manager or His Designee to Execute any Necessary Documents | 276-
277 | Medina |
| 24. | Consideration and Possible Action to Award a Contract for Engineering and Design Services to Include Construction Administration for Airport Striping and Marking and Future Scope Projects at McMahon-Wrinkle Airport and Authorizing the City Manager or his Designee to Execute any Necessary Documents | 278-
282 | Feeley |

New Business

- | | | |
|---|---------|----------|
| 25. Acknowledge Receipt of the Quarterly Claims and Litigation Report from the City Attorney | | Hagen |
| 26. First Reading of an Ordinance Amending Ordinance Number 049-2023 Which Adopted the Annual Budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2023 and Ending September 30, 2024 by Increasing the General Fund Budget for the Purpose of Subscribing to Software that will Ensure Compliance with GASB 87 and 96, for the Management of Leases and Software Subscriptions; Providing for Severability; Providing for Publication; and Providing an Effective Date. | 283-285 | S. Smith |
| 27. First Reading of an Ordinance Amending Chapter 36 of the Big Spring City Code "Nuisances," Article IV "Abandoned, Inoperative Or Junked Motor Vehicles" to Define as Nuisances Junked Trailers and Junked RV Trailers, and to Abate Them as Junked Vehicles; Providing for the Repeal of Conflicting Legislation; Providing for Severability; Finding and Determining That the Meetings at Which the Ordinance Was Discussed Were Open to the Public as Required by Law; and Providing an Effective Date. | 286-290 | Medina |
| 28. Consideration and Possible Action to Amend City Contract C 103-2023 with ABS Winds USA LLC for Building 75 and Associated Acreage at McMahon-Wrinkle Airport and Authorizing the City Manager or His Designee to Execute any Necessary Documents | 291-292 | Feeley |
| 29. Consideration and Possible Action on a Consultant Agreement with Corral Environmental Consulting, L.L.C. for the Following Projects: Asbestos Abatement on the Old Texan Building and Asbestos Abatement & Demolition on the Industrial Park Building #42 | 293-297 | Medina |

Council Input

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| 30. Input | | Moore |
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Executive Session

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| 31. Adjourn into Executive Session in Accordance with the Purposes Permitted by the Open Meetings Act, Section 551.072 Texas Government Code, "Deliberation Regarding Real Property; Closed Meeting," to Deliberate the Purchase, | | Moore |
|--|--|-------|

Exchange, Lease, or Value of Real Property when
Deliberation in an Open Meeting Would Have a Detrimental
Effect on the Position of the Governmental Body in
Negotiations with a Third Person.

32. **Reconvene** into Open Session and Take any Necessary Action on Executive Session Items Moore
33. **Adjourn** Moore

The City Council reserves the right to meet in executive session on any agenda item should the need arise pursuant to Chapter 551, Subchapter D of the Texas Government Code, or the Texas Disciplinary Rules of Professional Conduct.

I hereby certify that this agenda was posted on the official bulletin board at the City of Big Spring, City Hall Building, located outside 310 Nolan Street. Given by order of the City Council and **Posted on Friday, April 5, 2024 at 4:00 p.m.** in accordance with Title 5, Texas Government Code and Chapter 551.

In addition, this agenda and supporting documents are posted on the City of Big Spring's Website, www.mybigspring.com, in accordance with legal requirements.



Tami L. Davis, City Secretary

THE MEETING FACILITY IS ACCESSIBLE TO DISABLED PERSONS. ANY DISABLED PERSON NEEDING SPECIAL ACCOMMODATION OR A HEARING IMPAIRED PERSON WISHING TO HAVE AN INTERPRETER SHOULD REQUEST SERVICES AT LEAST 48 HOURS PRIOR TO THE SCHEDULED MEETING BY CONTACTING TAMI DAVIS AT 432-264-2513 OR EMAIL: TDAVIS@MYBIGSPRING.COM.

**BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE CITY OF BIG SPRING, TEXAS)**

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

AND

INDEPENDENT AUDITOR'S REPORT

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

TABLE OF CONTENTS

	<u>Page No.</u>
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
<u>Basic Financial Statements</u>	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet - Governmental Fund	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	15
Notes to Basic Financial Statements	16
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Plan's Net Pension Liability and Related Ratios	32
Schedule of Contributions	33
Schedule of Changes in the Total OPEB Liability and Related Ratios	34
Budgetary Comparison Schedule – Governmental Fund	35
Notes to Required Supplementary Information – Pension Plan	36
Notes to Required Supplementary Information – Budgetary Comparison Schedule	37

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

To the City Council
City of Big Spring, Texas
and to the Board of Directors of
Big Spring Economic Development Corporation

Opinions

We have audited the accompanying financial statements of the governmental activities and governmental fund of Big Spring Economic Development Corporation, a component unit of the City of Big Spring, Texas, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Big Spring Economic Development Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and governmental fund of the Big Spring Economic Development Corporation, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Big Spring Economic Development Corporation (BSEDC), 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.

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 BSEDC's 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 generally accepted 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 generally accepted 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 BSEDC's 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 BSEDC's 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, the schedule of changes in the plan's net pension liability and related ratios, the schedule of contributions, the schedule of changes in the total OPEB liability and related ratios, and budgetary comparison information on pages 4 through 9 and pages 32 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

January 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)

INTRODUCTION

Our discussion and analysis of the Big Spring Economic Development Corporation's (BSEDC) financial performance provides an overview of the entity's financial performance for the fiscal year ending September 30, 2023. It should be read in conjunction with BSEDC's basic financial statements and independent auditor's report.

FINANCIAL HIGHLIGHTS

During the fiscal year 2022-2023, the BSEDC's net position increased by 73 percent or \$2,038,992. This increase is due to spending less on economic development projects.

BSEDC closed the fiscal year ended September 30, 2023 with total assets and deferred outflows of \$9,079,396 and net position of \$4,819,296.

The balance of cash and investments at September 30, 2023 totaled \$8,215,886 which was an increase of \$1,516,607. Liabilities decreased by \$370,571 to \$4,255,737 due to paying down debt in the amount of \$550,000. Net pension and OPEB liabilities increased by \$164,995.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of BSEDC as a whole and present a long-term view of BSEDC's property, debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise. These statements are referred to as government-wide financial statements.

Fund financial statements include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance that report the operations in more detail than the government-wide statements by providing information about BSEDC's general fund. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax needs and the appropriations budget.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide or the fund financial statements.

Government-Wide Statements

The analysis of BSEDC's overall financial condition and operations is reflected in these statements. Its primary purpose is to show whether the entity is faring better or worse as a result of the year's activities. The Statement of Net Position includes all of BSEDC's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are recorded when earned or incurred regardless of when cash is received or paid. BSEDC's revenues are divided into those provided by outside parties (Big Spring Chamber of Commerce and United Way of Howard County) who share the costs of the building facility and revenues provided by sales tax or investment earnings (general revenues). All of BSEDC's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report BSEDC's net position and changes in them. The net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) provide one measure of BSEDC's financial health or financial position. Increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of BSEDC however, you should consider non-financial factors as well, such as changes in the city's economic activity, stability, and workforce.

In the Statement of Net Position and the Statement of Activities, we present the activities of BSEDC as follows:

Governmental activities - BSEDC's basic purpose is reported here, including the cost of maintaining the operation of economic development programs. Sales tax finances are the majority of these activities.

Fund Financial Statement

BSEDC requires only one fund to maintain its operations and programs. The fund financial statements provide information about the fund, not the entity as a whole.

BSEDC's basic operations and services are reported in a government (General) fund. This fund uses modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and reports balances that are available for future spending. The governmental fund statement provides a detailed short-term view of BSEDC's general operations and the basic services it provides. We describe the differences between government-wide activities (reported in the Statement of Net Position and the Statement of Activities) and governmental fund in the reconciliation schedules following each of the fund financial statements.

GOVERNMENT FINANCIAL ANALYSIS

We present both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the Net Position (Table I) and Changes in Net Position (Table II) of BSEDC's governmental activities.

Table I
Net Position

	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 8,851,890	\$ 7,322,724
Capital Assets	109,487	115,556
Total Assets	<u>\$ 8,961,377</u>	<u>\$ 7,438,280</u>
Deferred Outflows of Resources	\$ 118,019	\$ 37,880
Current Liabilities	\$ 92,396	\$ 77,978
Noncurrent Liabilities	4,163,341	4,548,330
Total Liabilities	<u>\$ 4,255,737</u>	<u>\$ 4,626,308</u>
Deferred Inflows of Resources	\$ 4,363	\$ 69,548
Net Investment in Capital Assets	\$ 109,487	\$ 115,556
Unrestricted	4,709,809	2,664,748
Total Net Position	<u>\$ 4,819,296</u>	<u>\$ 2,780,304</u>

Total assets and deferred outflows of BSEDC's governmental activities increased from \$7,476,160 to \$9,079,396. Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements. This balance was \$4,709,809 at September 30, 2023.

**Table II
Changes in Net Position**

	Governmental Activities	
	2023	2022
Revenues:		
General Revenues		
Sales Taxes	\$ 3,259,073	\$ 2,774,566
Investment Earnings	112,333	27,144
Rents and Land Lease Revenue	14,999	6,900
Miscellaneous	4,706	61,535
Total Revenues	<u>\$ 3,391,111</u>	<u>\$ 2,870,145</u>
Expenses:		
General Government	\$ 361,671	\$ 305,143
Economic Development	240,448	394,433
Water and Waste Water Project	750,000	750,000
Total Expenses	<u>\$ 1,352,119</u>	<u>\$ 1,449,576</u>
 Change in Net Position	 \$ 2,038,992	 \$ 1,420,569
Beginning Net Position	2,780,304	1,359,735
Ending Net Position	<u>\$ 4,819,296</u>	<u>\$ 2,780,304</u>

Total revenues increased from \$2,870,145 in fiscal year 2022 to \$3,391,111 in fiscal year 2023, an increase of 18.2 percent. This increase was due to the increase in sales tax revenues and investment earning with an increase in interest rates.

Total expenses decreased from \$1,449,576 in the preceding year to \$1,352,119 for the year ending September 30, 2023 which reflects a decrease of 6.7 percent or \$97,457. The decrease in expenses is due to spending less on economic development projects and incentives.

Revenues exceeded expenses by \$2,038,992.

FUND BALANCES

As BSEDC completed the year, its governmental fund reported a fund balance of \$8,759,494 which is more than last year's balance of \$7,244,746. \$79,008 of fund balance is in non-spendable and is invested in prepaid items and land inventory.

BUDGET AND PLANNING

The original budget for 2022-2023 was developed in the summer of 2022 and adopted by the Board in August 2022. This budget was approved by the City of Big Spring in September 2022. The budget was not amended.

LAND INVENTORY

The 315 acres of unimproved real estate continues to be held for future needs.

CAPITAL ASSETS

At the end of 2023, BSEDC had \$109,487 invested in various capital assets including facilities and equipment.

DEBT

BSEDC has long-term debt other than pension, OPEB, and accrued compensated absences obligations. BSEDC has outstanding sales and use tax revenue note in the amount of \$3,850,000 as of September 30, 2023. See the notes to the financial statements for more details on debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

BSEDC's appointed directors consider many factors when setting a budget for the organization's 2024 – 2025 budget. Sales tax collection, which accounts for the majority of BSEDC revenue, is projected to remain steady.

With the US Highway 87 (designated to become Interstate 27) reliever route complete along with the access roads funded primarily by the BSEDC, the organization is now focused on development of approximately 550 acres of property located south of where the reliever route intersects with Interstate 20. By the time the 2024-2025 budget is adopted, various projects associated with expanding infrastructure to support this development will involve investments by: an EDA grant of \$3.2 million; \$500,000 by the City of Big Spring; \$400,000 by the BSEDC; as well as a separate project contributing approximate \$4 million on the airpark to include a water tower that will greatly expand fire suppression capabilities.

Within the 550-acre total, the BSEDC will have purchased part of the land adjacent to the core property, using proceeds from an earlier land sale of property the organization has owned for close to 30 years. Even with that influx of capital, the land acquisition and expansion of additional infrastructure to serve it will require a roughly estimated \$600,000 additional investment by the BSEDC to make it "shovel ready."

With the development of the project Big Spring will have ready sites available to market for sale, drastically improving recruitment potential given the limited availability of land with infrastructure for business use in the area. The air park has been the economic development focus up until this time but has been limited due to the City being unable to sell any of the former airbase property. Because of this expanded ability to provide suitable locations, the BSEDC will budget significantly more resources into marketing.

The BSEDC continues to contract with Leading EDG to provide business counseling and facilitation to startups, existing businesses, and entrepreneurs. These services have provided critical assistance to several local businesses in the past several years, and likely saved some local investors from pursuing ventures that after examination proved to have very little potential for success.

BSEDC's staff continues to work with City and County staff and elected officials to promote additional economic development opportunities not directly related to BSEDC's funding ability including: new retail (Chick-Fil-A, a new travel center being developed and various other enterprises) and projects within the County (including several projects that should exceed \$100 million in investment each). This trend could continue in the coming years.

BSEDC's sole purpose is to stimulate the local economy by providing supporting incentives and marketing support for the entire area. Because opportunities are hard to predict project funding should be expected to force revision of the presented budget.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the BSEDC's finances and to demonstrate BSEDC's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Mark Willis, Big Spring Economic Development Corporation, 215 W. 3rd, Big Spring, Texas 79720.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 8,215,886
Due From Other Governments	556,996
Prepaid Insurance	11,028
Land Inventory	67,980
Capital Assets:	
Land	25,000
Depreciable Capital Assets, Net	84,487
Total Assets	<u>\$ 8,961,377</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Plan - Related Items	\$ 117,617
OPEB Plan - Related Items	402
Total Deferred Outflows of Resources	<u>\$ 118,019</u>
LIABILITIES:	
Accounts Payable	\$ 4,646
Interest Payable	4,026
Due To Other Governments	83,724
Noncurrent Liabilities:	
Due Within One Year	550,000
Due in More Than One Year	3,300,000
Accrued Compensated Absences	26,757
Net Pension Liability	273,883
Total OPEB Liability	12,701
Total Liabilities	<u>\$ 4,255,737</u>
DEFERRED INFLOWS OF RESOURCES:	
OPEB Plan - Related Items	\$ 4,363
Total Deferred Inflows of Resources	<u>\$ 4,363</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 109,487
Unrestricted	4,709,809
Total Net Position	<u><u>\$ 4,819,296</u></u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

		Net (Expense) Revenue and Changes in Net Position
	Expenses	Governmental Activities
Governmental Activities:		
General Government	\$ 361,671	\$ (361,671)
Economic Development	240,448	(240,448)
Water and Waste Water Project	750,000	(750,000)
Total Governmental Activities	<u>\$ 1,352,119</u>	<u>\$ (1,352,119)</u>
General Revenues:		
Sales Tax Revenue		\$ 3,259,073
Miscellaneous Revenue		4,706
Rents and Land Lease Revenue		14,999
Investment Earnings		112,333
Total General Revenues		<u>\$ 3,391,111</u>
Change in Net Position:		\$ 2,038,992
Net Position - Beginning		<u>2,780,304</u>
Net Position - Ending		<u>\$ 4,819,296</u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2023**

	<u>General Fund</u>
ASSETS:	
Cash and Cash Equivalents	\$ 8,215,886
Due From Other Governments	556,996
Prepaid Insurance	11,028
Land Inventory	67,980
Total Assets	<u>\$ 8,851,890</u>
LIABILITIES:	
Accounts Payable	\$ 4,646
Interest Payable	4,026
Due to Other Governments	83,724
Total Liabilities	<u>\$ 92,396</u>
FUND BALANCE:	
Nonspendable - Prepaid Expenses and Inventory	\$ 79,008
Unassigned	8,680,486
Total Fund Balance	<u>\$ 8,759,494</u>
Total Liabilities and Fund Balance	<u>\$ 8,851,890</u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total Fund Balance - Governmental Fund Balance Sheet	\$ 8,759,494
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	109,487
Payables for compensated absences which are not reported in the funds.	(26,757)
Long-term liabilities are not due and payable from current financial resources and are not reported on the Governmental Fund Balance Sheet.	(3,850,000)
Net Pension Liability and Related Deferred Outflows and Inflows are not reported in the Funds.	(156,266)
Total OPEB Liability and Related Deferred Outflows and Inflows are not reported in the Funds.	<u>(16,662)</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>4,819,296</u></u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>General Fund</u>
Revenues:	
Taxes:	
Sales Taxes	\$ 3,259,073
Rents	7,600
Interest Income	112,333
Oil Royalties	7,399
Other Revenues	4,706
Total Revenues	<u>\$ 3,391,111</u>
Expenditures:	
General Government	\$ 335,915
Economic Development	137,279
Water and Waste Water Project - City of Big Spring	750,000
Debt Service	
Principal	550,000
Interest Expense	103,169
Total Expenditures	<u>\$ 1,876,363</u>
Net Change in Fund Balance	\$ 1,514,748
Fund Balance - Beginning	<u>7,244,746</u>
Fund Balance - Ending	<u><u>\$ 8,759,494</u></u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Net Change in Fund Balance - Total Governmental Fund	\$	1,514,748
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:		
The depreciation of capital assets used in governmental activities is not reported in the funds.		(6,069)
Debt principal payments are not reported as expenses in the SOA.		550,000
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.		(16)
Net change in pension expense to convert amounts paid in for the governmental funds to accrued pension expense for governmental activities.		(19,693)
Net change in OPEB expense to convert amounts paid in for the governmental funds to accrued OPEB expense for governmental activities.		<u>22</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$	<u><u>2,038,992</u></u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

1. REPORTING ENTITY

Big Spring Economic Development Corporation (BSEDC) was incorporated under the laws of the State of Texas and operates under a Board of Directors which is appointed by the City Council of Big Spring, Texas (the City Council). The corporation is a non-profit corporation created under the Texas Development Corporation Act of 1979 and is governed by Section 4A of Article 5190.6 of the Revised Civil Statutes of the State of Texas. The purpose of the corporation is to promote, assist, and enhance economic development for Big Spring, Texas. It is funded by a one-half cent sales tax.

The corporation was originally incorporated as Moore Development for Big Spring, Inc.

BSEDC is a component unit of the City of Big Spring, Texas (the City). It is legally separate from the City, but the City Council appoints its seven directors and approves the annual budget of BSEDC. The financial statements presented here are also included in the comprehensive financial report of the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As a component unit of the City, the BSEDC's financial reporting policies conform to the accounting principles generally accepted in the United States of America applicable to its primary government (Big Spring).

Basis of Accounting and Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

These government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Statement of Activities demonstrates the degree to which the direct expenses of a given description are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific description. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given description or segment.

BSEDC reports all direct expenses in the Statement of Activities. Direct expenses are those that are clearly identifiable with a description. Indirect expenses of other types are not allocated but are reported separately in the Statement of Activities. Depreciation expense is reported in the Statement of Activities under general government expenses.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Fund Financial Statements

BSEDC applies GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by BSEDC itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless BSEDC takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts BSEDC intends to use for a specific purpose. Intent can be expressed by an official or body to which BSEDC delegates authority.

Unassigned fund balance – amounts that are available for any purpose.

For the fiscal year ended September 30, 2023, BSEDC's fund balance was categorized as nonspendable and unassigned.

Financial statements are provided for the governmental fund.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, BSEDC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from local sources consist primarily of sales taxes. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

BSEDC reports the following governmental fund:

General Fund

This fund is established to account for financial resources used for BSEDC's operations. This is a budgeted fund and unassigned fund balances are considered resources available for current operations.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Budgets and Budgetary Accounting

The annual budget is presented on the modified accrual basis of accounting. The current year's budget was adopted in August 2021 and was approved by the City Council in September 2021.

Cash and Cash Equivalents

BSEDC has defined cash and cash equivalents to include cash in bank.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all capital assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Building Improvements	10 years
Computer Equipment	5 years
Other Equipment	5 - 10 years

3. INVESTMENTS POLICIES AND RISK

Legal and Contractual Provisions Governing Deposits and Investments

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

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Statutes authorize BSEDC 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, and (10) common trust funds. The Act also requires BSEDC to have independent auditors perform test procedures related to investment practices as provided by the Act. BSEDC 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, BSEDC has adopted a deposit and investment policy. That policy addresses the following risks:

- a. **Custodial Credit Risk – Deposits and Investments:** In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits and investments in certificates of deposits may not be returned to it. BSEDC's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state or local governments by pledging securities in excess of the highest cash balance of the government. BSEDC is not exposed to custodial credit risk, for its deposits are all covered by depository insurance and securities pledged by the depository bank.
- b. **Concentration of Credit Risk –** The investment policy of BSEDC contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. As of September 30, 2023, BSEDC's investments are with Western Bank which are covered by FDIC insurance and pledged securities, and as such BSEDC has no risk.
- c. **Credit Risk –** The risk that an issuer of other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. As of September 30, 2023, BSEDC was not significantly exposed to credit risk.
- d. **Interest Rate Risk –** Not applicable.
- e. **Foreign Currency Risk –** Not applicable and is not covered by the investment policy.

4. CASH AND CASH EQUIVALENTS

At September 30, 2023, the carrying amount of BSEDC's cash and cash equivalents was \$8,215,886, with a bank balance of \$8,225,594. BSEDC's cash and cash equivalents at September 30, 2023 and the year ended were entirely covered by FDIC insurance and securities pledged by the depository bank.

-20-
BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS

5. DUE FROM/TO OTHER GOVERNMENTS

At September 30, 2023, BSEDC had \$556,996 due from the City of Big Spring related to two months of sales tax revenue that came in subsequent to year end.

At September 30, 2023, BSEDC owed \$83,724 to the City of Big Spring related to reimbursement for salaries and benefits and various other items paid on their behalf.

6. LAND INVENTORY

Land inventory consists of 315 acres of land acquired for marketing purposes and future economic development. As of September 30, 2023, BSEDC had land inventory with a balance of \$67,980.

7. CAPITAL ASSETS

	Balance 10/1/2022	Increases	Transfers/ Decreases	Balance 9/30/2023
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 25,000	\$	\$	\$ 25,000
Total Capital Assets Not Being Depreciated	\$ 25,000	\$ 0	\$ 0	\$ 25,000
Depreciable Assets:				
Buildings and Improvements	\$ 239,604	\$	\$	\$ 239,604
Furniture and Equipment	48,063			48,063
Total Depreciable Assets	\$ 287,667	\$ 0	\$ 0	\$ 287,667
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 149,048	\$ 6,069	\$	\$ 155,117
Furniture and Equipment	48,063			48,063
Total Accumulated Depreciation	\$ 197,111	\$ 6,069	\$ 0	\$ 203,180
Total Depreciable Assets, Net	\$ 90,556	\$ (6,069)	\$ 0	\$ 84,487
Governmental Activities Capital Assets, Net	\$ 115,556	\$ (6,069)	\$ 0	\$ 109,487

Depreciation expense totaling \$6,069 was recognized in the Statement of Activities under general government.

8. OFFICE RENTAL AND UTILITIES REIMBURSEMENT

BSEDC leases office space to the Big Spring Chamber of Commerce and Howard County United Way. The duration is indefinite and was established as a verbal extension of a three-year lease that expired in May 1999. The monthly rent is \$575 plus 50% of shared utility costs.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

9. RISK MANAGEMENT

BSEDC is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. BSEDC carries commercial insurance for these risks.

Workers' Compensation Pool - BSEDC's employees are covered by the City's workers' compensation plan. The City's workers compensation plan is administered by Texas Municipal League's Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program, and the City pays an annual premium for this coverage. The City has acquired stop-loss coverage, which limits the City's possible loss to \$250,000 per occurrence.

10. ACCRUED COMPENSATED ABSENCES

Compensated absences consists of vacation leave, sick leave, and compensatory leave. Vacation leave of 5-20 days is granted to all regular employees dependent upon the date employed, years of service, and civil service status. Currently, two times the employee's annual accrual of vacation leave may be "carried over" to the next calendar year. The City is obligated to make payment upon retirement or termination for employees in good standing for any available, unused vacation and compensatory leave. Sick leave for employees is accrued at 5-15 days per year. After 20 years of continuous full-time service for non-civil service personnel, vested sick leave is paid on retirement or termination at the current hourly rate for up to 90 days. Post-Employment Benefits for retirees of the City include the option to purchase health insurance.

11. LONG-TERM DEBT

BSEDC's long-term debt is made up of a sales and use tax revenue note. The activity from the year is summarized below and shows the amounts payable at September 30, 2023.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year	Interest and Fees
Governmental Activities:						
Sales and Use Tax Revenue Note	\$ 4,400,000	\$	\$ 550,000	\$ 3,850,000	\$ 550,000	\$ 103,169
Total Governmental Activities	\$ 4,400,000	\$ 0	\$ 550,000	\$ 3,850,000	\$ 550,000	\$ 103,169

Detail on the maturity dates and interest rates of the outstanding sales and use tax revenue note of BSEDC as of September 30, 2023 are as follows:

Governmental Activities:		
Debt	Year of Maturity	Interest Rate
Sales and Use Tax Revenue Note	3/15/2030	2.51%

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Debt service requirements on the sales and use tax revenue note at September 30, 2023, are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 550,000	\$ 89,733	\$ 639,733
2025	550,000	75,928	625,928
2026	550,000	62,123	612,123
2027	550,000	48,318	598,318
2028	550,000	34,513	584,513
Thereafter	1,100,000	27,610	1,127,610
Totals	<u>\$ 3,850,000</u>	<u>\$ 338,225</u>	<u>\$ 4,188,225</u>

12. PENSION PLAN

Plan Description

BSEDC participates through the City of Big Spring, Texas (the City) as one of 919 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 comprehensive annual financial report (CAFR) 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 retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Currently the City has adopted the following provisions related to the pension plan:

	<u>December 31, 2022</u>
Employee Deposit Rate	7%
Matching Ratio (City to Employee)	2 to 1
Years Required for Vesting	5
Service Requirement Eligibility (Expressed as Age / Years of Service)	60/5,0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to Retirees)	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to but not Yet Receiving Benefits	0
Active Employees	<u>2</u>
Total Plan Employees	<u><u>2</u></u>

Contributions

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

Employees for BSEDC were required to contribute 7.00% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 17.38% and 17.87% in calendar years 2022 and 2023, respectively. BSEDC's contributions to TMRS for the year ended September 30, 2023, were \$38,772, and were equal to the required contributions.

Net Pension Liability

BSEDC's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Inflation	2.50% per year
Overall Payroll Growth	2.05% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Amortization Period	23 years

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Salary increases are 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 is 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 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (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 in order to satisfy the short-term and long-term funding needs of TMRS.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

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

Changes in Net Pension Asset (Liability)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset (Liability)
Balance 12/31/2021	\$ 916,545	\$ 812,330	\$ (104,215)
Service Cost	31,553		(31,553)
Interest (on the Total Pension Liability)	84,956		(84,956)
Difference Between Expected and Actual Expenses	13,515		(13,515)
Contributions - Employee		14,059	14,059
Contributions - Employer		34,908	34,908
Net Investment Income		(85,191)	(85,191)
Benefit Payments	(67,032)	(67,032)	
Administrative Expense		(738)	(738)
Other	3,562	880	(2,682)
Balance 12/31/2022	<u>\$ 983,099</u>	<u>\$ 709,216</u>	<u>\$ (273,883)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of BSEDC, calculated using the discount rate of 6.75%, as well as what BSEDC'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	Current Rate Assumption	1% Increase
\$ 457,734	\$ 273,883	\$ 122,907

Pension Plan Fiduciary Net Position

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

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Pension Expense, Deferred Outflows, and Deferred Inflows Related to Pensions

For the year ended September 30, 2023, BSEDC recognized pension expense of \$52,877 and calculated as shown below:

Total Service Cost	\$	31,511
Interest on the Total Pension Liability		84,840
Employee Contributions (Reduction of Expense)		(14,040)
Projected Earnings on Plan Investments (Reduction of Expense)		(78,771)
Administrative Expense		737
Other Changes in Fiduciary Net Position		(880)
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities		8,927
Recognition of Current Year Outflow (Inflow) of Resources-Assets		20,553
Total Pension Expense	\$	<u>52,877</u>

At September 30, 2023, BSEDC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/(Inflows) of Resources - Pension Plan	Plan Year	Amount	Remaining Amortization Period
Employer Contribution Deferrals	2022	\$ 28,695	1.000
Differences Between Projected and Actual Investment Earnings	2019	(15,078)	1.000
Differences Between Projected and Actual Investment Earnings	2020	(3,295)	2.000
Differences Between Projected and Actual Investment Earnings	2021	(39,498)	3.000
Differences Between Projected and Actual Investment Earnings	2022	131,255	4.000
Differences Between Expected and Actual Economic Experience	2020	(208)	0.200
Differences Between Expected and Actual Economic Experience	2021	6,415	1.150
Differences Between Expected and Actual Economic Experience	2022	9,331	2.230
Total Deferred Outflows/(Inflows) of Resources		\$ <u>117,617</u>	

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year	Amortization of Deferred Outflows
2023	\$ 41,155
2024	22,990
2025	20,582
2026	32,890
2027	
	\$ <u>117,617</u>

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description:

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. 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 OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

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

Benefits Provided:

The plan provides a \$7,500 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the SDBF. The OPEB benefit is a fixed \$7,500 lump-sum benefit and no future increases are assumed in the benefit amount.

The SDBF fund does not meet the requirements of a trust under Paragraph 4b of GASB No. 75, as the assets of the SDBF can be used to pay active SDBF benefits which are not part of the OPEB plan. The contributions for retiree SDBF coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown in the changes in the total OPEB liability.

Benefit terms are established under the TMRS Act. Participation in the retiree SDBF is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year. BSEDC's contribution rate for the retiree SDBF program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$7,500.

Employees Covered by Benefit Terms:

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to but not Yet Receiving Benefits	0
Active Employees	2
Total Plan Employees	<u>2</u>

-28-
BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS

Total OPEB Liability:

BSEDC's total OPEB liability of \$12,701 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of Economic/Demographic Gains and Losses and Assumptions Changes or Inputs	Straight-Line Amortization over Expected Working Life
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate	4.05%
Retirees' Share of Benefit-Related Costs	\$0
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. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward 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 TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASBS No. 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. As of December 31, 2022, the rate of 4.05% is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Annuity Purchase Rates:

Annuity purchase rates are used to determine the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants; the annuity purchase rates (APRs) for 2014 are based on the UP-1984 Table with an age setback of two years for retirees and an age setback of eight years for beneficiaries. Beginning in 2027, the APRs will be based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females with both male and female rates multiplied by 107.5% and projected on a fully generational basis with scale BB. For members, a unisex blend of 70% of the males table and 30% of the female table is used, while 30% of the male table and 70% of the female table is used for beneficiaries. From 2015 through 2026, the fully generational APRs will be phased into.

Experience Studies:

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) until 2027 are based on a mortality study performed in 2013. TMRS uses the experience studies as a basis for determining assumptions, except where required to be treated different by GASB 75.

Changes in the Total OPEB Liability:

Balance as of December 31, 2021	\$	17,374
Changes for the year:		
Service Cost		703
Interest on Total OPEB Liability		332
Benefit Payments		(502)
Differences Between Expected and Actual Experience		(121)
Changes in Assumptions or Other Inputs		(5,679)
Other - Proportionate Share Adjustment		594
Balance as of December 31, 2022	\$	<u>12,701</u>

Changes of assumptions or other inputs reflect a change in the discount rate from year to year.

There were no changes of benefit terms that affected measurement during the measurement period.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Sensitivity Analysis:

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 4.05%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
Total OPEB Liability	\$ 14,878	\$ 12,701	\$ 10,944

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2023, BSEDC recognized OPEB benefit of (\$57). At September 30, 2023, BSEDC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$	\$ 3,299
Difference in Expected and Actual Experience		1,064
Contributions Made Subsequent to Measurement Date	402	
	\$ 402	\$ 4,363

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

	Amortization of Deferred Resources
2021	\$ (774)
2022	(1,350)
2023	(1,365)
2024	(472)
	\$ (3,961)

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

14. HEALTH CARE BENEFITS

Health insurance benefits are provided to the employees of BSEDC through the City's self-insured health insurance plan. The City's health insurance plan is administered by a third-party administrator, Texas Municipal League's Multistate Intergovernmental Employee Benefits Pool (TMLIEBP). TMLIEBP reviews and processes all health insurance claims. The City has acquired stop-loss coverage, which limits the City's possible liability exposure to \$90,000 per claim. BSEDC's health insurance cost of \$21,383 includes health insurance paid for both employees.

BSEDC does not provide post-retirement health benefits to its employees.

15. LITIGATION AND CONTINGENCIES

BSEDC has no litigation pending which would have a material impact on the financial statements.

16. COMMITMENT TO THE CITY OF BIG SPRING

In May 2012, the citizens of Big Spring voted to fund a 4B project to rehabilitate the City's water and waste water treatment plants including repair or replacing water distributions lines. As a part of that agreement with the City, BSEDC was obligated to fund \$750,000 on January 1, 2016. In later years and through 2033, BSEDC is obligated to pay 40% of its sales tax revenue except the payment cannot exceed \$750,000 or be less than \$500,000. This agreement has a term ending in 2033 or a total amount of \$13,000,000.

	<u>Total Project</u>	<u>Expended to Date</u>	<u>Commitment</u>
Water & Waste Water	\$ <u>13,000,000</u>	\$ <u>8,250,000</u>	\$ <u>4,750,000</u>

REQUIRED SUPPLEMENTARY INFORMATION

**BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
DEFINED BENEFIT RETIREMENT PLAN**

**SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION ASSET/LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	\$ 11,837	\$ 32,062	\$ 22,328	\$ 30,102	\$ 23,859	\$ 25,105	\$ 29,844	\$ 28,910	\$ 31,553
Interest	34,258	76,779	52,479	74,355	59,604	63,442	73,042	78,017	84,956
Benefit Payments/Refunds of Employee Contributions	(27,162)	(42,272)	(32,479)	(52,953)	(46,382)	(47,565)	(59,600)	(62,230)	(67,032)
Differences between Expected and Actual Experience	2,350	7,513	4,116	(9,894)	(4,995)	6,312	(3,119)	16,990	13,515
Changes of Assumptions		2,281			(4,995)	1,786			
Other - Proportionate Share Adjustment			3,284	54,375	(40,647)	5,463	15,136	4,584	3,562
Net Change	\$ 21,283	\$ 76,363	\$ 43,185	\$ 95,985	\$ (8,561)	\$ 54,543	\$ 55,303	\$ 66,271	\$ 66,554
Beginning Balance	512,173	533,456	609,819	653,004	748,989	740,428	794,971	850,274	916,545
Ending Balance	\$ 533,456	\$ 609,819	\$ 653,004	\$ 748,989	\$ 740,428	\$ 794,971	\$ 850,274	\$ 916,545	\$ 983,099
	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position
Employee Contributions	\$ 6,874	\$ 9,732	\$ 9,830	\$ 10,186	\$ 10,497	\$ 11,080	\$ 13,264	\$ 12,923	\$ 14,059
Employer Contributions	14,193	22,615	22,623	24,955	26,063	27,210	33,047	33,193	34,908
Net Investment Income	28,602	892	40,972	119,577	(22,595)	114,484	70,325	132,135	(85,191)
Benefit Payments/Refunds of Employee Contributions	(27,162)	(42,272)	(39,022)	(52,953)	(46,382)	(47,565)	(59,600)	(62,230)	(67,032)
Administration Expenses	(244)	(544)	(463)	(620)	(437)	(647)	(456)	(612)	(738)
Other	(20)	(27)	(26)	(31)	(23)	(20)	(17)	4	880
Net Change	\$ 22,243	\$ (9,604)	\$ 33,914	\$ 101,114	\$ (32,877)	\$ 104,542	\$ 56,563	\$ 115,413	\$ (103,114)
Beginning Balance	421,022	443,265	433,661	467,575	568,689	535,812	640,354	696,917	812,330
Ending Balance	\$ 443,265	\$ 433,661	\$ 467,575	\$ 568,689	\$ 535,812	\$ 640,354	\$ 696,917	\$ 812,330	\$ 709,216
Net Pension Asset (Liability)	\$ (90,191)	\$ (176,158)	\$ (185,429)	\$ (180,300)	\$ (204,616)	\$ (154,617)	\$ (153,357)	\$ (104,215)	\$ (273,883)
Fiduciary Net Position as a Percentage of Total Pension Liability	83.09%	71.11%	71.60%	75.93%	72.37%	80.55%	81.96%	88.63%	72.14%
Covered Payroll	\$ 124,282	\$ 140,848	\$ 142,256	\$ 145,509	\$ 149,963	\$ 158,291	\$ 189,707	\$ 184,584	\$ 200,852
Net Pension Liability as a Percentage of Covered Payroll	-72.57%	-125.07%	-130.35%	-123.91%	-136.44%	-97.68%	-80.84%	-56.46%	-136.36%

Note: Only nine years of GASB 68 Data Available as of 12/31/2022. The remaining two years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

**BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
DEFINED BENEFIT RETIREMENT PLAN**

**SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023
Actuarially Determined Contribution	\$ 19,731	\$ 25,555	\$ 24,211	\$ 26,027	\$ 26,721	\$ 31,388	\$ 32,206	\$ 34,250	\$ 38,772
Actual Contributions	19,731	25,555	24,211	26,027	26,721	31,388	32,206	34,250	38,772
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 127,585	\$ 146,192	\$ 144,631	\$ 148,438	\$ 155,046	\$ 180,541	\$ 180,576	\$ 195,256	\$ 218,431
Contributions as a Percentage of Covered Employee Payroll	15.46%	17.48%	16.74%	17.53%	17.23%	17.39%	17.84%	17.54%	17.75%

Note: Only nine years of GASB 68 Data Available as of 09/30/2023. The remaining two years of Data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

**BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
SUPPLEMENTAL DEATH BENEFIT FUND**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	436	405	364	550	609	703
Interest on Total OPEB Liability	484	375	493	418	349	332
Benefit Payments	(151)	(135)	(158)	(208)	(572)	(502)
Differences Between Expected and Actual Experience		1,696	(2,177)	(930)	(943)	(121)
Changes in Assumptions or Other Inputs	1,027	(711)	2,011	2,055	484	(5,679)
Other - Proportionate Share Adjustment		(3,262)	342	1,345	507	594
Net Change	\$ 1,796	\$ (1,632)	\$ 875	\$ 3,230	\$ 434	\$ (4,673)
Beginning Balance	12,671	14,467	12,835	13,710	16,940	17,374
Ending Balance	\$ 14,467	\$ 12,835	\$ 13,710	\$ 16,940	\$ 17,374	\$ 12,701
Total OPEB Liability	\$ 14,467	\$ 12,835	\$ 13,710	\$ 16,940	\$ 17,374	\$ 12,701
Covered Employee Payroll	\$ 145,509	\$ 149,963	\$ 158,291	\$ 189,707	\$ 184,584	\$ 200,852
Total OPEB Liability as a Percentage of Covered Employee Payroll	9.94%	8.56%	8.66%	8.93%	9.41%	6.32%

Note: Only six of GASB 75 Data Available as of 12/31/2022. The remaining five years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	(Unaudited) Budgeted Amounts		Actual	Variance with Final Budget Positive or (Negative)
	Original	Final	Amounts	
Revenues:				
Taxes:				
Sales Taxes	\$ 2,400,000	\$ 2,400,000	\$ 3,259,073	\$ 859,073
Investment Earnings	28,800	28,800	112,333	83,533
Oil Royalties			7,399	7,399
Other Revenues	4,300	4,300	4,706	406
Rental Income	6,900	6,900	7,600	700
Total Revenues	<u>\$ 2,440,000</u>	<u>\$ 2,440,000</u>	<u>\$ 3,391,111</u>	<u>\$ 951,111</u>
Expenditures:				
General Government:				
Compensation	\$ 306,677	\$ 306,677	\$ 294,728	\$ 11,949
Office Facilities	33,500	33,500	22,463	11,037
Office Expenses	14,300	14,300	7,589	6,711
Insurance	9,640	9,640	11,135	(1,495)
Economic Development:				
Contractual Services	86,000	86,000	48,319	37,681
Meetings and Workshops	17,000	17,000	17,943	(943)
Professional Development	10,000	10,000	3,320	6,680
Promotion	50,000	50,000	19,468	30,532
Economic Development Grants	502,000	502,000	48,229	453,771
Water and Waste Water Project - City of Big Spring	750,000	750,000	750,000	
Capital Outlay:				
Equipment	5,000	5,000		5,000
Building	5,000	5,000		5,000
Debt Service:				
Principal	103,538	103,538	103,169	369
Interest Expense	550,000	550,000	550,000	0
Total Expenditures	<u>\$ 2,442,655</u>	<u>\$ 2,442,655</u>	<u>\$ 1,876,363</u>	<u>\$ 566,292</u>
Net Change in Fund Balance	\$ (2,655)	\$ (2,655)	\$ 1,514,748	\$ 1,517,403
Fund Balance - Beginning	<u>7,244,746</u>	<u>7,244,746</u>	<u>7,244,746</u>	
Fund Balance - Ending	<u>\$ 7,242,091</u>	<u>\$ 7,242,091</u>	<u>\$ 8,759,494</u>	<u>\$ 1,517,403</u>

-36-
BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN
SEPTEMBER 30, 2023

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	23 years
Asset Valuation Method	Ten Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to BSEDC's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes

There were no benefit changes during the year.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2023**

BUDGETARY DATA

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to the beginning of the fiscal year, BSEDC prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board of Directors is then called for the purpose of adopting the proposed budget. At least 72 hours public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through approval by the City of Big Spring City Council.

Once a budget is approved, it can be amended only by approval of a majority of the members of the Board of Directors and approval from the City of Big Spring City Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board of Directors and are not made after fiscal year end. The legal level of control is at the function level. During the year, the budget was amended as necessary. All budget appropriations lapse at year end.

The budget is presented on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

January 30, 2024

To the City Council
City of Big Spring, Texas
and to the Board of Directors of
Big Spring Economic Development Corporation

We have audited the financial statements of Big Spring Economic Development Corporation (BSEDC) for the year ended September 30, 2023, and have issued our report thereon dated January 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 26, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by BSEDC are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended September 30, 2023.

We noted no transactions entered into by BSEDC during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 30, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to BSEDC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the BSEDC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedule of changes in the plan's net pension liability and related ratios, schedule of contributions, the schedule of changes in the total OPEB liability and related ratios, and budgetary comparison schedule – governmental fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Board of Directors
Big Spring Economic Development Corporation
January 30, 2024
Page 3

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Big Spring Economic Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Balinger, Begans, Gilbert & Moss LLP

Certified Public Accountants



Annual Financial Report

**Fiscal Year Ended
September 30, 2023**

CITY OF BIG SPRING, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2023

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

CITY OF BIG SPRING, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2023

CITY OF BIG SPRING, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS (CONTINUED)

	<u>Statement Identification</u>	<u>Page No.</u>
FINANCIAL SECTION		
Independent Auditor's Report		1-3
Management's Discussion and Analysis (Required Supplementary Information)		4-14
Basic Financial Statements		
Government-Wide Financial Statements:		
Government-Wide – Statement of Net Position	Exhibit A-1	15
Government-Wide – Statement of Activities	Exhibit A-2	16
Fund Financial Statements:		
Balance Sheet – Governmental Funds	Exhibit A-3	17
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position	Exhibit A-4	18
Statement of Revenues, Expenditures, and		
Changes in Fund Balances – Governmental Funds	Exhibit A-5	19
Reconciliation of the Statement of Revenues, Expenditures, and		
Changes in Fund Balances of Governmental Funds to the		
Statement of Activities	Exhibit A-6	20
Statement of Net Position – Proprietary Funds	Exhibit A-7	21
Statement of Revenues, Expenses, and Changes in Fund		
Net Position – Proprietary Funds	Exhibit A-8	22
Statement of Cash Flows – Proprietary Funds	Exhibit A-9	23
Notes to Financial Statements (an Integral Part of the Basic Financial Statements)		24-58

CITY OF BIG SPRING, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS (CONTINUED)

	<u>Statement Identification</u>	<u>Page No.</u>
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of Changes in Net Pension Liability and Related Ratios – TMRS	Exhibit B-1	59
Schedule of Employer Contributions - TMRS	Exhibit B-2	60
Schedule of Changes in Net Pension Liability and Related Ratios – BSFRRF	Exhibit B-3	61
Schedule of Employer Contributions – BSFRRF	Exhibit B-4	62
Schedule of Changes in the Total OPEB Liability and Related Ratios – TMRS Supplemental Death Benefit Fund	Exhibit B-5	63
Schedule of Changes in the Total OPEB Liability and Related Ratios – Big Spring Retiree Health Insurance Plan	Exhibit B-6	64
Budgetary Comparison Schedule – General Fund	Exhibit B-7	65
Notes to Required Supplementary Information		66-68
SUPPLEMENTARY INFORMATION		
Combining Statements:		
Combining Balance Sheet – Nonmajor Governmental Funds	Exhibit C-1	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	Exhibit C-2	70
Special Revenue Funds:		
Combining Balance Sheet – Nonmajor Special Revenue Funds	Exhibit C-3	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	Exhibit C-4	72
Internal Service Funds:		
Combining Statement of Net Position	Exhibit C-5	73
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	Exhibit C-6	74
Combining Statement of Cash Flows	Exhibit C-7	75

CITY OF BIG SPRING, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS (CONCLUDED)

	<u>Statement Identification</u>	<u>Page No.</u>
OVERALL COMPLIANCE AND INTERNAL CONTROL 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 <i>Government Auditing Standards</i>		76-77

FINANCIAL SECTION

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Independent Auditor's Report

Mayor and City Council
City of Big Spring, Texas
Big Spring, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Big Spring, Texas, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Big Spring, Texas' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Big Spring, Texas, as of September 30, 2023, 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.

Basis for Opinions

We conducted our audit 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. 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 Big Spring, Texas (the City) 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.

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's 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.

-1-

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 generally accepted auditing standards 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 generally accepted auditing standards 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's 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's 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 management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions, schedule of changes in the total OPEB liability and related ratios, and budgetary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering of the City's internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

March 15, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Big Spring, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Big Spring, Texas (the City) we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the independent auditor's report and the basic financial statements. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

FINANCIAL HIGHLIGHTS

- The assets of the City of Big Spring exceeded its liabilities on September 30, 2023, by \$167,841 (net position). Of this amount, the unrestricted net position increased by \$9,127 from \$10,933 to \$20,060. At the same time, the Net Position Invested in Capital Assets increased by \$2,245 to a total \$145,295.
- The City's total net position increased by \$12,038. Net Pension Liability had an overall increase of \$9,103. At the end of calendar year 2023 - the fiscal year-end of both TMRS (Non-Fire Employees) and BSFRRF (Firemen's) retirement funds - the City's combined Net Pension Liability is \$24,287.
- The City's governmental funds combined ending fund balance is \$18,010, of which \$15,465 (an increase of \$229), is available for spending at the City's discretion.
- The ending unassigned fund balance for the General Fund was \$15,465, or 63.78% of total general fund revenues and 61.85% of total expenditures.
- The City has reduced Bond and Financing Lease Debt by \$2,069 from \$14,254 at 9/30/2022 to \$12,185 at 9/30/2023, a 14.5% reduction.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the City as a whole and present a long-term view of the City's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the City were sold to departments within the City or to external customers and how the sales revenues covered the expenses of the goods or services.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

The Statement of Net Position provides an analysis of the City's overall financial condition and operations. The primary purpose of this analysis is to show whether the City is better or worse off as a result of the year's activities. The Statement of Net Position includes all the City's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the City's operations during the year. These apply the accrual basis of accounting which is the method used by most private sector companies.

All of the current year's revenues and expenses are considered regardless of when cash is received or paid. The City's revenues are separated into two categories: those provided by outside parties who share the costs of some programs, such as the Texas Department of Transportation's assistance in safe driving, and revenues provided by the taxpayers. All the City's assets are reported whether they serve the current year or future years. Liabilities are included regardless of whether they must be paid in the current or future years.

These two statements report the City's net position and changes in them. The City's net position (the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources) provides one measure of the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider other financial factors as well (such as changes in the City's sales tax revenues or its property tax base) and non-financial factors (such as the condition of the City's facilities, unemployment rates, and population growth or decline).

In the Statement of Net Position and the Statement of Activities, the following activities are presented.

- Governmental activities – Most of the City's basic services are reported here, including general government, public safety, highways and streets, sanitation, and recreation and parks. Property taxes, sales taxes, user fees, and licenses and permits finance most of these activities.
- Business-type activities – The City accounts for business-type activities in its proprietary funds, where user fees and charges are intended to recover all or a significant portion of overall costs.
- Component unit – The City has one component unit which is funded primarily through sales tax revenue for the purpose of economic development, specifically the generation and retention of business activities and jobs.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Laws and contracts require the City to establish certain funds to account for specific activities, such as grants received through the Department of Justice. The City's administration establishes other funds to help it control and manage resources for particular purposes. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds – Most of the City's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds – The City reports the activities for which it charges users (whether outside customers or other units of the City) in proprietary funds using the full accrual method, which is the same accounting method employed in the Statement of Net Position and the Statement of Activities. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

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.

Other Information

In addition to the basic financial statements, accompanying notes, and supplementary information, this report also presents certain required supplementary information. The City of Big Spring adopts an annual appropriated budget for its general fund (major fund). A budgetary comparison schedule has been provided for this fund to demonstrate budgetary compliance.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The City of Big Spring's assets and deferred outflows of resources exceeded deferred inflows of resources and liabilities by \$167,841 on September 30, 2023.

The largest portion of the City's net position \$145,295 reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment) less any related debt used to acquire these assets that is still outstanding. These assets are used to provide services to the citizens and are not available for future appropriation. Although the City's investment in 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.

NET POSITION
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Assets:						
Cash and Cash Equivalents	\$ 14,957	\$ 13,705	\$ 43,175	\$ 35,251	\$ 58,132	\$ 48,956
Receivables	2,210	2,220	2,699	2,124	4,909	4,344
Internal Balances	7,999	5,679	(7,999)	(5,679)	0	0
Due from Other Governments		74	192	84	192	158
Capital Assets	85,691	84,316	72,547	73,860	158,238	158,176
Other Assets	21	10	1,081	730	1,102	740
Total Assets	\$ 110,878	\$ 106,004	\$ 111,695	\$ 106,370	\$ 222,573	\$ 212,374
Deferred Outflows of Resources	\$ 9,445	\$ 2,693	\$ 4,245	\$ 1,187	\$ 13,690	\$ 3,880
Liabilities:						
Accounts Payable and Other Current Liabilities	\$ 3,420	\$ 1,829	\$ 2,517	\$ 9,056	\$ 5,937	\$ 10,885
Current Portion of Long-term Liabilities	1,805	1,898	1,148	717	2,953	2,615
Long-term Liabilities	27,445	22,447	19,683	18,393	47,128	40,840
Total Liabilities	\$ 32,670	\$ 26,174	\$ 23,348	\$ 28,166	\$ 56,018	\$ 54,340
Deferred Inflows of Resources	\$ 5,423	\$ 4,008	\$ 6,981	\$ 2,103	\$ 12,404	\$ 6,111
Net Position:						
Invested in Capital Assets	\$ 79,616	\$ 77,055	\$ 65,679	\$ 65,995	\$ 145,295	\$ 143,050
Restricted	2,486	1,820			2,486	1,820
Unrestricted	128	(360)	19,932	11,293	20,060	10,933
Total Net Position	\$ 82,230	\$ 78,515	\$ 85,611	\$ 77,288	\$ 167,841	\$ 155,803

The City has restricted net position totaling 1.48% of total net position, which represents resources subject to restrictions on how they may be used. Such resources include special revenue funds restricted for specific purposes. The unrestricted net position is \$20,060.

There was an overall increase of \$2,245 in net investment in capital assets, with capital assets in governmental activities increasing by \$2,561 and capital assets in business-type activities decreasing by (\$316). The net investment in capital assets for the primary government has increased due to more capital additions compared to depreciation being taken.

CHANGES IN NET POSITION

(in thousands)

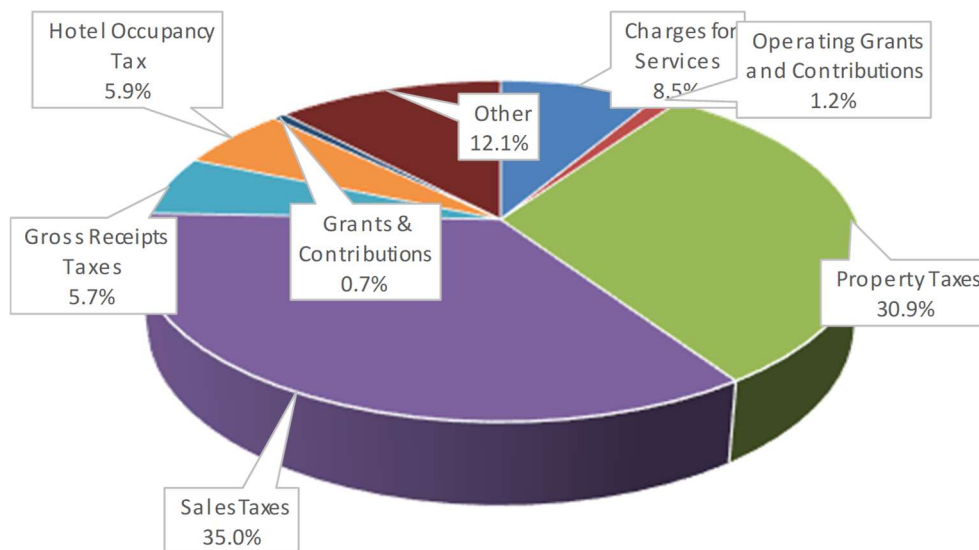
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues						
Charges for Services	\$ 2,366	\$ 2,749	\$ 24,805	\$ 22,714	\$ 27,171	\$ 25,463
Operating Grants and Contributions	333	755	1,264	1,214	1,597	1,969
Capital Grants and Contributions			2,839	364	2,839	364
General Revenues						
Property Taxes	8,583	7,794			8,583	7,794
Sales Taxes	9,740	8,244			9,740	8,244
Gross Receipts Taxes	1,586	1,589			1,586	1,589
Hotel Occupancy Tax	1,642	1,290			1,642	1,290
Grants and Contributions Not						
Restricted to Specific Programs	193	31		61	193	92
Unrestricted Investment Earnings	192	35	739	89	931	124
Miscellaneous	3,176	3,995	5,629	9,474	8,805	13,469
Total Revenues	\$ 27,811	\$ 26,482	\$ 35,276	\$ 33,916	\$ 63,087	\$ 60,398
Expenses:						
Water and Sewer	\$	\$	\$ 13,181	\$ 12,587	\$ 13,181	\$ 12,587
Airport/Industrial Park			3,524	2,686	3,524	2,686
Emergency Medical Services			4,351	3,446	4,351	3,446
Landfill			1,846	1,641	1,846	1,641
Sanitation			3,058	3,146	3,058	3,146
General Government	2,114	2,358			2,114	2,358
Public Safety	14,287	12,457			14,287	12,457
Highways and Streets	3,470	2,800			3,470	2,800
Recreation and Parks	2,722	2,267			2,722	2,267
Economic Development	1,664	1,184			1,664	1,184
Other	832	738			832	738
Total Expenses	\$ 25,089	\$ 21,804	\$ 25,960	\$ 23,506	\$ 51,049	\$ 45,310
Increase in Net Position Before Transfers	\$ 2,722	\$ 4,678	\$ 9,316	\$ 10,410	\$ 12,038	\$ 15,088
Transfers	993	1,029	(993)	(1,029)	0	0
Increase (Decrease) in Net Position	\$ 3,715	\$ 5,707	\$ 8,323	\$ 9,381	\$ 12,038	\$ 15,088
Net Position-Beginning	78,515	72,808	77,288	67,907	155,803	129,658
Net Position-Ending	\$ 82,230	\$ 78,515	\$ 85,611	\$ 77,288	\$ 167,841	\$ 155,803

Governmental Activities - Governmental activities resulted in an increase of \$3,715 in the City's net position. The net position of the City's governmental revenues increased by 5.0%. The careful budget controls and increased sales tax revenues added significantly to the increased Net Position.

Key elements of this increase are as follows:

- Sales tax collections became the largest source of general revenues this year and rose by 18.15% to \$9,740.
- Property taxes became the second largest source of revenue this year at 30.9% of general revenues. Property tax increased by 10.10%, from \$7,794 in 2021-22 to \$8,583 in 2022-23. This category includes collections and penalties/interest for both the current year and delinquent taxes.
- The Hotel Occupancy Tax is beginning to recover from the pandemic, with an increase in revenue from \$1,290 in 2021-22 to \$1,642 in 2022-23, an increase of 27.3%.

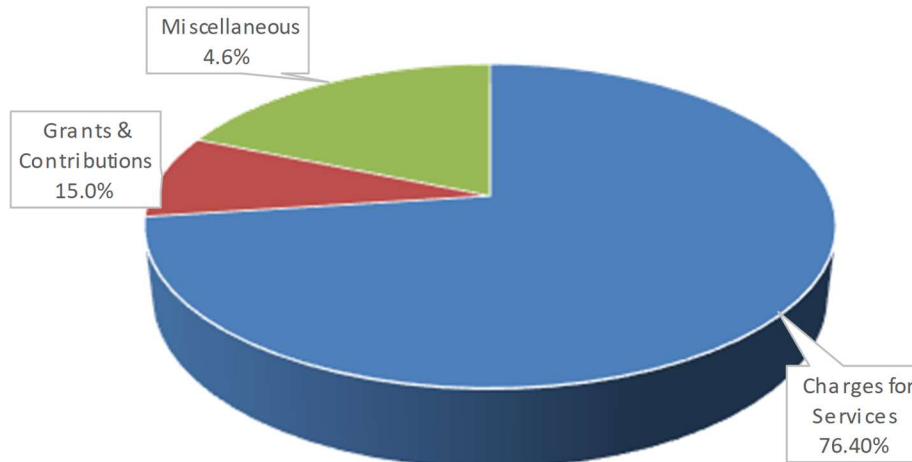
**Revenues by Source
Governmental Activities
Fiscal Year 2022-23**



Business-Type Activities - Business-type activities increased the City of Big Spring's total net position by \$8,323 in the current fiscal year. Key elements of this increase are as follows:

- Total business-type revenues increased \$1,360 in 2022-23, mainly due to the increase in mineral royalty income at the Airpark from the prior year.
- Charges for services – the major class of revenues in the business-type activities – increased by 9.2% to \$2,091.
- Total expenses for the City's business-type activities increased by \$2,454 from \$23,506 for the year ended September 30, 2022, to \$25,960 for the year ended September 30, 2023.

**Revenues by Source
Business-Type Activities
Fiscal Year 2022-23**



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City of Big Spring uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City'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's financing requirements. With the implementation of GASB No. 54 in fiscal year 2011, the City changed its presentation of fund balances in governmental funds. The GASB has defined five types of fund balances, which are more fully described in the footnotes to the financial statements. The City uses four categories of fund balance.

As the City completed the 2022-23 year, its governmental funds reported combined ending fund balances of \$18,010, representing an increase of \$718 from the prior year's balance of \$17,292. This is mostly attributed to the increased revenues in sales taxes and mineral royalties.

The General Fund is the major operating fund of the City. Unassigned fund balance represents 61.9% of total General Fund expenditures.

Total fund balance in the City's General Fund increased by \$239 a 1.57% increase during fiscal year 2022-23. The other governmental funds realized a net increase to fund balance of \$479 or 23.4%.

Proprietary funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, Business-Type Activities, but in more detail. Unrestricted net position of the City's enterprise funds at the end of the fiscal year are as follows:

	2023	2022	Change
Water and Sewer Fund	\$ 7,784	\$ 4,823	\$ 2,961
Airport/Industrial Park	19,868	14,622	5,246
Emergency Medical Services	(4,214)	(3,965)	(249)
Landfill	(4,075)	(4,862)	787
Sanitation	569	675	(106)
	<u>\$ 19,932</u>	<u>\$ 11,293</u>	<u>\$ 8,639</u>

Unrestricted net position increased by \$2,961 in the Water and Sewer Fund and increased by \$5,246 in the Airport/Industrial Park. The Emergency Medical Services Fund increased from a negative (\$3,965) to a negative (\$4,214) in 2022-23 by (\$249). The Landfill Fund's unrestricted net position increased by \$787. The Sanitation Fund decreased unrestricted net position by (\$106).

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget review this year resulted in an increase in revenue of \$784, above the original budget. The General Fund had a net increase of fund balance of \$239 at 9/30/2023. The budget was a conservative budget, knowing that there were supply chain issues and high inflation. The following are some of the highlights that affected the fund balance.

- Final revenue totals had a combined positive variance with the final revised budget of \$3,295. This is primarily due to the increased sales taxes and mineral revenues exceeding the revised budgeted projections by 14%.
- Unfilled positions enabled departments to control their expenditures which contributed to the modest increase in the net fund balance.
- Mineral royalties were up significantly over the projected budget, which contributed to the General and Airpark funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Big Spring's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$158,238 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads and highways, water and sewer lines, and drainage improvements. The total City investment in capital assets increased slightly by \$62 or .039%.

Major capital asset events during the current fiscal year included the following:

- Infrastructure and improvements decreased by a net of (\$2,260) as projects in business-type activities were completed and put into operation.
- Buildings and systems increased by a net of \$612 mainly because of the completion of utilities projects.
- In addition, construction in progress of Business-Type Activities decreased by (\$625) because of the completion of utilities projects and governmental activities increased \$914 as the City has various projects for infrastructure and facilities in progress.
- Machinery and equipment increased by \$1,409 mainly because of supply chain from the prior year and the availability of equipment that had been ordered previously became available.

Table III
City of Big Spring, Texas

CAPITAL ASSETS AT SEPTEMBER 30, 2023
(Net of Depreciation, in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 72,972	\$ 72,972	\$ 6,325	\$ 6,313	\$ 79,297	\$ 79,285
Historical Works of Arts			426	426	426	426
Buildings and Systems	1,697	1,586	20,287	19,786	21,984	21,372
Infrastructure and Improvements	5,711	6,027	37,735	39,679	43,446	45,706
Machinery and Equipment	3,142	2,476	5,056	4,313	8,198	6,789
Construction in Progress	2,169	1,255	2,718	3,343	4,887	4,598
	<u>\$ 85,691</u>	<u>\$ 84,316</u>	<u>\$ 72,547</u>	<u>\$ 73,860</u>	<u>\$ 158,238</u>	<u>\$ 158,176</u>

Additional information regarding capital asset activity of the City can be found in Note D in the Notes to the Financial Statements.

Long-Term Debt

In 2010, the City of Big Spring sold \$4,200 in Certificates of Obligation for the construction of a new family aquatic center. The debt service on this certificate of obligation is being paid from property tax revenue.

In July 2012, the City issued \$11,725 of Combination Tax and Surplus Revenue Certificates of Obligation. The proceeds of this issue were expended to renovate both the water and wastewater treatment plant facilities. In addition, the City entered into a performance agreement with the Big Spring Economic Development Corporation (BSEDC) to use part of its sale tax revenue to meet debt service requirements on

this issue. The BSEDC is a Type A Corporation, but in May of 2012, the voters of Big Spring approved the Type B treatment plant upgrades. BSEDC will contribute a maximum amount of \$13,000 over a twenty-year term. The balance of the debt service requirements will be paid from utility system revenues.

In February of 2016, the City issued \$7,980 of General Obligation Refunding Bonds. These bonds, issued at a premium, defeased \$8,290 of the 2007 General Obligation Bonds and Certificate of Obligations Bond series. Defeasement means the proceeds of the issue were put into an irrevocable trust to pay off the bonds on their call date. The call date is a feature where the issuer can pay off the bond before the maturity date. The call date for these two 2007 issues was 2/15/2017, so as of the date of this letter, the bonds have been called and paid. Because these 2007 bonds were defeased, only the remaining bonds due are shown in this Comprehensive Annual Financial Report. The City will save a net present value of approximately \$1,195 which will be incurred over the next 11 years.

The Latest City's Unenhanced Bond S&P Bond Rating is "A+ Stable", which was obtained on February 15, 2022.

In 2020, the City took advantage of favorable market conditions to refinance \$2,715 in callable certificates of obligation. The issues that were refunded were the Series 2010 Combination Tax & Surplus Revenue Certificates of Obligation (\$2,515 refunded) and the Series 2007 Certificates of Obligation (\$200 refunded). The Series 2020 Refunding Bonds have par value of \$2,455,000 and average interest rate of 4%. However, because of the combined debt service savings of \$323,996.92 over the remaining 10-year lifetime of the outstanding COs, the true interest cost is 1.539%.

In 2022, the City again took advantage of the favorable market conditions and refinanced \$6,390 in callable certificates of obligation. The issues that were refunded were the Series 2012 Combination Tax and Surplus Revenue Certificates of Obligation. The Series 2022 General Obligation Refunding Bond have par value of \$6,390,000 and an average interest rate of 3.5%. Due to the combined debt service savings of \$797,872.94 over the remaining 10 year lifetime of the outstanding CO's, the true interest cost is 1.749%.

At the end of the current fiscal year, the City of Big Spring had total bonded debt outstanding of \$11,265. The total outstanding debt is backed by the full faith and credit of the government, while a tax levy has been established for \$5,285 of the total and the remaining \$5,980 is business-type activity debt, supported by water and sewer system revenues. Total long-term debt, not due within one year, including capital leases compensated absences, landfill closure and post closure, pension, and retiree health insurance is \$47,127.

The City of Big Spring carefully plans debt acquisition to fund only capital replacement and new construction. This process includes matching the maturity of the debt to the useful lives of the assets to be funded, as closely as possible. This allows for the use of debt to compliment operations by allowing for matching the cash flows of asset cost to the period deriving the benefit from the asset.

Additionally, this allows the City to plan for and structure debt payments in such a manner that debt service tends to be generally declining across the years creating a known, decreasing demand upon resources for debt service and limiting the demand upon resources to a managed level. As a result of the development and refinement of this process, the impact of current debt upon present and future operations is minimized and annual operations can be based upon a known level of expendable, available resources to respond to the immediate needs of the City.

Table IV
City of Big Spring, Texas

OUTSTANDING BONDED DEBT AT SEPTEMBER 30, 2023
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Serviced by Tax Revenues						
General Obligation Bonds	\$ 5,285	\$ 6,335	\$	\$	\$ 5,285	\$ 6,335
Serviced by Enterprise Funds						
Certificates of Obligation Bonds			5,980	6,530	5,980	6,530
	<u>\$ 5,285</u>	<u>\$ 6,335</u>	<u>\$ 5,980</u>	<u>\$ 6,530</u>	<u>\$ 11,265</u>	<u>\$ 12,865</u>

Additional information regarding long-term debt activity of the City can be found in Note F in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the general fund, the two largest revenue contributors are property and sales tax, making up 30.3% and 40.2%, at \$7,334 and \$9,740, respectively. Due to an increase in the local economy and inflation, sales tax rose for the year ending September 30, 2023, by 18.2%.

One of the main driving forces in the local economy is both the price and the exploration of oil since Big Spring sits on the Cline Shale oil formation. Mineral revenues in fiscal 2023 totaled \$8,165, a decrease from \$13,145 at the end of fiscal 2022. This decrease in mineral revenues is a direct result of a decrease in production and the price of oil being fairly consistent during the year, with oil at \$86.47/barrel at the end of September 2022 to the low of \$67.44/barrel in March 2023, then back up to \$89.39 as of the end of September 2023. New drilling and exploration in Big Spring, boosts local economy with more oil field workers in Big Spring's hotels, restaurants, and retail stores. The City has also increased revenue by entering into right-of-way agreements with oil and gas producers.

Unemployment was 4.7% as of September 2022, peaked at 5.3% in February 2023, but as of September 2023, is down to 4.6% which is still above the state's unemployment rate of 3.9% and the national rate of 3.5% for September 2022. Median household income grew 5.0% from \$57,761 to \$64,418.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Office, at City of Big Spring, 310 Nolan, Big Spring, Texas 79720-2657.

BASIC FINANCIAL STATEMENTS

-15-
CITY OF BIG SPRING, TEXAS

EXHIBIT A-1

**GOVERNMENT-WIDE - STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS:				
Cash and Cash Equivalents	\$ 14,957,447	\$ 38,525,820	\$ 53,483,267	\$ 8,215,886
Cash and Cash Equivalents - Restricted		4,648,720	4,648,720	
Receivables (Net of Allowances for Uncollectibles)	2,209,603	2,698,651	4,908,254	
Internal Balances	7,998,518	(7,998,518)		
Due from Other Governments		192,489	192,489	556,996
Inventories		1,067,701	1,067,701	67,980
Prepaid Items	20,814	12,877	33,691	11,028
Capital Assets, Not Being Depreciated	75,140,717	9,468,867	84,609,584	25,000
Capital Assets, Net of Accumulated Depreciation	10,550,275	63,078,196	73,628,471	84,487
Total Assets	\$ 110,877,374	\$ 111,694,803	\$ 222,572,177	\$ 8,961,377
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflows - Pension Plan - TMRS	\$ 5,812,529	\$ 2,793,252	\$ 8,605,781	\$ 117,617
Deferred Outflows - Pension Plan - BSFRRF	2,943,234	1,201,099	4,144,333	
Deferred Outflows - OPEB - TMRS	12,293	5,907	18,200	402
Deferred Outflows - OPEB - Health Insurance	507,293	244,963	752,256	
Deferred Outflows - Loss on Refunding	169,879		169,879	
Total Deferred Outflows of Resources	\$ 9,445,228	\$ 4,245,221	\$ 13,690,449	\$ 118,019
LIABILITIES:				
Accounts Payable	\$ 2,330,098	\$ 1,822,979	\$ 4,153,077	\$ 88,370
Claims and Judgments Payable	355,537		355,537	
Accrued Interest Payable	21,850	25,563	47,413	4,026
Accrued Wages	586,809	263,678	850,487	
Unearned Revenue	89,537		89,537	
Customer Deposits	8,408	365,598	374,006	
Unclaimed Property		38,959	38,959	
Noncurrent Liabilities				
Due Within One Year	1,804,538	1,148,016	2,952,554	550,000
Due In More Than One Year	27,443,943	19,682,705	47,126,648	3,613,341
Total Liabilities	\$ 32,670,389	\$ 23,347,498	\$ 56,017,887	\$ 4,255,737
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows - Pension Plan - TMRS	\$ 1,949,338	\$ 936,768	\$ 2,886,106	\$
Deferred Inflows - Pension Plan - BSFRRF	2,663,601	1,116,189	3,779,790	
Deferred Inflows - OPEB - TMRS	146,430	70,368	216,798	4,363
Deferred Inflows - OPEB - Health Insurance	663,233	320,263	983,496	
Deferred Inflows - Gain on Refunding		137,985	137,985	
Deferred Inflows - Unspent Grant Funds		4,400,057	4,400,057	
Total Deferred Inflows of Resources	\$ 5,422,602	\$ 6,981,630	\$ 12,404,232	\$ 4,363
NET POSITION				
Net Investment in Capital Assets	\$ 79,615,573	\$ 65,679,315	\$ 145,294,888	\$ 109,487
Restricted For:				
Cemetery Permanent Care (Nonexpendable)	351,519		351,519	
Public, Educational and Governmental				
Television Access	237,092		237,092	
Restricted for Public Safety Improvements	123,092		123,092	
Economic Development				4,709,809
Advertising and Promotions	1,471,970		1,471,970	
Debt Service	190,326		190,326	
Senior Citizen's Center	28,875		28,875	
Opioid Remediation Uses	59,623		59,623	
Truancy Court Operations	350		350	
Court Technology	8,217		8,217	
Court Security	15,465		15,465	
Unrestricted	127,509	19,931,581	20,059,090	
Total Net Position	\$ 82,229,611	\$ 85,610,896	\$ 167,840,507	\$ 4,819,296

The accompanying notes are an integral part of this statement.

-16-
CITY OF BIG SPRING, TEXAS

EXHIBIT A-2

**GOVERNMENT-WIDE - STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 2,113,748	\$ 664,106	\$ 10,114	\$	\$ (1,439,528)	\$	\$ (1,439,528)	\$
Public Safety	14,287,365	516,733	249,821		(13,520,811)		(13,520,811)	
Highways and Streets	3,470,211				(3,470,211)		(3,470,211)	
Community Service	436,499	51,619	72,644		(312,236)		(312,236)	
Recreation and Parks	2,722,183	1,034,492			(1,687,691)		(1,687,691)	
Cemetery	192,236	98,509			(93,727)		(93,727)	
Economic Development	1,664,181	400			(1,663,781)		(1,663,781)	
Interest on Long-Term Debt	203,598				(203,598)		(203,598)	
Total Governmental Activities	\$ 25,090,021	\$ 2,365,859	\$ 332,579	\$ 0	\$ (22,391,583)	\$ 0	\$ (22,391,583)	\$ 0
Business-Type Activities:								
Water and Sewer	\$ 13,181,058	\$ 13,907,284	\$ 750,000	\$ 2,838,395	\$	\$ 4,314,621	\$ 4,314,621	\$
Airport/Industrial Park	3,523,546	1,579,737	49,960			(1,893,849)	(1,893,849)	
Emergency Medical Services	4,351,587	3,063,212	464,339			(824,036)	(824,036)	
Landfill	1,845,601	2,228,909				383,308	383,308	
Sanitation	3,057,507	4,025,355				967,848	967,848	
Total Business-Type Activities	\$ 25,959,299	\$ 24,804,497	\$ 1,264,299	\$ 2,838,395	\$ 0	\$ 2,947,892	\$ 2,947,892	\$ 0
Total Primary Government	\$ 51,049,320	\$ 27,170,356	\$ 1,596,878	\$ 2,838,395	\$ (22,391,583)	\$ 2,947,892	\$ (19,443,691)	\$ 0
COMPONENT UNIT:								
Economic Development Corporation	\$ 1,352,119	\$ 0	\$ 0	\$ 0				\$ (1,352,119)
General Revenues:								
Property Taxes					\$ 8,583,296	\$	\$ 8,583,296	\$
Sales Taxes					9,740,223		9,740,223	3,259,073
Gross Receipts Taxes					1,586,441		1,586,441	
Motel Occupancy Taxes					1,641,942		1,641,942	
Grants and Contributions Not Restricted to Specific Programs					192,765		192,765	
Unrestricted Investment Earnings					192,258	739,132	931,390	112,333
Oil Royalties					2,711,420	5,453,972	8,165,392	
Miscellaneous					464,985	175,147	640,132	19,705
Transfers					993,258	(993,258)		
Total General Revenue and Transfers					\$ 26,106,588	\$ 5,374,993	\$ 31,481,581	\$ 3,391,111
Change in Net Position					\$ 3,715,005	\$ 8,322,885	\$ 12,037,890	\$ 2,038,992
Net Position - Beginning					78,514,606	77,288,011	155,802,617	2,780,304
Net Position - Ending					\$ 82,229,611	\$ 85,610,896	\$ 167,840,507	\$ 4,819,296

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-3

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 7,291,900	\$ 3,377,731	\$ 10,669,631
Receivables (Net of Allowances for Uncollectibles)	2,023,257	186,146	2,209,403
Due from Other Funds	8,697,597		8,697,597
Prepaid Items	19,918	896	20,814
Total Assets	\$ 18,032,672	\$ 3,564,773	\$ 21,597,445
LIABILITIES:			
Accounts Payable	\$ 1,664,638	\$ 414,453	\$ 2,079,091
Retainage Payable	29,669		29,669
Accrued Wages	525,875	60,934	586,809
Unearned Revenue	37,760	51,777	89,537
Due to Other Funds		78,781	78,781
Customer Deposits	1,984	6,424	8,408
Advances from Other Funds		379,939	379,939
Total Liabilities	\$ 2,259,926	\$ 992,308	\$ 3,252,234
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue	\$ 288,267	\$ 46,999	\$ 335,266
Total Deferred Inflows of Resources	\$ 288,267	\$ 46,999	\$ 335,266
FUND BALANCES:			
Nonspendable Fund Balances:			
Prepays	\$ 19,918	\$ 896	\$ 20,814
Cemetery Permanent Care		351,519	351,519
Restricted Fund Balances:			
Restricted for Advertising and Promotions		1,471,970	1,471,970
Restricted for Court Security		15,465	15,465
Restricted for Court Technology		8,217	8,217
Restricted for Public, Educational and Governmental Television Access		237,092	237,092
Restricted for Public Safety Improvements		123,092	123,092
Restricted for Debt Service		190,326	190,326
Restricted for Senior Citizen's Center		28,875	28,875
Restricted for Opioid Remediation Uses		59,623	59,623
Restricted for Truancy Court Operations		350	350
Committed Fund Balances:			
Committed for Employee Education		74,323	74,323
Committed for Cemetery Operations		(36,282)	(36,282)
Unassigned Fund Balance	15,464,561		15,464,561
Total Fund Balances	\$ 15,484,479	\$ 2,525,466	\$ 18,009,945
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,032,672	\$ 3,564,773	\$ 21,597,445

The accompanying notes are an integral part of this statement.

-18-
CITY OF BIG SPRING, TEXAS

EXHIBIT A-4

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total Fund Balances - Governmental Funds Balance Sheet	\$ 18,009,945
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	85,680,992
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	335,266
Deferred outflows and inflows of resources related to pensions and OPEB are not reported in the funds.	3,852,747
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	3,451,113
Payables for long-term debt principal which are not due in the current period are not reported in the funds.	(5,724,356)
Payables for bond interest which are not due in the current period are not reported in the funds.	(21,850)
Bond Premiums are not recorded in the funds.	(351,063)
Deferred Outflows of Resources - Loss on Refundings are not recorded in the funds.	169,879
Net pension liabilities are not reported in the funds.	(16,716,985)
Total OPEB Liabilities are not reported in the funds.	(4,383,451)
Payables for compensated absences which are not reported in the funds.	<u>(2,072,626)</u>
Net Position of Governmental Activities - Statement of Net Position	<u>\$ 82,229,611</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
General Property Taxes	\$ 7,334,883	\$ 1,190,552	\$ 8,525,435
General Sales Taxes	9,740,223		9,740,223
Gross Receipts Business Taxes	1,549,111	37,330	1,586,441
Motel Occupancy Taxes		1,641,942	1,641,942
License and Permits	582,445		582,445
Intergovernmental	253,135	139,067	392,202
Charges for Services	400	22,895	23,295
Fines	225,049	16,597	241,646
Recreation	1,034,492		1,034,492
Investment Earnings	139,459	47,237	186,696
Rents and Royalties	3,064,206	132,674	3,196,880
Miscellaneous	150,704	2,544	153,248
Contributions and Donations	172,715	20,050	192,765
Total Revenues	<u>\$ 24,246,822</u>	<u>\$ 3,250,888</u>	<u>\$ 27,497,710</u>
Expenditures:			
Current:			
General Government	\$ 3,260,169	\$ 41,963	\$ 3,302,132
Public Safety	14,688,227	16,650	14,704,877
Highways and Streets	3,621,525		3,621,525
Community Service		469,463	469,463
Recreation and Parks	3,000,909		3,000,909
Economic Development		1,212,652	1,212,652
Cemetery		184,528	184,528
Debt Service:			
Principal	390,606	1,061,156	1,451,762
Interest	41,216	194,306	235,522
Total Expenditures	<u>\$ 25,002,652</u>	<u>\$ 3,180,718</u>	<u>\$ 28,183,370</u>
Excess of Revenues Over Expenditures	<u>\$ (755,830)</u>	<u>\$ 70,170</u>	<u>\$ (685,660)</u>
Other Financing Sources:			
Transfers In (Out)	\$ 658,546	\$ 409,039	\$ 1,067,585
Financing Lease Obligation	336,469		336,469
Total Other Financing Sources (Uses)	<u>\$ 995,015</u>	<u>\$ 409,039</u>	<u>\$ 1,404,054</u>
Net Change in Fund Balances	\$ 239,185	\$ 479,209	\$ 718,394
Fund Balances - Beginning	<u>15,245,294</u>	<u>2,046,257</u>	<u>17,291,551</u>
Fund Balances - Ending	<u>\$ 15,484,479</u>	<u>\$ 2,525,466</u>	<u>\$ 18,009,945</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 718,394
Amounts reported for governmental activities in the Statement Of Activities (SOA) are different because:	
Capital assets are not reported as expenses in the SOA.	3,908,136
Losses on the retirement of capital assets are not recorded in the funds.	(1,325)
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,532,117)
Proceeds of capital leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(336,469)
Certain revenues are deferred in the funds. This is the change in these amounts this year.	57,861
Repayment of long-term debt principal is an expenditure in the funds but is not an expense in the SOA.	1,451,762
Bond Premiums and Losses on Refundings' related amortization is not recorded in the funds.	28,721
Change in accrued interest from beginning of period to end of period.	3,200
The net revenue of internal service funds is reported with governmental activities.	1,127,519
Change related to pension and total OPEB liabilities and the related deferred outflows and inflows of resources is not recorded in the funds.	(843,403)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>132,726</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u><u>3,715,005</u></u>

The accompanying notes are an integral part of this statement.

-21-
CITY OF BIG SPRING, TEXAS

EXHIBIT A-7

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

	Major Proprietary Funds					Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/Industrial Park	Emergency Medical Services	Landfill	Sanitation		
ASSETS:							
Current Assets							
Cash and Cash Equivalents	\$ 15,860,712	\$ 20,177,220	\$ 107,215	\$ 1,380,310	\$ 1,000,363	\$ 38,525,820	\$ 4,287,816
Cash and Cash Equivalents - Restricted				4,648,720		4,648,720	
Receivables (Net of Allowances for Uncollectibles)	1,378,537	420,989	353,475	78,317	467,333	2,698,651	200
Due from Other Governments	142,529	49,960				192,489	
Inventories	1,013,806		53,895			1,067,701	
Prepaid Items	643	345	879	3,032	7,978	12,877	
Advances to Other Funds	379,939					379,939	
Total Current Assets	<u>\$ 18,776,166</u>	<u>\$ 20,648,514</u>	<u>\$ 515,464</u>	<u>\$ 6,110,379</u>	<u>\$ 1,475,674</u>	<u>\$ 47,526,197</u>	<u>\$ 4,288,016</u>
NONCURRENT ASSETS:							
Capital Assets (Net of Accumulated Depreciation)							
Land	\$ 17,373	\$ 5,671,290	\$	\$ 636,264	\$	\$ 6,324,927	\$ 10,000
Historical Planes - Display Collection		426,000				426,000	
Buildings and Systems	14,416,157	3,913,186		1,957,864		20,287,207	
Infrastructure and Improvements	12,572,774	17,117,212		8,045,001		37,734,987	
Machinery and Equipment	853,241	541,088	818,720	1,225,660	1,617,293	5,056,002	
Construction in Progress	2,540,548	177,392				2,717,940	
Total Noncurrent Assets	<u>\$ 30,400,093</u>	<u>\$ 27,846,168</u>	<u>\$ 818,720</u>	<u>\$ 11,864,789</u>	<u>\$ 1,617,293</u>	<u>\$ 72,547,063</u>	<u>\$ 10,000</u>
Total Assets	<u>\$ 49,176,259</u>	<u>\$ 48,494,682</u>	<u>\$ 1,334,184</u>	<u>\$ 17,975,168</u>	<u>\$ 3,092,967</u>	<u>\$ 120,073,260</u>	<u>\$ 4,298,016</u>
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows - Pension Plan - TMRS	\$ 1,628,636	\$ 296,049	\$	\$ 439,239	\$ 429,328	\$ 2,793,252	\$
Deferred Outflows - Pension Plan - BSFRRF			1,201,099			1,201,099	
Deferred Outflows - OPEB - Health Insurance	118,139	20,476	54,653	26,745	24,950	244,963	
Total Deferred Outflows of Resources	<u>\$ 1,746,775</u>	<u>\$ 316,525</u>	<u>\$ 1,255,752</u>	<u>\$ 465,984</u>	<u>\$ 454,278</u>	<u>\$ 4,239,314</u>	<u>\$ 0</u>
LIABILITIES:							
Current Liabilities							
Accounts Payable	\$ 1,268,335	\$ 206,154	\$ 110,855	\$ 65,836	\$ 171,799	\$ 1,822,979	\$ 251,007
Claims and Judgments Payable							355,537
Accrued Wages	110,297	17,484	86,504	24,559	24,834	263,678	
Due to Other Funds	1,870,000		462,977	6,045,480		8,378,457	240,359
Customer Deposits	312,205	52,893			500	365,598	
Unclaimed Property	38,959					38,959	
Accrued Interest Payable	25,563					25,563	
Accrued Compensated Absences - Current	55,201	9,471	139,418	17,175	18,116	239,381	
Long Term Debt - Current	718,934	27,918	11,975	52,908	96,900	908,635	
Total Current Liabilities	<u>\$ 4,399,494</u>	<u>\$ 313,920</u>	<u>\$ 811,729</u>	<u>\$ 6,205,958</u>	<u>\$ 312,149</u>	<u>\$ 12,043,250</u>	<u>\$ 846,903</u>
NONCURRENT LIABILITIES:							
Accrued Compensated Absences	\$ 165,601	\$ 28,413	\$ 418,252	\$ 51,526	\$ 54,346	\$ 718,138	\$
Net Pension Liability - TMRS	2,575,674	468,199		694,650	678,980	4,417,503	
Net Pension Liability - BSFRRF			3,153,174			3,153,174	
Total OPEB Liability - TMRS	119,445	21,712		32,214	31,487	204,858	
Total OPEB Liability - Health Insurance	921,544	159,722	426,325	208,624	194,622	1,910,837	
Long-Term Debt	5,776,556	22,742	14,793	6,004	139,018	5,959,113	
Closure/Post-closure Landfill Obligation				3,319,082		3,319,082	
Total Noncurrent Liabilities	<u>\$ 9,558,820</u>	<u>\$ 700,788</u>	<u>\$ 4,012,544</u>	<u>\$ 4,312,100</u>	<u>\$ 1,098,453</u>	<u>\$ 19,682,705</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 13,958,314</u>	<u>\$ 1,014,708</u>	<u>\$ 4,824,273</u>	<u>\$ 10,518,058</u>	<u>\$ 1,410,602</u>	<u>\$ 31,725,955</u>	<u>\$ 846,903</u>
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows - Pension Plan - TMRS	\$ 546,193	\$ 99,285	\$	\$ 147,307	\$ 143,983	\$ 936,768	\$
Deferred Inflows - Pension Plan - BSFRRF			1,116,189			1,116,189	
Deferred Inflows - OPEB - TMRS	37,585	6,832		10,136	9,908	64,461	
Deferred Inflows - OPEB - Health Insurance	154,454	26,770	71,454	34,966	32,619	320,263	
Deferred Inflows - Gain on Refunding	137,985					137,985	
Deferred Inflows - Unspent Grant Funds	4,400,057					4,400,057	
Total Deferred Inflows of Resources	<u>\$ 5,276,274</u>	<u>\$ 132,887</u>	<u>\$ 1,187,643</u>	<u>\$ 192,409</u>	<u>\$ 186,510</u>	<u>\$ 6,975,723</u>	<u>\$ 0</u>
NET POSITION:							
Net Investment in Capital Assets	\$ 23,904,603	\$ 27,795,508	\$ 791,952	\$ 11,805,877	\$ 1,381,375	\$ 65,679,315	\$ 10,000
Unrestricted	7,783,843	19,868,104	(4,213,932)	(4,075,192)	568,758	19,931,581	3,441,113
Total Net Position	<u>\$ 31,688,446</u>	<u>\$ 47,663,612</u>	<u>\$ (3,421,980)</u>	<u>\$ 7,730,685</u>	<u>\$ 1,950,133</u>	<u>\$ 85,610,896</u>	<u>\$ 3,451,113</u>

The accompanying notes are an integral part of this statement.

-22-
CITY OF BIG SPRING, TEXAS

EXHIBIT A-8

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Major Proprietary Funds					Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation		
OPERATING REVENUES:							
Charges for Services:							
Water Sales	\$ 10,792,085	\$	\$	\$	\$	\$ 10,792,085	\$
Sewer Charges	2,820,305					2,820,305	
Landfill Fees				2,108,763		2,108,763	
Sanitation Revenue					3,759,736	3,759,736	
Emergency Medical Services			3,063,212			3,063,212	
Commercial Rentals and Fees		1,579,737				1,579,737	
Billings to Departments and Employees							3,721,837
Other Services	294,894			120,146	265,619	680,659	
Total Operating Revenues	<u>\$ 13,907,284</u>	<u>\$ 1,579,737</u>	<u>\$ 3,063,212</u>	<u>\$ 2,228,909</u>	<u>\$ 4,025,355</u>	<u>\$ 24,804,497</u>	<u>\$ 3,721,837</u>
OPERATING EXPENSES:							
Personnel Services	\$ 2,991,617	\$ 524,858	\$ 2,105,352	\$ 779,969	\$ 774,008	\$ 7,175,804	\$
Supplies and Materials	4,925,066	106,720	139,671	120,678	306,942	5,599,077	13,462
Contractual Services	1,977,298	477,409	137,970	258,012	1,182,169	4,032,858	2,490,414
Maintenance	1,523,836	352,353	55,220	218,128	481,259	2,630,796	25,783
Depreciation	1,551,083	2,041,488	155,603	351,650	308,460	4,408,284	
Other Expense	52,462	15,976	1,757,134	113,384		1,938,956	247,857
Total Operating Expenses	<u>\$ 13,021,362</u>	<u>\$ 3,518,804</u>	<u>\$ 4,350,950</u>	<u>\$ 1,841,821</u>	<u>\$ 3,052,838</u>	<u>\$ 25,785,775</u>	<u>\$ 2,777,516</u>
Operating Income (Loss)	<u>\$ 885,922</u>	<u>\$ (1,939,067)</u>	<u>\$ (1,287,738)</u>	<u>\$ 387,088</u>	<u>\$ 972,517</u>	<u>\$ (981,278)</u>	<u>\$ 944,321</u>
NON-OPERATING REVENUES (EXPENSES)							
Intergovernmental Revenue	\$ 3,588,395	\$ 49,960	\$ 464,339	\$	\$	\$ 4,102,694	\$
Interest Revenue	223,788	273,622		222,561	19,161	739,132	5,562
Rents and Royalties		5,453,972				5,453,972	
Gain/(Loss) on Disposal of Assets			(36,852)	1,326		(35,526)	
Other Income (Expense)	139,871	3,829	31,123	7,207	28,643	210,673	251,960
Interest Expense and Paying Agent Fees	(159,696)	(4,742)	(637)	(3,780)	(4,669)	(173,524)	3
Total Non-Operating Revenues (Expenses)	<u>\$ 3,792,358</u>	<u>\$ 5,776,641</u>	<u>\$ 457,973</u>	<u>\$ 227,314</u>	<u>\$ 43,135</u>	<u>\$ 10,297,421</u>	<u>\$ 257,525</u>
Income (Loss) Before Transfers	\$ 4,678,280	\$ 3,837,574	\$ (829,765)	\$ 614,402	\$ 1,015,652	\$ 9,316,143	\$ 1,201,846
Transfers In (Out)	<u>(771,988)</u>	<u>(340,000)</u>	<u>916,956</u>	<u>(19,486)</u>	<u>(778,740)</u>	<u>(993,258)</u>	<u>(74,327)</u>
Change in Net Position	\$ 3,906,292	\$ 3,497,574	\$ 87,191	\$ 594,916	\$ 236,912	\$ 8,322,885	\$ 1,127,519
Total Net Position - Beginning	<u>27,782,154</u>	<u>44,166,038</u>	<u>(3,509,171)</u>	<u>7,135,769</u>	<u>1,713,221</u>	<u>77,288,011</u>	<u>2,323,594</u>
Total Net Position - Ending	<u>\$ 31,688,446</u>	<u>\$ 47,663,612</u>	<u>\$ (3,421,980)</u>	<u>\$ 7,730,685</u>	<u>\$ 1,950,133</u>	<u>\$ 85,610,896</u>	<u>\$ 3,451,113</u>

The accompanying notes are an integral part of this statement.

-23-
CITY OF BIG SPRING, TEXAS

EXHIBIT A-9

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Major Proprietary Funds					Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation		
Cash Flows from Operating Activities:							
Cash Received from Customers	\$ 14,045,827	\$ 1,316,958	\$ 2,879,986	\$ 2,215,493	\$ 3,987,530	\$ 24,445,794	\$
Cash Receipts from Interfund Services Provided							3,721,837
Cash Payments to Employees for Services	(2,885,761)	(499,199)	(2,143,235)	(647,989)	(736,931)	(6,913,115)	
Cash Payments to Other Suppliers for Goods and Services	(8,599,617)	(866,682)	(1,965,282)	(669,534)	(1,899,406)	(14,000,521)	(2,491,713)
Net Cash from Operating Activities	<u>\$ 2,560,449</u>	<u>\$ (48,923)</u>	<u>\$ (1,228,531)</u>	<u>\$ 897,970</u>	<u>\$ 1,351,193</u>	<u>\$ 3,532,158</u>	<u>\$ 1,230,124</u>
Cash Flows from Non-Capital Financing Activities:							
Cash Received from Intergovernmental Grants	\$ 883,777	\$ 47,430	\$ 464,340	\$	\$	\$ 1,395,547	\$ 17,378
Various Reimbursements							251,960
Cash Transfers from (to) Other Funds	1,148,012	(340,000)	1,316,956	(19,484)	(778,740)	1,326,744	
Net Cash from Non-Capital Financing Activities	<u>\$ 2,031,789</u>	<u>\$ 5,161,402</u>	<u>\$ 1,781,296</u>	<u>\$ (19,484)</u>	<u>\$ (778,740)</u>	<u>\$ 8,176,263</u>	<u>\$ 269,338</u>
Cash Flows from Capital and Related Financing Activities:							
Principal and Interest Paid	\$ (819,247)	\$ (56,112)	\$ (28,857)	\$ (161,512)	\$ (122,759)	\$ (1,188,487)	\$ (420)
Acquisition or Construction of Capital Assets	(2,022,325)	(242,017)	(500,245)		(533,636)	(3,298,223)	
Net Cash from Capital and Related Financing Activities	<u>\$ (2,841,572)</u>	<u>\$ (298,129)</u>	<u>\$ (565,954)</u>	<u>\$ (161,512)</u>	<u>\$ (656,395)</u>	<u>\$ (4,523,562)</u>	<u>\$ (420)</u>
Cash Flows from Investing Activities:							
Interest and Dividends on Investments	\$ 223,788	\$ 273,622	\$	\$ 222,561	\$ 19,161	\$ 739,132	\$ 5,562
Net Cash from Investing Activities	<u>\$ 223,788</u>	<u>\$ 273,622</u>	<u>\$ 0</u>	<u>\$ 222,561</u>	<u>\$ 19,161</u>	<u>\$ 739,132</u>	<u>\$ 5,562</u>
Increase (Decrease) in Cash and Cash Equivalents	\$ 1,974,454	\$ 5,087,972	\$ (13,189)	\$ 939,535	\$ (64,781)	\$ 7,923,991	\$ 1,504,604
Cash and Cash Equivalents - Beginning of Year	13,886,258	15,089,248	120,404	5,089,495	1,065,144	35,250,549	2,783,212
Cash and Cash Equivalents - End of Year	<u>\$ 15,860,712</u>	<u>\$ 20,177,220</u>	<u>\$ 107,215</u>	<u>\$ 6,029,030</u>	<u>\$ 1,000,363</u>	<u>\$ 43,174,540</u>	<u>\$ 4,287,816</u>
Reconciliation of Operating Income to Net Cash							
from Operating Activities:							
Operating Income (Loss)	\$ 885,922	\$ (1,939,067)	\$ (1,287,738)	\$ 387,088	\$ 972,517	\$ (981,278)	\$ 944,321
Adjustments to Reconcile Operating Income to Net Cash							
from Operating Activities:							
Depreciation	\$ 1,551,083	\$ 2,041,488	\$ 155,603	\$ 351,650	\$ 308,460	\$ 4,408,284	\$
Other	139,871	3,829	31,123	7,207	28,643	210,673	
Loss on Disposition of Assets			36,852			36,852	
Construction In Progress Expensed	167,360					167,360	
Change in Assets and Liabilities:							
Decrease (Increase) in Receivables	(1,368)	(272,317)	(214,349)	(20,623)	(66,468)	(575,125)	(200)
Decrease (Increase) in Inventories	(348,608)		2,394			(346,214)	
Decrease (Increase) in Prepaid Expenses	(643)	0	0	(2,957)	0	(3,600)	
Decrease (Increase) in Deferred Outflows	(1,256,460)	(226,432)	(885,180)	(354,525)	(330,144)	(3,052,741)	
Increase (Decrease) in Accounts Payable	60,936	85,776	85,467	43,625	70,964	346,768	242,114
Increase (Decrease) in Claims and Judgements Payable							43,889
Increase (Decrease) in Accrued Wages	46,496	7,393	40,058	7,629	8,150	109,726	
Increase (Decrease) in Customer Deposits	(1,065)	5,709			0	4,644	
Increase (Decrease) in Unclaimed Property	1,105					1,105	
Increase (Decrease) in Accrued Compensated Absences	(14,029)	13,245	47,172	(26,425)	14,126	34,089	
Increase (Decrease) in Closure/Post-closure Landfill Obligation				64,631		64,631	
Increase (Decrease) in Net Pension Liability - TMRS	1,512,980	269,419		452,762	395,776	2,630,937	
Increase (Decrease) in Net Pension Liability - BSFRF			80,907			80,907	
Increase (Decrease) in Total OPEB Liability - TMRS	(57,718)	(11,427)		(8,111)	(15,726)	(92,982)	
Increase (Decrease) in Deferred Inflows	(125,413)	(26,539)	679,160	(3,981)	(35,105)	488,122	
Total Adjustments	<u>\$ 1,674,527</u>	<u>\$ 1,890,144</u>	<u>\$ 59,207</u>	<u>\$ 510,882</u>	<u>\$ 378,676</u>	<u>\$ 4,513,436</u>	<u>\$ 285,803</u>
Net Cash from Operating Activities	<u>\$ 2,560,449</u>	<u>\$ (48,923)</u>	<u>\$ (1,228,531)</u>	<u>\$ 897,970</u>	<u>\$ 1,351,193</u>	<u>\$ 3,532,158</u>	<u>\$ 1,230,124</u>
Supplemental Cash Flow Information:							
Non-Cash Related Financing Activities:							
Financing Lease Proceeds and Capital Assets	\$ 58,999	\$ 39,364	\$ 0	\$ 0	\$ 11,140	\$ 109,503	\$ 0

The accompanying notes are an integral part of this statement.

-24-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

The combined financial statements of City of Big Spring, Texas (the City) have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

GASB Statement No. 61 identifies criteria for determining if other entities are potential component units that should be reported within the City's basic financial statements. The application of these criteria provides for identification of any entities for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading. Based on the application of these criteria, one component unit (Big Spring Economic Development Corporation) is included within the reporting City. The City is financially accountable for the Corporation. The City established the sales tax that is the principal source of revenue for the Corporation. The City Council appoints the Board of Directors and approves the annual budget. This component unit has been discretely presented in the accompanying financial statements. Complete financial statements for the component unit can be obtained from their office at 215 West 3rd Street, Big Spring, Texas.

Additionally, the City is not a component unit of any other reporting city as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

-25-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Fund Financial Statements: The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental fund:

General Fund: This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The City reports the following non-major governmental funds:

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

Debt Service Funds - are used to account for the accumulation of resources for, and the payment of, general long-term obligation principal and interest (other than debt service payments made by proprietary funds).

The City reports the following major proprietary funds:

Water and Sewer Fund: This fund accounts for the revenues and expenses associated with providing water and sewer service to the citizens of the City.

Airport/Industrial Park Fund: This fund is used to account for the Airport and Industrial Park. Funding for these activities is provided by charges to renters of facilities.

Emergency Medical Services Fund: This fund is used to account for ambulance emergency services for citizens of the City. Funding for these activities is provided by charges billed to customers receiving the above services and reimbursements from the County.

Landfill Fund: This fund is used to account for landfill fees charged to the sanitation fund and other users of the landfill. This fund also accounts for expenditures to operate the landfill and long-term obligations for closure and post-closure costs related to closing the landfill in the future.

Sanitation Fund: This fund is used to account for the revenues and expenses associated with providing sanitation services to the citizens of the City.

-26-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

In addition, the City reports the following fund type:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

b. Measurement Focus, Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds, of the water and sewer, airport/industrial park, EMS, landfill, and sanitation funds, and of the government's internal service funds are charges to customers for sales and services.

-27-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

c. Fund Balances

The City follows GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Non-Spendable Fund Balance—includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain in-tact such as the principal of an endowment.

Restricted Fund Balance—includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include grant awards and bond proceeds.

Committed Fund Balance—includes the portion of net resources upon which the City Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be changed or lifted only by the Council taking the same *formal action* that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.

Assigned Fund Balance—includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund.

Unassigned Fund Balance—includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

-28-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Fund Balance Policy

Committed Fund Balance—The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at the City's Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period (i.e. the Council may approve the calculation or formula for determining the amount to be committed).

Assigned Fund Balance—The City Council authorizes the City Manager as the City Official responsible for the assignment of fund balance to a specific purpose as approved by this fund balance policy.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Restricted Cash and Cash Equivalents consist of the following:

<u>Purpose</u>	<u>Fund</u>	<u>Amount</u>
Landfill Closure and Post-Closure	Landfill	\$ 4,648,720

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

-29-
CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

c. Inventories and Prepaid Items

Inventories on the balance sheet are stated at first in first out method. Inventory items are recorded as expenditures when they are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Classes	Estimated Useful Lives (Years)
Infrastructure	30
Buildings	5-50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15
Furniture and Fixtures	2-10

e. Receivable Balances

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

	Governmental Funds	Water and Sewer	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation	Total
Receivables:							
Taxes	\$ 2,595,870	\$	\$	\$	\$	\$	\$ 2,595,870
Municipal Court	2,435,600						2,435,600
Other	183,265	563,768		37,500	15,713		800,246
Accounts	112,636	844,746	508,805	1,463,562	111,061	468,038	3,508,848
Gross Receivables	\$ 5,327,371	\$ 1,408,514	\$ 508,805	\$ 1,501,062	\$ 126,774	\$ 468,038	\$ 9,340,564
Less: Allowance for Uncollectibles	(3,117,768)	(29,977)	(87,816)	(1,147,587)	(48,457)	(705)	(4,432,310)
Net Total Receivables	<u>\$ 2,209,603</u>	<u>\$ 1,378,537</u>	<u>\$ 420,989</u>	<u>\$ 353,475</u>	<u>\$ 78,317</u>	<u>\$ 467,333</u>	<u>\$ 4,908,254</u>

Intergovernmental receivables are classified separately in the accompanying financial statements.

-30-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

g. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the balance sheet/statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance/net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

h. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

-31-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

B. Compliance and Accountability

Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Emergency Medical Services Fund	\$ 3,421,980	This fund incurred additional costs that will be recaptured. Deficit will be recaptured through subsidies from the General Fund.

C. Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect 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.

1. Cash Deposits:

At September 30, 2023, the carrying amount of the City's deposits, including investments, restricted cash, and cash on hand was \$58,131,987. The City's cash in bank deposits at September 30, 2023 and during the year then ended were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

2. Investments:

The City is required by Government Code Chapter 2256, *The Public Funds Investment Act*, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act (the Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

-32-
CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

The City's investments at September 30, 2023 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
Tex-Pool Investment Pool	34 Days Average	AAAm	\$ 5,595,693
Certificates of Deposit (CD)	Various		8,369,902
Government Securities	2023-2028		17,831,310
Money Market Fund	N/A		9,555,039

3. Analysis of Specific Deposit and Investment Risks

- a. **Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2023, the City's investments in TexPool was rated AAAM by Standard and Poor's.
- b. **Custodial Credit Risk** – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. The City's demand deposits at year end are entirely covered by FDIC insurance and pledged collateral held in the City's name by the City's agent.
- c. **Concentration of Credit Risk** – This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Although the City's policy states that portfolio diversification is required, it does not specify diversification goals or limits. All of the City's investments were invested in one local government investment pool at year end.
- d. **Interest Rate Risk** – As a means of minimizing risk of loss due to interest rate fluctuations, the City's investment policy requires that the portfolio remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. For short term liquidity requirements, the City utilizes two local government investment pools. TexPool is managed by Federated Investors for the State of Texas Comptroller of Public Accounts (TexPool). TexPool operates on a \$1 net asset value basis and allows same day or next day redemptions and deposits. As of September 30, 2023, TexPool's portfolio maintained a weighted average maturity of approximately 34 days.
- e. **Foreign Currency Risk** – This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. While the City's policy does not address this risk, the City has no foreign currency risk as of year-end.

-33-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Legal Investments – Under current Texas law and in accordance with City policy, the City is authorized to invest in (1) obligations of the United States or its instrumentalities, (2) direct obligations of the State of Texas or its agencies, (3) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States or its instrumentalities, (4) certificates of deposit that are guaranteed or insured by the Federal Deposit Insurance Corporation or are secured as to principal by obligations described in the preceding clauses or in any other manner and amount provided by law for City deposits, (5) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause and are placed through primary government securities dealer or a bank domiciled in the State of Texas, (6) commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a state bank in the United States, (7) no-load money market mutual funds registered with the Securities and Exchange Commission that have a dollar weighted average portfolio maturity of 90 days or less, and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share. The City may invest in such obligations directly or through government investment pools that invest solely in such obligations.

Fair Value of Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment earnings.

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and
- *Level 3:* Unobservable inputs.

At September 30, 2023 the City considered TexPool, CD's, and Money Market Fund investments level 1 and the government securities as level 2 in the hierarchy and they are reported as cash and cash equivalents.

-34-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

D. Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balances	Increases	Net Transfers	Decreases	Ending Balances
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 72,971,666	\$	\$	\$	\$ 72,971,666
Construction in Progress	1,255,550	913,501			2,169,051
Total Capital Assets Not Being Depreciated	<u>\$ 74,227,216</u>	<u>\$ 913,501</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,140,717</u>
Capital Assets Being Depreciated:					
Buildings and Systems	\$ 31,405,636	\$ 296,369	\$	\$ 1,322,239	\$ 30,379,766
Infrastructure and Improvements	34,082,128	996,223		137,663	34,940,688
Machinery and Equipment	12,358,821	1,702,043	(11,363)	538,752	13,510,749
Total Capital Assets Being Depreciated	<u>\$ 77,846,585</u>	<u>\$ 2,994,635</u>	<u>\$ (11,363)</u>	<u>\$ 1,998,654</u>	<u>\$ 78,831,203</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 29,819,319	\$ 185,772	\$	\$ 1,322,239	\$ 28,682,852
Improvements Other Than Buildings	28,054,996	1,312,493		137,663	29,229,826
Machinery and Equipment	9,883,189	1,033,852	(10,039)	538,752	10,368,250
Total Accumulated Depreciation	<u>\$ 67,757,504</u>	<u>\$ 2,532,117</u>	<u>\$ (10,039)</u>	<u>\$ 1,998,654</u>	<u>\$ 68,280,928</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 10,089,081</u>	<u>\$ 462,518</u>	<u>\$ (1,324)</u>	<u>\$ 0</u>	<u>\$ 10,550,275</u>
Governmental Activities Capital Assets, Net	<u>\$ 84,316,297</u>	<u>\$ 1,376,019</u>	<u>\$ (1,324)</u>	<u>\$ 0</u>	<u>\$ 85,690,992</u>

Depreciation was charged to governmental activities as follows:

General Government	\$ 62,132
Public Safety	504,717
Highways and Streets	1,062,885
Community Service	6,102
Recreation and Parks	398,951
Cemetery	14,479
Economic Development	482,851
	<u>\$ 2,532,117</u>
Depreciation Charged to Internal Service Funds	<u>0</u>
Total Depreciation Charged to Governmental Activities	<u>\$ 2,532,117</u>

-35-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

	Beginning Balances	Increases	Net Transfers	Decreases/ Expensed	Ending Balances
Business-Type Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 6,312,590	\$ 12,337	\$	\$	\$ 6,324,927
Historical Works of Art	426,000				426,000
Construction in Progress	3,343,471	(458,173)		167,358	2,717,940
Total Capital Assets Not Being Depreciated	<u>\$ 10,082,061</u>	<u>\$ (445,836)</u>	<u>\$ 0</u>	<u>\$ 167,358</u>	<u>\$ 9,468,867</u>
Capital Assets Being Depreciated:					
Buildings and Systems	\$ 86,575,148	\$ 1,961,845	\$	\$	\$ 88,536,993
Infrastructure and Improvements	75,575,877				75,575,877
Machinery and Equipment	13,680,065	1,782,214	11,363	401,932	15,071,710
Total Capital Assets Being Depreciated	<u>\$ 175,831,090</u>	<u>\$ 3,744,059</u>	<u>\$ 11,363</u>	<u>\$ 401,932</u>	<u>\$ 179,184,580</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 66,788,991	\$ 1,460,795	\$	\$	\$ 68,249,786
Infrastructure and Improvements	35,896,737	1,944,153			37,840,890
Machinery and Equipment	9,367,413	1,003,336	10,039	365,080	10,015,708
Total Accumulated Depreciation	<u>\$ 112,053,141</u>	<u>\$ 4,408,284</u>	<u>\$ 10,039</u>	<u>\$ 365,080</u>	<u>\$ 116,106,384</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 63,777,949</u>	<u>\$ (664,225)</u>	<u>\$ 1,324</u>	<u>\$ 36,852</u>	<u>\$ 63,078,196</u>
Business-Type Activities Capital Assets, Net	<u>\$ 73,860,010</u>	<u>\$ (1,110,061)</u>	<u>\$ 1,324</u>	<u>\$ 204,210</u>	<u>\$ 72,547,063</u>
Depreciation Expense		<u>\$ 4,408,284</u>			

E. Internal Balances

1. Due To and From Balances

Internal Balances at September 30, 2023, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Proprietary Funds	\$ 8,378,457	Short-Term Loans
Proprietary Funds	Hotel Motel Fund	(379,939)	Long-Term Loan
Net Internal Balances		<u>\$ 7,998,518</u>	

All short-term loans are scheduled to be repaid within one year. The long-term loan is being paid in annual installments of \$50,000.

2. Transfers To and From Other Funds

Transfers at September 30, 2023, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	EMS Fund	\$ 916,956	Annual Subsidy
Proprietary Funds	General Fund	76,302	Administrative Fees
		<u>\$ 993,258</u>	

-36-
CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt, landfill obligation, accrued compensated absences, and OPEB and Net Pension liability amounts. Changes in long-term obligations for the year ended September 30, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General Obligation Refunding Bonds	\$ 6,335,000	\$	\$ 1,050,000	\$ 5,285,000	\$ 1,070,000
Financing Lease Obligations	505,071	336,469	402,184	439,356	216,381
Compensated Absences	2,205,352		132,726	2,072,626	518,157
Unamortized Bond Premiums	421,298		70,235	351,063	
Total OPEB Liability - Health Insurance	3,957,158			3,957,158	
Total OPEB Liability - TMRS	595,615		169,322	426,293	
Net Pension Liability - TMRS	3,572,734	5,619,726		9,192,460	
Net Pension Liability - BSFRRF	6,752,492	772,033		7,524,525	
Total Governmental Activities	<u>\$ 24,344,720</u>	<u>\$ 6,728,228</u>	<u>\$ 1,824,467</u>	<u>\$ 29,248,481</u>	<u>\$ 1,804,538</u>

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Certificate of Obligation Bonds	\$ 6,390,000	\$	\$ 535,000	\$ 5,855,000	\$ 650,000
General Obligation Refunding Bonds	140,000		15,000	125,000	15,000
Financing Lease Obligations	883,962	109,503	513,102	480,363	243,635
Compensated Absences	923,430	34,089		957,519	239,381
Closure/Postclosure Landfill	3,254,451	64,631		3,319,082	
Unamortized Bond Premiums	450,741		43,356	407,385	
Total OPEB Liability - TMRS	297,840		92,982	204,858	
Total OPEB Liability - Health Insurance	1,910,837			1,910,837	
Net Pension Liability - TMRS	1,786,566	2,630,937		4,417,503	
Net Pension Liability - BSFRRF	3,072,268	80,906		3,153,174	
Total Business-Type Activities	<u>\$ 19,110,095</u>	<u>\$ 2,920,066</u>	<u>\$ 1,199,440</u>	<u>\$ 20,830,721</u>	<u>\$ 1,148,016</u>

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated Absences	Governmental	General
Compensated Absences	Business-Type	Proprietary
Net Pension Liabilities	Governmental	General
Net Pension Liabilities	Business-Type	Proprietary
Total OPEB Liabilities	Governmental	General
Total OPEB Liabilities	Business-Type	Proprietary

-37-
CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

2. Debt Service Requirements

Debt service requirements on general obligation bonds and certificates of obligation bonds at September 30, 2023, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 1,070,000	\$ 157,600	\$ 1,227,600
2025	1,100,000	122,700	1,222,700
2026	1,180,000	87,725	1,267,725
2027	1,215,000	43,125	1,258,125
2028	230,000	26,100	256,100
2029-2033	490,000	21,400	511,400
Totals	\$ 5,285,000	\$ 458,650	\$ 5,743,650

Issue	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding	Purpose of Issue
G.O. Refunding Bonds	3/3/2020	\$ 2,275,000	4.0%	2/15/2030	\$ 1,625,000	Refunding of C.O. Bonds
G.O. Refunding Bonds	3/1/2016	7,980,000	2.0% - 3.0%	2/15/2027	3,660,000	Refunding of G.O and C.O. Bonds
		<u>\$ 24,540,000</u>			<u>\$ 5,285,000</u>	

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 575,000	\$ 193,000	\$ 768,000
2025	605,000	169,400	774,400
2026	625,000	143,300	768,300
2027	650,000	124,300	774,300
2028	665,000	94,350	759,350
2029-2032	2,860,000	172,500	3,032,500
Totals	\$ 5,980,000	\$ 896,850	\$ 6,876,850

Issue	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding	Purpose of Issue
G.O. Refunding Bonds	3/8/2022	\$ 6,390,000	3.0% - 4.0%	2/15/2032	\$ 5,855,000	Water Improvements
G.O. Refunding Bonds	3/3/2020	180,000	4.0%	2/15/2030	125,000	Elevated Reservoir Repair
		<u>\$ 6,570,000</u>			<u>\$ 5,980,000</u>	

-38-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

3. Financing Lease Obligations

The City uses annual capital lease packages to buy various pieces of machinery, equipment, and vehicles for various departments within the City. The City also leases vehicles through Enterprise. These leases are reported under the new lease standard (GASB 87) and are recorded as financing leases with the present value of the lease payments recorded as assets and liabilities in the government-wide and proprietary financial statements. Below are the related costs and accumulated depreciation of the lease assets as of September 30, 2023:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 1,390,755	\$ 2,008,794
Less: Accumulated Depreciation	587,706	1,231,144
Totals	<u>\$ 1,978,461</u>	<u>\$ 3,239,938</u>

Commitments under financing lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2023, as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2024	\$ 216,381	\$ 21,409	\$ 237,790
2025	141,956	11,596	153,552
2026	74,498	3,306	77,804
2027	6,521	139	6,660
2028			0
Total Minimum Rentals	<u>\$ 439,356</u>	<u>\$ 36,450</u>	<u>\$ 475,806</u>

The effective interest rate on financing leases is 2.130% to 7.600%.

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2024	\$ 243,635	\$ 23,407	\$ 267,042
2025	148,146	12,678	160,824
2026	81,451	3,615	85,066
2027	7,131	152	7,283
2028			0
Total Minimum Rentals	<u>\$ 480,363</u>	<u>\$ 39,852</u>	<u>\$ 520,215</u>

The effective interest rate on financing leases is 1.320% to 8.880%.

-39-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

4. Continuing Disclosure

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

G. Risk Management

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City obtains general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

H. Pension Plans

Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of 919 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.

-40-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75.00% of the member's deposits and interest.

Currently the City has adopted the following provisions related to the pension plan:

	<u>December 31, 2022</u>
Employee Deposit Rate	7.00%
Matching Ratio (City to Employee)	2 to 1
Years Required for Vesting	5
Service Requirement Eligibility (Expressed as Age / Years of Service)	60/5,0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to Retirees)	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	172
Inactive Employees Entitled to but not Yet Receiving Benefits	96
Active Employees	<u>175</u>
Total Plan Employees	<u><u>443</u></u>

Contributions

The contribution rates for employees in TMRS are either 5.00%, 6.00%, or 7.00% of employee gross earnings, and the City matching percentages are either 100.00%, 150.00%, or 200.00%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

-41-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Employees for the City were required to contribute 7.00% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 17.38% and 17.87% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$1,819,594 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, 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

Inflation	2.50% per year
Overall Payroll Growth	2.05% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Amortization Period	23 years

Salary increases are 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 is 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 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (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 in order to satisfy the short-term and long-term funding needs of TMRS.

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

-42-
CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

(2) the geometric mean (conservative) with an adjustment for time (aggressive).
The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%

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

Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance 12/31/2021	\$ 63,784,523	\$ 58,425,222	\$ 5,359,301
Service Cost	1,567,974		1,567,974
Interest (on the Total Pension Liability)	4,221,666		4,221,666
Difference Between Expected and Actual Experience	671,617		671,617
Contributions - Employer		1,734,654	(1,734,654)
Contributions - Employee		698,652	(698,652)
Net Investment Income		(4,233,364)	4,233,364
Benefit Payments	(3,331,005)	(3,331,005)	
Administrative Expense		(36,680)	36,680
Proportionate Share Adjustment	(3,562)		(3,562)
Other		43,771	(43,771)
Balance 12/31/2022	<u>\$ 66,911,213</u>	<u>\$ 53,301,250</u>	<u>\$ 13,609,963</u>

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

-43-
CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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	Current Rate Assumption	1% Increase
\$ 22,777,514	\$ 13,609,963	\$ 6,116,007

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense, Deferred Outflows, and Deferred Inflows Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of \$2,631,216 and calculated as shown below:

Total Service Cost	\$ 1,568,016
Interest on the Total Pension Liability	4,221,782
Employee Contributions (Reduction of Expense)	(698,671)
Projected Earnings on Plan Investments (Reduction of Expense)	(3,919,764)
Administrative Expense	36,681
Other Changes in Fiduciary Net Position	(43,771)
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	444,218
Recognition of Current Year Outflow (Inflow) of Resources-Assets	1,022,725
Total Pension Expense	<u>\$ 2,631,216</u>

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows and Inflows of Resources - Pension Plan	Plan Year	Amount	Remaining Period (Years)
Employer Contribution Deferrals	2022	\$ 1,300,923	1.000
Differences Between Projected and Actual Investment Earnings	2019	(749,270)	1.000
Differences Between Projected and Actual Investment Earnings	2020	(163,758)	2.000
Differences Between Projected and Actual Investment Earnings	2021	(1,962,752)	3.000
Differences Between Projected and Actual Investment Earnings	2022	6,522,416	4.000
Differences Between Expected and Actual Economic Experience	2020	(10,326)	0.200
Differences Between Expected and Actual Economic Experience	2021	318,757	1.150
Differences Between Expected and Actual Economic Experience	2022	463,685	2.230
Total Deferred Outflows and Inflows of Resources		<u>\$ 5,719,675</u>	

-44-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Total amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year	Pension (Benefit) Expense
2023	\$ 1,920,929
2024	1,144,013
2025	1,024,206
2026	1,630,527
	<u>\$ 5,719,675</u>

Big Spring Firemen's Relief and Retirement Fund (BSFRRF)

Plan Description

Firemen of the City are covered by a single employer defined benefit pension plan, which is administered by a seven-member board. This board consists of the Mayor or his designee, the Chief Financial Officer, three firemen and two outside citizens. Texas Local Fire Fighters' Retirement Act (TLFFRA) requires that the Mayor, or his designee, and the Chief Financial Officer be permanent members of the Board. In addition, three firemen trustees are elected by the firemen. These five members are then charged with the responsibility of appointing the two final board members, who must be local citizens.

Benefits Provided

The City now provides a defined contribution to the fund of 15% of the firemen's salary and the firemen contribute 13%. Upon reaching the age of 50 with 20 years of service, the fireman is eligible for full retirement benefits. Vesting begins in the plan after 10 years of service, when the fireman is eligible for a deferred benefit (commencing at the end of the month in which his normal retirement date would have occurred). City contributions and interest forfeited by firemen who leave employment before full vesting remain in the plan.

A firefighter has the option to participate in a Deferred Retirement Option Plan (DROP) which provides a lump sum benefit and a reduced annuity upon termination of employment. Firefighters must retire within 5 years of a DROP election. This option is available with a reduced monthly benefit is determined based on an elected lump sum amount such that the combined present value of the benefits under the option is actuarially equivalent to that of the normal form of the monthly benefit. Optional forms are also available at varying levels of surviving spouse benefits instead of the standard two-thirds form.

There is no provision for automatic post-retirement benefit increases. BSFRRF has the authority to provide, and has periodically provided for in the past, ad hoc post-retirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Fighter's Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. Amending the plan requires approval of any proposed change by: a) an eligible actuary and b) a majority of the participating members of the fund.

-45-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Currently the City has the following provisions related to the BSFRRF Plan:

	<u>December 31, 2022</u>
Employee Deposit Rate	13.00%
Matching Ratio (City to Employee)	15.00%
Years Required for Vesting	10/50% + 5%/year to 20
Service Requirement Eligibility (Expressed as Age / Years of Service)	50/20

At the December 31, 2022 valuation and measurement date, the following amounts represented employees covered by the benefit terms:

	<u>Total Pension Liability</u>
Retirees and Beneficiaries	\$ 12,825,870
Active Employees	<u>12,066,624</u>
Total Plan Employees - Pension Liability	<u>\$ 24,892,494</u>

Contributions

The contribution provisions of this plan 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 actual contribution rates are not actuarially determined, state law requires that each plan of benefits adopted by BSFRRF be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, BSFRRF's service cost contribution rate is determined as a percentage of payrolls. The excess of the total contribution rate over the service cost contribution is used to amortize BSFRRF's net pension liability, if any, and the number of years needed to amortize BSFRRF's net pension liability, if any, is determined using a level percentage of payroll method. The costs of administering the plan are financed by BSFRRF.

Employees were required to contribute 13.00% of their annual gross earnings during the fiscal year. The contribution rate for the City was 15.00% in calendar years 2022 and 2023. The City's contributions to BSFRRF for the year ended September 30, 2023 were \$1,022,459 and were equal to the required contributions.

Net Pension Liability

The BSFRRF's Net Pension Liability was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuary valuation as of that date.

-46-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Rate of Return

The assumed rate of return was developed using both the plan's historical rates of return and expected future rates of return. Rate of return experience studies have been performed in connection with the Plan's valuations. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return</u>
Large Cap Stock - S&P 500	30.00%	5.50%
Mid/Small Cap Stocks - Russell 2000	30.00%	6.30%
International Stocks - MSCI EAFE	5.00%	5.20%
Bonds - Barclays US	10.00%	2.50%
Multi-Sector Bonds	20.00%	3.50%
Real Estate	5.00%	4.80%
Cash Equivalents - 3 Mo. Treasury	0.00%	0.00%

Actuarial Assumptions

The Net Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

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 Cost Method

Discount Rate

7.75% as of December 31, 2022

Inflation

3.00%

Salary Increases

4.50%

Mortality

Pub2010-PS mortality for public safety employees fully projected for cohort mortality improvement using MP-2021 projection scale (appropriate versions of the mortality table for employees, annuitants and disabled individuals)

Other Information:

Changes in Assumptions:

There were no changes in assumptions during the year.

Benefits Changes:

There were no benefit changes during the year.

-47-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total <u>Pension Liability</u>	Plan Fiduciary <u>Net Position</u>	Net <u>Pension Liability</u>
Balance 12/31/2021	\$ 26,816,754	\$ 16,991,994	\$ 9,824,760
Service Cost	748,432		748,432
Interest (on the Total Pension Liability)	2,044,005		2,044,005
Difference between actual and expected experience	(3,066,468)		(3,066,468)
Contributions - Employer		801,731	(801,731)
Contributions - Employee		694,833	(694,833)
Net Investment Income		(2,552,863)	2,552,863
Benefit Payments	(1,650,229)	1,650,229	
Administrative Expense		(70,671)	70,671
Balance 12/31/2022	<u>\$ 24,892,494</u>	<u>\$ 17,515,253</u>	<u>\$ 10,677,699</u>

Sensitivity of the Net Pension Liability to changes in discount rate:

1% Decrease	Current Rate Assumption	1% Increase
\$ 13,881,538	\$ 10,677,699	\$ 8,067,482

Pension Expense and Deferred Outflows and Inflows of Resources

Pension Expense for the year ended September 30, 2023 is as follows:

Total Service Cost	\$ 748,432
Interest on the Total Pension Liability	2,044,005
Employee Contributions (Reduction of Expense)	(694,833)
Projected Earnings on Plan Investments (Reduction of Expense)	(1,312,118)
Administrative Expense	70,671
Amortization of Deferred Inflows and Outflows	<u>116,680</u>
Total Pension Expense	<u>\$ 972,837</u>

-48-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Deferred Outflows and Inflows of Resources related to the pension plan at September 30, 2023 were made up of as follows and will be amortized according to the table below:

<u>Deferred Outflows and Inflows of Resources - Pension Plan</u>	<u>Plan Year</u>	<u>Amount</u>
Employer Contribution Deferrals	2022	\$ 610,920
Differences Between Projected and Actual Investment Earnings	2019	(304,689)
Differences Between Projected and Actual Investment Earnings	2020	(333,408)
Differences Between Projected and Actual Investment Earnings	2021	(452,633)
Differences Between Projected and Actual Investment Earnings	2022	3,091,985
Changes in Assumptions	2017	76,962
Changes in Assumptions	2018	(37,223)
Experience Differences	2018	(88,894)
Experience Differences	2020	364,466
Experience Differences	2022	(2,562,943)
Total Deferred Outflows of Resources		<u>\$ 364,543</u>

Total amounts will be amortized as follows:

<u>Plan Year</u>	<u>Pension (Benefit) Expense</u>
2024	\$ 353,482
2025	58,481
2026	225,534
2027	275,889
2028 and thereafter	(548,843)
	<u>\$ 364,543</u>

Pension Plan Fiduciary Net Position

Additional information regarding the BSFRRF Pension Plan's fiduciary net position is available in a separately issued BSFRRF financial report and can be obtained from the following address, 310 Nolan, Big Spring, Texas 79720.

-49-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

I. Self-Insurance

Changes in the claims liability amounts for the self-insurance Internal Service Funds were as follows:

	Liability Balance at 10-01-22	Change in Claims and Estimates	Claim Payments	Liability Balance at 9-30-23	Total ISF Funds
Health Insurance Claims	\$ 203,427	\$ 1,199,133	\$ 1,192,088	\$ 210,472	\$
Workers' Compensation Claims	108,220	189,054	152,208	145,066	355,538

Health Insurance

Effective October 1, 2001, the City changed from a fully-insured to a self-insured health insurance plan. The City's health insurance plan is administered by a third-party administrator, Employee Benefits Administrators (EBA). EBA reviews and processes all health insurance claims. The City has acquired stop-loss coverage, which limits the City's possible liability exposure to \$90,000 per claim. The City informally budgets for current claims based on actuarial and historical data. Estimated liability on claims that have been incurred but not reported are accrued at year end. Estimated liability for health insurance claims is \$210,472 at September 30, 2023.

Workers' Compensation

The City's workers' compensation plan is administered by Texas Municipal League's Intergovernmental Risk Pool (TML). TML reviews and processes all workers' compensation claims. The City has acquired stop-loss coverage, which limits the City's possible loss to \$250,000 per occurrence. The City informally budgets for current claims based on actuarial valuations and historical data. Estimated liability on claims that have been incurred but not reported are accrued at year-end. The estimated liability for workers' compensation claims is \$145,066 at September 30, 2023.

J. Other Post-Employment Benefits (OPEB)

Big Spring Retiree Health Insurance Plan

Plan Description

The City sponsors and administers an informal single-employer health/dental plan, which is available for employees who retire with a minimum of 20 years of service or five consecutive years of service at age 60 or above, at the time of qualified retirement to continue receiving medical coverage until they are age 65 and qualify for Medicare. Texas statute provides that retirees from a municipality with a population of 25,000 or more and that receive retirement benefits from a municipal retirement plan are entitled to purchase continued health benefits

-50-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

coverage for the person and the person's dependents unless the person is eligible for group health benefits coverage through another employer. The State of Texas has the authority to establish and amend the requirements of this statute. The City does not issue stand-alone financial statements for the health/dental plan. However, all required information is presented in this report.

Funding Policy

The contribution requirements of plan members are established by the City and may be amended as needed. Retiree medical/dental coverage levels for retirees are the same as coverage provided to active City employees in accordance with the terms and conditions of the current City Benefit Plan. Plan members may purchase retiree health/dental care coverage for eligible spouses and dependents at their own expense. The City is not required to make contributions to the plan on behalf of the retirees and funds the plan on a projected pay-as-you-go financing method.

Employees Covered by Benefit Terms

Inactive Employees or Beneficiaries Currently Receiving Benefits	18
Inactive Employees Entitled to but not Yet Receiving Benefits	0
Active Employees	<u>219</u>
Total Plan Employees	<u><u>237</u></u>

Total OPEB Liability

The City's total OPEB liability of \$5,867,995 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date. The actuarial study for the plan year 2022 was not available at the time the report was issued. It was determined by management that the effect of the any changes for the plan year 2022 would not be material to the financial statements. The following information is based on the 2021 plan year.

Balance as of December 31, 2021	\$ 5,867,995
Changes for the year:	
Service Cost	
Interest on Total OPEB Liability	
Experience Differences	
Effect of Assumptions Changes or Inputs	
Benefit Payments	<u> </u>
Balance as of December 31, 2022	<u><u>\$ 5,867,995</u></u>

-51-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age
Discount Rate	1.84% as of December 31, 2021
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation - General 4.50% to 9.50% including inflation - Firefighters
Demographic Assumptions	General: Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). Firefighters: Based on the assumptions disclosed in the Big Spring Firemen's Relief and Retirement Fund actuarial valuation report as of January 1, 2021.
Mortality rates – General	General: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements
Mortality rates – Firefighters	Firefighters: For healthy retirees, the gender-distinct PubS-2010 Healthy Retiree Mortality Tables. The rates are projected on a fully generational basis by scale MP-2018 to account for future mortality improvements.
Health Care Trend Rates	Initial Rate of 7.00% declining to an ultimate rate of 4.25% after 13 years.
Participation Rates	It was assumed that 35% of general employees and 80% of firefighters would choose to participate in the retiree medical plan after retirement, if eligible. The participation assumption was assumed to be 10% for non-disability related retirements prior to the age of 50. All retirees are assumed to discontinue coverage at the age of 65.

-52-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 1.84%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.84%) or 1 percentage point higher (2.84%) than the current rate. It also show how increasing or decreasing the Healthcare Cost Trend (HCT) Rate over the life of the plan would affect the liability.

	1% Decrease in Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
Total OPEB Liability	\$ <u>6,492,824</u>	\$ <u>5,867,995</u>	\$ <u>5,306,255</u>
	1% Decrease in HCT Rate	Current HCT Rate Assumption	1% Increase in HCT Rate
Total OPEB Liability	\$ <u>5,087,405</u>	\$ <u>5,867,995</u>	\$ <u>6,817,141</u>

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$0. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
ER Contributions Deferral	\$ (18,870)	\$
Experience Differences		983,496
Changes in Assumptions	<u>771,126</u>	<u></u>
	\$ <u>752,256</u>	\$ <u>983,496</u>

-53-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

	OPEB (Benefit) Expense
2023	\$ (44,875)
2024	(26,005)
2025	(28,744)
2026	(42,407)
2027	(12,742)
Thereafter	(76,467)
	<u>\$ (231,240)</u>

TMRS – Supplemental Death Benefit Fund

Plan Description

Texas Municipal Retirement System administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. 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 OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

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

Benefits Provided

The plan provides a \$7,500 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the SDBF. The OPEB benefit is a fixed \$7,500 lump-sum benefit, and no future increases are assumed in the benefit amount.

The SDBF fund does not meet the requirements of a trust under Paragraph 4b of GASB No. 75, as the assets of the SDBF can be used to pay active SDBF benefits which are not part of the OPEB plan. The contributions for retiree SDBF coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown in the changes in the total OPEB liability.

-54-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Benefit terms are established under the TMRS Act. Participation in the retiree SDBF is optional, and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. The City's contribution rate for the retiree SDBF program is calculated annually on an actuarial basis and is equal to the cost of providing a one-year death benefit equal to \$7,500.

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	121
Inactive Employees Entitled to but not Yet Receiving Benefits	26
Active Employees	<u>175</u>
Total Plan Employees	<u><u>322</u></u>

Total OPEB Liability

The City's total OPEB liability of \$231,152 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Balance as of December 31, 2021	\$ 893,455
Changes for the year:	
Service Cost	34,933
Interest on Total OPEB Liability	16,521
Effect of Assumptions Changes or Inputs	(282,202)
Benefit Payments	(24,952)
Other	(594)
Experience Differences	<u>(6,009)</u>
Balance as of December 31, 2022	<u><u>\$ 631,152</u></u>

-55-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Actuarial Assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of Economic/Demographic Gains and Losses and Assumptions	
Changes or Inputs	Straight-Line Amortization over Expected Working Life
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate	4.05%
Retirees' Share of Benefit-Related Costs	\$0
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. The rates are projected on a fully generational basis with scale UMP.
 Mortality rates – Disabled Retirees	 2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward 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 TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. As of December 31, 2022, the rate of 4.05% is based on the Fidelity Index's "20 Year Municipal GO AA Index" rate.

Annuity Purchase Rates

Annuity purchase rates are used to determine the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) for 2014 are based on the UP-1984 Table with an age setback of two years for retirees and an age setback of eight years for beneficiaries. Beginning in 2027, the APRs will be based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females with both male and female rates multiplied by 107.5% and projected on a fully generational basis with scale BB. For members, a unisex blend of 70% of the males table and 30% of the female table is used, while 30% of the male table and 70% of the female table is used for beneficiaries. From 2015 through 2026, the fully generational APRs will be phased into.

-56-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Experience Studies

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the APRs until 2027 are based on a mortality study performed in 2013. TMRS uses the experience studies as a basis for determining assumptions, except where required to be treated different by GASB 75.

Factors Affecting the Total OPEB Liability

Changes of assumptions or other inputs reflect a change in the discount rate from 2021 to 2022.

There were no changes of benefit terms that affected measurement during the measurement period.

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 4.05%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
Total OPEB Liability	\$ <u>740,354</u>	\$ <u>631,152</u>	\$ <u>544,602</u>

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense (benefit) of \$(2,856). At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$	\$ 163,958
Difference in Expected and Actual Experience		52,840
Contributions Made Subsequent to Measurement Date	<u>18,200</u>	
	\$ <u>18,200</u>	\$ <u>216,798</u>

-57-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

	OPEB (Benefit) Expense
2023	\$ (40,322)
2024	(67,197)
2025	(67,900)
2026	(23,179)
	<u>\$ (198,598)</u>

K. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's Deferred Compensation Plan is administered by trustees, the City implemented the requirements of GASB No. 32, *Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with this statement and recent tax law changes, the City amended their trust agreements, which establish that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries.

Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustees. Accordingly, the City has not presented the assets and liabilities from the Deferred Compensation Plan in these basic financial statements. Deferred compensation investments are held by outside trustees. The City's Deferred Compensation Plan investments are chosen by the individual (employee) participant and include mutual funds whose focus is on stocks, bonds, treasury securities, money market-type investments or a combination of these. The City's Deferred Compensation Plan, available to all permanent City employees, permits them to defer until future years is defined by the Internal Revenue Service. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

L. Commitments, Contingencies, and Litigation

1. Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

-58-
CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

2. Litigation

The City does not currently have any litigation that is expected to have a material impact on the financial statements.

M. Closure and Post-Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Big Spring Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,319,082 reported as landfill closure and post-closure care liability at September 30, 2023, represents the cumulative amount reported to date based on the use of 92.12% of the estimated capacity of the landfill permit 288A and 1.14% of estimated capacity of the landfill permit 2395. The City will recognize the remaining estimated cost of closure and post-closure care of \$3,573,415 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2022. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post-closure care. The City has not placed funds in a trust to cover these costs. However, at September 30, 2023 the City has designated an investment in the amount of \$4,648,720 for this purpose.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BIG SPRING, TEXAS

EXHIBIT B-1

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	\$ 1,070,609	\$ 1,344,489	\$ 1,396,530	\$ 1,389,056	\$ 1,428,366	\$ 1,463,236	\$ 1,583,383	\$ 1,486,702	\$ 1,567,974
Interest	3,098,627	3,234,983	3,282,390	3,431,109	3,568,366	3,697,686	3,875,148	4,012,059	4,221,666
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)	(2,772,308)	(3,162,037)	(3,200,207)	(3,331,005)
Changes in Assumptions		144,503				104,120			
Differences between Expected and Actual Experience	212,542	485,843	257,450	(457,245)	(299,019)	367,915	(165,449)	873,700	671,617
Other	15,116		(3,284)	(106,349)	40,647	(5,463)	(15,136)	(4,582)	(3,562)
Net Change	\$ 1,940,132	\$ 2,494,581	\$ 2,492,354	\$ 1,813,061	\$ 1,961,567	\$ 2,855,186	\$ 2,115,909	\$ 3,167,672	\$ 3,126,690
Beginning Balance	44,944,061	46,884,193	49,378,774	51,871,128	53,684,189	55,645,756	58,500,942	60,616,851	63,784,523
Ending Balance	\$ 46,884,193	\$ 49,378,774	\$ 51,871,128	\$ 53,684,189	\$ 55,645,756	\$ 58,500,942	\$ 60,616,851	\$ 63,784,523	\$ 66,911,213
	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position
Employee Contributions	\$ 621,774	\$ 621,181	\$ 614,825	\$ 614,208	\$ 628,446	\$ 645,817	\$ 703,726	\$ 664,554	\$ 698,652
Employer Contributions	1,513,350	1,463,901	1,414,975	1,485,185	1,560,343	1,585,939	1,753,283	1,706,956	1,734,654
Net Investment Income	2,114,041	56,638	2,562,669	5,517,900	(1,352,712)	6,672,658	3,731,053	6,795,075	(4,233,364)
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)	(2,772,308)	(3,162,037)	(3,200,207)	(3,331,005)
Administration Expenses	(22,073)	(33,192)	(28,947)	(28,605)	(26,155)	(37,730)	(24,166)	(31,470)	(36,680)
Other	10,616	32,233	(1,561)	(54,123)	(1,366)	(1,134)	(944)	216	43,771
Net Change	\$ 1,780,946	\$ (574,476)	\$ 2,121,229	\$ 5,091,055	\$ (1,968,237)	\$ 6,093,242	\$ 3,000,915	\$ 5,935,124	\$ (5,123,972)
Beginning Balance	36,945,424	38,726,370	38,151,894	40,273,123	45,364,178	43,395,941	49,489,183	52,490,098	58,425,222
Ending Balance	\$ 38,726,370	\$ 38,151,894	\$ 40,273,123	\$ 45,364,178	\$ 43,395,941	\$ 49,489,183	\$ 52,490,098	\$ 58,425,222	\$ 53,301,250
Net Pension Liability	\$ 8,157,823	\$ 11,226,880	\$ 11,598,005	\$ 8,320,011	\$ 12,249,815	\$ 9,011,759	\$ 8,126,753	\$ 5,359,301	\$ 13,609,963
Fiduciary Net Position as a Percentage of Total Pension Liability	82.60%	77.26%	77.64%	84.50%	77.99%	84.60%	86.59%	91.60%	79.66%
Covered Payroll	\$ 8,616,222	\$ 8,972,306	\$ 8,790,799	\$ 8,774,404	\$ 8,977,789	\$ 9,225,942	\$ 10,053,002	\$ 9,493,663	\$ 9,980,733
Net Pension Liability as a Percentage of Covered Payroll	94.68%	125.13%	131.93%	94.82%	136.45%	97.68%	80.84%	56.45%	136.36%

Note: Only nine years of GASB 68 data available as of 12/31/2022. The remaining one year of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023
Actuarially Determined Contribution	\$ 1,508,017	\$ 2,066,989	\$ 1,466,109	\$ 2,136,581	\$ 1,602,352	\$ 1,656,458	\$ 1,721,951	\$ 1,710,151	\$ 1,819,594
Actual Contributions	1,508,017	2,066,989	1,466,109	2,136,581	1,602,352	1,656,458	1,721,951	1,710,151	1,819,594
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,942,080	\$ 9,282,783	\$ 8,778,847	\$ 8,774,404	\$ 9,141,737	\$ 9,532,428	\$ 9,664,715	\$ 9,744,883	\$ 10,264,349
Contributions as a Percentage of Covered Payroll	16.86%	22.27%	16.70%	24.35%	17.53%	17.38%	17.82%	17.55%	17.73%

Note: Only nine years of GASB 68 data available as of 09/30/2022. The remaining one year of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	\$ 453,334	\$ 453,334	\$ 506,260	\$ 545,439	\$ 569,984	\$ 696,787	\$ 728,142	\$ 748,432	\$ 748,432
Interest	1,447,905	1,564,936	1,598,125	1,562,997	1,633,082	1,710,324	1,800,220	1,947,164	2,044,005
Differences between Expected and Actual Experience			(736,630)		(520,414)		721,784		(3,066,468)
Changes in Assumptions				392,133	450,572		(73,715)		
Benefit Payments	(1,277,131)	(1,339,860)	(1,930,220)	(1,231,846)	(1,199,873)	(1,197,642)	(1,329,918)	(1,249,276)	(1,650,229)
Net Change	\$ 624,108	\$ 678,410	\$ (562,465)	\$ 1,268,723	\$ 933,351	\$ 1,209,469	\$ 1,846,513	\$ 1,446,320	\$ (1,924,260)
Beginning Balance	19,372,325	19,996,433	20,674,843	20,112,378	21,381,101	22,314,452	23,523,921	25,370,434	26,816,754
Ending Balance	\$ 19,996,433	\$ 20,674,843	\$ 20,112,378	\$ 21,381,101	\$ 22,314,452	\$ 23,523,921	\$ 25,370,434	\$ 26,816,754	\$ 24,892,494
	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position
Employee Contributions	\$ 496,045	\$ 525,572	\$ 519,916	\$ 488,555	\$ 549,091	\$ 650,969	\$ 615,342	\$ 633,573	\$ 694,833
Employer Contributions	496,046	525,572	519,916	488,555	633,568	565,707	710,010	730,857	801,731
Net Investment Income	594,840	(107,469)	691,060	1,655,622	(670,805)	2,370,032	1,861,015	1,923,501	(2,552,863)
Benefit Payments	(1,277,131)	(1,339,860)	(1,930,220)	(1,231,846)	(1,199,873)	(1,197,642)	(1,329,918)	(1,249,276)	(1,650,229)
Administration Expenses	(80,057)	(61,331)	(100,928)	(107,814)	(101,346)	(44,109)	(88,258)	(62,767)	(70,671)
Net Change	\$ 229,743	\$ (457,516)	\$ (300,256)	\$ 1,293,072	\$ (789,365)	\$ 2,344,957	\$ 1,768,191	\$ 1,975,888	\$ (2,777,199)
Beginning Balance	10,927,280	11,157,023	10,699,507	10,399,251	11,692,323	10,902,958	13,247,915	15,016,106	16,991,994
Ending Balance	\$ 11,157,023	\$ 10,699,507	\$ 10,399,251	\$ 11,692,323	\$ 10,902,958	\$ 13,247,915	\$ 15,016,106	\$ 16,991,994	\$ 14,214,795
Net Pension Liability	\$ 8,839,410	\$ 9,975,336	\$ 9,713,127	\$ 9,688,778	\$ 11,411,494	\$ 10,276,006	\$ 10,354,328	\$ 9,824,760	\$ 10,677,699
Fiduciary Net Position as a Percentage of Total Pension Liability	55.80%	51.75%	51.71%	54.69%	48.86%	56.32%	59.19%	63.36%	57.10%
Covered Payroll	\$ 3,634,001	\$ 4,042,862	\$ 3,766,262	\$ 3,758,115	\$ 4,259,859	\$ 4,259,859	\$ 4,501,839	\$ 4,501,839	\$ 4,506,666
Net Pension Liability as a Percentage of Covered Payroll	243.24%	246.74%	257.90%	257.81%	267.88%	241.23%	230.00%	218.24%	236.93%

Note: Only nine years of GASB 68 data available as of 12/31/2022. The remaining one year of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023
Actuarially Determined Contribution	\$ 511,584	\$ 546,693	\$ 491,271	\$ 578,137	\$ 662,471	\$ 671,934	\$ 724,202	\$ 774,872	\$ 1,022,459
Actual Contributions	511,584	546,693	491,271	578,137	662,471	671,934	724,202	774,872	1,022,459
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 3,935,256	\$ 4,205,336	\$ 3,779,008	\$ 3,410,923	\$ 4,416,470	\$ 4,479,559	\$ 4,828,013	\$ 5,165,809	\$ 5,606,443
Contributions as a Percentage of Covered Payroll	13.00%	13.00%	13.00%	16.95%	15.00%	15.00%	15.00%	15.00%	18.24%

Note: Only nine years of GASB 68 data available as of 09/30/2023. The remaining one year of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TMRS - SUPPLEMENTAL DEATH BENEFIT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 20,080	\$ 24,240	\$ 21,220	\$ 29,154	\$ 31,329	\$ 34,933
Interest	22,350	22,472	28,716	22,187	17,963	16,521
Benefit Payments	(6,985)	(8,080)	(9,226)	(11,059)	(29,431)	(24,952)
Differences Between Expected and Actual Experience		101,508	(126,874)	(49,366)	(48,478)	(6,009)
Changes in Assumption	47,404	(42,596)	117,216	109,031	24,898	(282,202)
Other		3,262	(342)	(1,345)	(507)	(594)
Net Change	\$ 82,849	\$ 100,806	\$ 30,710	\$ 98,602	\$ (4,226)	\$ (262,303)
Beginning Balance	584,714	667,563	768,369	799,079	897,681	893,455
Ending Balance	\$ 667,563	\$ 768,369	\$ 799,079	\$ 897,681	\$ 893,455	\$ 631,152
Total OPEB Liability	\$ 667,563	\$ 768,369	\$ 799,079	\$ 897,681	\$ 893,455	\$ 631,152
Covered Payroll	\$ 8,774,404	\$ 8,977,789	\$ 9,225,942	\$ 10,053,002	\$ 9,493,663	\$ 9,980,733
Total OPEB Liability as a Percentage of Covered Payroll	7.61%	8.56%	8.66%	8.93%	9.41%	6.32%

Note: Only six years of GASB 75 data available as of 12/31/2022. The remaining four years of data will be built on a go forward basis.

Notes to RSI:

1. This plan does not have assets accumulated in a trust that meets the criteria in GASBS No. 75.
2. Changes in Assumptions are due to updating discount rate based on the requirements of GASBS No. 75.

The accompanying notes are an integral part of this statement.

-64-
CITY OF BIG SPRING, TEXAS

EXHIBIT B-6

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
BIG SPRING RETIREE HEALTH INSURANCE PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 234,314	\$ 275,511	\$ 270,360	\$ 352,626	\$ 380,228
Interest	151,828	146,777	170,727	145,871	115,348
Differences between Expected and Actual Experience	(49,191)	(360,876)	(245,245)	(500,097)	(286,093)
Benefit Payments	194,116	17,670	5,114	55,226	16,014
Changes in Assumptions	(222,312)	97,236	435,451	415,188	73,211
Net Change	\$ 308,755	\$ 176,318	\$ 636,407	\$ 468,814	\$ 298,708
Beginning Balance	3,978,993	4,287,748	4,464,066	5,100,473	5,569,287
Ending Balance	\$ 4,287,748	\$ 4,464,066	\$ 5,100,473	\$ 5,569,287	\$ 5,867,995
Total OPEB Liability	\$ 4,287,748	\$ 4,464,066	\$ 5,100,473	\$ 5,569,287	\$ 5,867,995
Covered Payroll	\$ 10,106,139	\$ 13,237,648	\$ 13,680,635	\$ 14,966,152	\$ 12,775,370
Total OPEB Liability as a Percentage of Covered Payroll	42.43%	33.72%	37.28%	37.21%	45.93%

Note: Only five years of GASB 75 data available as of 12/31/2022. The remaining five years of data will be built on a go forward basis.

Actuary report for 12/31/2022 was not available to update the 12/31/2022 data.

Notes to RSI:

1. This plan does not have assets accumulated in a trust that meets the criteria in GASBS No. 75.
2. Changes in Assumptions are due to updating discount rate based on the requirements of GASBS No. 75.

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-7

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023
REQUIRED SUPPLEMENTARY INFORMATION

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:				
Taxes:				
General Property Taxes	\$ 7,675,000	\$ 7,137,000	\$ 7,334,883	\$ 197,883
General Sales Taxes	7,500,000	9,000,000	9,740,223	740,223
Gross Receipts Business Taxes	1,466,800	1,447,800	1,549,111	101,311
License and Permits	495,650	495,650	582,445	86,795
Intergovernmental	505,850	243,661	253,135	9,474
Charges for Services			400	400
Fines	281,680	231,880	225,049	(6,831)
Recreation	974,350	957,368	1,034,492	77,124
Investment Earnings	15,000	115,000	139,459	24,459
Rents and Royalties	2,083,750	2,750,588	3,064,206	313,618
Miscellaneous	29,475	226,668	150,704	(75,964)
Contributions and Donations	(10,000)	172,690	172,715	25
Total Revenues	<u>\$ 21,017,555</u>	<u>\$ 22,778,305</u>	<u>\$ 24,246,822</u>	<u>\$ 1,468,517</u>
Expenditures:				
Current:				
General Government				
Non-Departmental (000)	\$ 542,919	\$ 585,886	\$ 603,713	\$ (17,827)
City Council (110)	170,315	119,169	105,456	13,713
Finance (120)	712,931	726,599	735,447	(8,848)
City Manager (130)	351,383	299,794	302,759	(2,965)
Information Technology (140)	334,586	320,619	353,265	(32,646)
Legal (150)	426,775	355,870	383,089	(27,219)
Human Resources (160)	507,068	563,523	584,317	(20,794)
Special Projects (170)	75,000	175,000	173,627	1,373
Planning Department (190)	0	22,394	18,496	3,898
Public Safety				
Police (200)	5,973,642	6,092,618	6,409,362	(316,744)
Narcotics Task Force (201)	568,574	428,093	348,264	79,829
Fire (210)	6,076,402	6,871,431	6,969,083	(97,652)
Municipal Court (220)	355,902	329,391	334,940	(5,549)
Fire Marshal (230)	163,535	169,171	170,816	(1,645)
Animal Control (240)	424,639	483,233	455,762	27,471
Highways and Streets				
Code Enforcement (300)	686,487	694,974	732,766	(37,792)
General Maintenance (310)	174,807	74,935	82,946	(8,011)
Streets (320)	3,279,789	2,457,281	2,805,813	(348,532)
Recreation and Parks				
Parks (370)	607,265	685,192	763,993	(78,801)
Sports Complex (375)	516,833	557,167	538,231	18,936
Swimming Pool (380)	383,944	397,431	349,087	48,344
Golf Course (390)	1,097,171	984,045	1,031,943	(47,898)
Lake (410)	124,065	174,172	191,780	(17,608)
City Hall (420)	78,800	127,252	125,875	1,377
Debt Service:				
Principal	430,866	533,836	390,606	143,230
Interest			41,216	(41,216)
Total Expenditures	<u>\$ 24,063,698</u>	<u>\$ 24,229,076</u>	<u>\$ 25,002,652</u>	<u>\$ (773,576)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,046,143)</u>	<u>\$ (1,450,771)</u>	<u>\$ (755,830)</u>	<u>\$ 694,941</u>
Other Financing Sources (Uses):				
Transfers In (Out)	\$ 977,532	\$ 977,532	\$ 658,546	\$ (318,986)
Financing Lease Obligation	0	243,344	336,469	93,125
Total Other Financing Sources	<u>\$ 977,532</u>	<u>\$ 1,220,876</u>	<u>\$ 995,015</u>	<u>\$ (225,861)</u>
Net Change in Fund Balances	<u>\$ (2,068,611)</u>	<u>\$ (229,895)</u>	<u>\$ 239,185</u>	<u>\$ 469,080</u>
Fund Balances - Beginning	<u>15,245,294</u>	<u>15,245,294</u>	<u>15,245,294</u>	
Fund Balances - Ending	<u>\$ 13,176,683</u>	<u>\$ 15,015,399</u>	<u>\$ 15,484,479</u>	

The accompanying notes are an integral part of this statement.

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
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Changes in Assumptions:	There were no changes in assumptions during the year.
Benefits Changes:	There were no benefit changes during the year.

**CITY OF BIG SPRING, TEXAS
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND PENSION PLAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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 Cost Method

Discount Rate

7.75% as of December 31, 2022

Inflation

3.00%

Salary Increases

4.50%

Mortality

Pub2010-PS mortality for public safety employees fully projected for cohort mortality improvement using MP-2021 projection scale (appropriate versions of the mortality table for employees, annuitants and disabled individuals)

Other Information:

Changes in Assumptions:

There were no changes in assumptions during the year.

Benefits Changes:

There were no benefit changes during the year.

-68-
CITY OF BIG SPRING, TEXAS
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

BUDGETARY DATA

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least 10 days public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.

Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end. The legal level of control is at the department level. During the year, the budget was amended as necessary. All budget appropriations lapse at year end.

The budget is presented on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

EXCESS EXPENDITURES OVER APPROPRIATIONS

The excess expenditures over appropriations for the General Fund were covered by available unassigned fund balance.

COMBINING STATEMENTS

CITY OF BIG SPRING, TEXAS

EXHIBIT C-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue Funds	Debt Service Fund 2020 G.O. Refunding Bonds	Debt Service Fund 2016 G.O. Refunding Bonds	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:					
Assets:					
Cash and Cash Equivalents	\$ 2,785,364	\$ 190,326	\$ 522	\$ 401,519	\$ 3,377,731
Receivables (Net of Allowance for Uncollectibles)	139,147	9,724	37,275		186,146
Prepaid Items	896				896
Total Assets	<u>\$ 2,925,407</u>	<u>\$ 200,050</u>	<u>\$ 37,797</u>	<u>\$ 401,519</u>	<u>\$ 3,564,773</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 414,453	\$	\$	\$	\$ 414,453
Accrued Wages	60,934				60,934
Due to Other Funds	28,259		522	50,000	78,781
Unearned Revenue	51,777				51,777
Customer Deposits	6,424				6,424
Advances from Other Funds	379,939				379,939
Total Liabilities	<u>\$ 941,786</u>	<u>\$ 0</u>	<u>\$ 522</u>	<u>\$ 50,000</u>	<u>\$ 992,308</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	\$	\$ 9,724	\$ 37,275	\$	\$ 46,999
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 9,724</u>	<u>\$ 37,275</u>	<u>\$ 0</u>	<u>\$ 46,999</u>
Fund Balances:					
Nonspendable Fund Balances:					
Prepays	\$ 896	\$	\$	\$	\$ 896
Cemetery Permanent Care				351,519	351,519
Restricted Fund Balances:					
Restricted for Advertising and Promotions	1,471,970				1,471,970
Restricted for Court Security	15,465				15,465
Restricted for Court Technology	8,217				8,217
Restricted for Public, Educational and Governmental Television Access	237,092				237,092
Restricted for Public Safety Improvements	123,092				123,092
Restricted for Debt Service		190,326			190,326
Restricted for Senior Citizen's Center	28,875				28,875
Restricted for Opioid Remediation Uses	59,623				59,623
Restricted for Truancy Court Operations	350				350
Committed Fund Balances:					
Committed for Employee Education	74,323				74,323
Committed for Cemetery Operations	(36,282)				(36,282)
Total Fund Balances	<u>\$ 1,983,621</u>	<u>\$ 190,326</u>	<u>\$ 0</u>	<u>\$ 351,519</u>	<u>\$ 2,525,466</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,925,407</u>	<u>\$ 200,050</u>	<u>\$ 37,797</u>	<u>\$ 401,519</u>	<u>\$ 3,564,773</u>

-70-
 CITY OF BIG SPRING, TEXAS

EXHIBIT C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds	Debt Service Fund 2020 G.O. Refunding Bonds	Debt Service Fund 2016 G.O. Refunding Bonds	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:					
Taxes					
General Property Taxes	\$	\$ 341,731	\$ 848,821	\$	\$ 1,190,552
Gross Receipts Business Tax	37,330				37,330
Motel Occupancy Taxes	1,641,942				1,641,942
Intergovernmental	139,067				139,067
Charges for Services	22,895				22,895
Fines	16,597				16,597
Investment Earnings	27,993	1,729	145	17,370	47,237
Rents and Royalties	132,674				132,674
Miscellaneous	2,544				2,544
Contributions and Donations	20,050				20,050
Total Revenue	<u>\$ 2,041,092</u>	<u>\$ 343,460</u>	<u>\$ 848,966</u>	<u>\$ 17,370</u>	<u>\$ 3,250,888</u>
Expenditures:					
Current					
General Government	\$ 41,963	\$	\$	\$	\$ 41,963
Public Safety	16,650				16,650
Community Service	469,463				469,463
Economic Development	1,212,652				1,212,652
Cemetery	184,528				184,528
Debt Service					
Principal	11,156	230,000	820,000		1,061,156
Interest	406	75,400	118,500		194,306
Total Expenditures	<u>\$ 1,936,818</u>	<u>\$ 305,400</u>	<u>\$ 938,500</u>	<u>\$ 0</u>	<u>\$ 3,180,718</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 104,274</u>	<u>\$ 38,060</u>	<u>\$ (89,534)</u>	<u>\$ 17,370</u>	<u>\$ 70,170</u>
Other Financing Sources (Uses):					
Transfers In (Out)	\$ 338,931	\$	\$ 87,478	\$ (17,370)	\$ 409,039
Total Other Financing Sources (Uses)	<u>\$ 338,931</u>	<u>\$ 0</u>	<u>\$ 87,478</u>	<u>\$ (17,370)</u>	<u>\$ 409,039</u>
Net Change in Fund Balances	<u>\$ 443,205</u>	<u>\$ 38,060</u>	<u>\$ (2,056)</u>	<u>\$ 0</u>	<u>\$ 479,209</u>
Fund Balances - Beginning	1,540,416	152,266	2,056	351,519	2,046,257
Fund Balances - Ending	<u>\$ 1,983,621</u>	<u>\$ 190,326</u>	<u>\$ 0</u>	<u>\$ 351,519</u>	<u>\$ 2,525,466</u>

-71-
CITY OF BIG SPRING, TEXAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

EXHIBIT C-3

	Employee's College Education	Municipal Court Security	Municipal Court Technology	Cemetery	Senior Center	P.E.G.	Hotel Occupancy	State Forfeiture	Police Department Seizure	Truant Court Costs	Jury	Child Safety	Opioid Settlement	Total Nonmajor-Special Revenue Funds (See Exhibit C-1)
ASSETS														
Assets:														
Cash and Cash Equivalents	\$ 74,323	\$ 15,140	\$ 8,217	\$ 51,048	\$ 115,604	\$ 237,092	\$ 2,100,680	\$ 21,965	\$ 101,127	\$ 350	\$ 7	\$ 188	\$ 59,623	\$ 2,785,364
Receivables (Net of Allowance for Uncollectibles)		130		2,099			136,918							139,147
Prepaid Items				896										896
Total Assets	\$ 74,323	\$ 15,270	\$ 8,217	\$ 54,043	\$ 115,604	\$ 237,092	\$ 2,237,598	\$ 21,965	\$ 101,127	\$ 350	\$ 7	\$ 188	\$ 59,623	\$ 2,925,407
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts Payable	\$	\$	\$	\$ 5,347	\$ 43,915	\$	\$ 365,191	\$	\$	\$	\$	\$	\$	\$ 414,453
Accrued Wages				4,046	42,814		14,074							60,934
Due to Other Funds				28,259										28,259
Unearned Revenue				51,777										51,777
Customer Deposits							6,424							6,424
Advances from Other Funds							379,939							379,939
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 89,429	\$ 86,729	\$ 0	\$ 765,628	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 941,786
Fund Balances:														
Nonspendable Fund Balances:														
Prepays	\$	\$	\$	\$ 896	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 896
Restricted Fund Balances:														
Restricted for Advertising and Promotions							1,471,970							1,471,970
Restricted for Court Security		15,270									7	188		15,465
Restricted for Court Technology			8,217											8,217
Restricted for Public, Educational and Governmental Television Access						237,092								237,092
Restricted for Public Safety Improvements					28,875			21,965	101,127					123,092
Restricted for Senior Citizen's Center														28,875
Restricted for Opioid Remediation Uses													59,623	59,623
Restricted for Truancy Court Operations										350				350
Committed Fund Balances:														
Committed for Employee Education	74,323													74,323
Committed for Cemetery Operations				(36,282)										(36,282)
Total Fund Balances	\$ 74,323	\$ 15,270	\$ 8,217	\$ (35,386)	\$ 28,875	\$ 237,092	\$ 1,471,970	\$ 21,965	\$ 101,127	\$ 350	\$ 7	\$ 188	\$ 59,623	\$ 1,983,621
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 74,323	\$ 15,270	\$ 8,217	\$ 54,043	\$ 115,604	\$ 237,092	\$ 2,237,598	\$ 21,965	\$ 101,127	\$ 350	\$ 7	\$ 188	\$ 59,623	\$ 2,925,407

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

-72-
CITY OF BIG SPRING, TEXAS

EXHIBIT C-4

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Employee's College Education	Municipal Court Security	Municipal Court Technology	Cemetery	Senior Center	P.E.G.	Hotel Occupancy	State Forfeiture	Police Department Seizure	Truant Court Costs	Jury	Child Safety	Opioid Settlement	Total Nonmajor-Special Revenue Funds (See Exhibit C-2)
Revenue:														
Taxes														
Gross Receipts Business Tax	\$	\$	\$	\$	\$	\$ 37,330	\$	\$	\$	\$	\$	\$	\$	\$ 37,330
Motel Occupancy Taxes							1,641,942							1,641,942
Intergovernmental					72,644			4,287	2,513				59,623	139,067
Charges for Services	5,041				17,854									22,895
Fines		10,397	5,655							350	7	188		16,597
Investment Earnings	1,119	297	94		1,427	3,667	19,379	330	1,396					27,993
Rents and Royalties				284			34,165							132,674
Miscellaneous				98,509			2,544							2,544
Contributions and Donations					20,050									20,050
Total Revenue	\$ 6,160	\$ 10,694	\$ 5,749	\$ 98,793	\$ 111,975	\$ 40,997	\$ 1,698,030	\$ 4,617	\$ 3,909	\$ 350	\$ 7	\$ 188	\$ 59,623	\$ 2,041,092
Expenditures:														
Current														
General Government	\$ 13,519	\$	\$	\$	\$	\$ 28,444	\$	\$	\$	\$	\$	\$	\$	\$ 41,963
Public Safety		11,478	2,572					2,600						16,650
Community Service					469,463									469,463
Economic Development							1,212,652							1,212,652
Cemetery				184,528										184,528
Debt Service														
Principal				11,156										11,156
Interest				406										406
Total Expenditures	\$ 13,519	\$ 11,478	\$ 2,572	\$ 196,090	\$ 469,463	\$ 28,444	\$ 1,212,652	\$ 2,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,936,818
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (7,359)	\$ (784)	\$ 3,177	\$ (97,297)	\$ (357,488)	\$ 12,553	\$ 485,378	\$ 2,017	\$ 3,909	\$ 350	\$ 7	\$ 188	\$ 59,623	\$ 104,274
Other Financing Sources (Uses):														
Transfers In (Out)	\$ (4,158)	\$	\$	\$ 137,370	\$ 288,000	\$ (5,451)	\$ (76,830)	\$	\$	\$	\$	\$	\$	\$ 338,931
Total Other Financing Sources (Uses)	\$ (4,158)	\$ 0	\$ 0	\$ 137,370	\$ 288,000	\$ (5,451)	\$ (76,830)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 338,931
Net Change in Fund Balances	\$ (11,517)	\$ (784)	\$ 3,177	\$ 40,073	\$ (69,488)	\$ 7,102	\$ 408,548	\$ 2,017	\$ 3,909	\$ 350	\$ 7	\$ 188	\$ 59,623	\$ 443,205
Fund Balances - Beginning	<u>85,840</u>	<u>16,054</u>	<u>5,040</u>	<u>(75,459)</u>	<u>98,363</u>	<u>229,990</u>	<u>1,063,422</u>	<u>19,948</u>	<u>97,218</u>					<u>1,540,416</u>
Fund Balances - Ending	<u>\$ 74,323</u>	<u>\$ 15,270</u>	<u>\$ 8,217</u>	<u>\$ (35,386)</u>	<u>\$ 28,875</u>	<u>\$ 237,092</u>	<u>\$ 1,471,970</u>	<u>\$ 21,965</u>	<u>\$ 101,127</u>	<u>\$ 350</u>	<u>\$ 7</u>	<u>\$ 188</u>	<u>\$ 59,623</u>	<u>\$ 1,983,621</u>

-73-
CITY OF BIG SPRING, TEXAS

EXHIBIT C-5

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023**

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Payroll Fund</u>	<u>Total Internal Service Funds (See Exhibit A-7)</u>
ASSETS:					
Current Assets					
Cash and Cash Equivalents	\$ 14,701	\$ 1,884,337	\$ 2,153,043	\$ 235,735	\$ 4,287,816
Receivables		200			200
Due from Other Funds		500,000	(500,000)		0
Total Current Assets	<u>\$ 14,701</u>	<u>\$ 2,384,537</u>	<u>\$ 1,653,043</u>	<u>\$ 235,735</u>	<u>\$ 4,288,016</u>
Noncurrent Assets					
Capital Assets (Net of Accumulated Depreciation)					
Land	\$ 10,000	\$	\$	\$	\$ 10,000
Total Noncurrent Assets	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>
Total Assets	<u>\$ 24,701</u>	<u>\$ 2,384,537</u>	<u>\$ 1,653,043</u>	<u>\$ 235,735</u>	<u>\$ 4,298,016</u>
LIABILITIES:					
Current Liabilities					
Accounts Payable	\$ 12,161	\$ 2,775	\$ 17,288	\$ 218,783	\$ 251,007
Claims and Judgments Payable		210,471	145,066		355,537
Due to Other Funds		184,941	38,040	17,378	240,359
Total Current Liabilities	<u>\$ 12,161</u>	<u>\$ 398,187</u>	<u>\$ 200,394</u>	<u>\$ 236,161</u>	<u>\$ 846,903</u>
Total Liabilities	<u>\$ 12,161</u>	<u>\$ 398,187</u>	<u>\$ 200,394</u>	<u>\$ 236,161</u>	<u>\$ 846,903</u>
NET POSITION:					
Net Investment in Capital Assets	\$ 10,000	\$	\$	\$	\$ 10,000
Unrestricted Net Position	<u>2,540</u>	<u>1,986,350</u>	<u>1,452,649</u>	<u>(426)</u>	<u>3,441,113</u>
Total Net Position	<u><u>\$ 12,540</u></u>	<u><u>\$ 1,986,350</u></u>	<u><u>\$ 1,452,649</u></u>	<u><u>\$ (426)</u></u>	<u><u>\$ 3,451,113</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-6

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Garage	Health Insurance	Occupational Accident Insurance	Payroll Fund	Total Internal Service Funds (See Exhibit A-8)
OPERATING REVENUES:					
Billings to Departments and Employees	\$	\$ 3,082,082	\$ 639,755	\$	\$ 3,721,837
Total Operating Revenues	\$ 0	\$ 3,082,082	\$ 639,755	\$ 0	\$ 3,721,837
OPERATING EXPENSES:					
Supplies and Materials	\$ 13,462	\$	\$	\$	\$ 13,462
Contractual Services	16,319	2,321,887	152,208		2,490,414
Maintenance	25,783				25,783
Other Expense		210,957	36,900		247,857
Total Operating Expenses	\$ 55,564	\$ 2,532,844	\$ 189,108	\$ 0	\$ 2,777,516
Operating Income (Loss)	\$ (55,564)	\$ 549,238	\$ 450,647	\$ 0	\$ 944,321
NON-OPERATING REVENUES (EXPENSES):					
Interest Revenue	\$	\$ 2,674	\$ 2,888	\$	\$ 5,562
Other Income		251,960			251,960
Interest Expense and Paying Agent Fees	3				3
Total Non-Operating Revenues (Expenses)	\$ 3	\$ 254,634	\$ 2,888	\$ 0	\$ 257,525
Income (Loss) Before Transfers	\$ (55,561)	\$ 803,872	\$ 453,535	\$ 0	\$ 1,201,846
Transfers In (Out)		438,353	(512,680)		(74,327)
Change in Net Position	\$ (55,561)	\$ 1,242,225	\$ (59,145)	\$ 0	\$ 1,127,519
Total Net Position - Beginning	68,101	744,125	1,511,794	(426)	2,323,594
Total Net Position - Ending	\$ 12,540	\$ 1,986,350	\$ 1,452,649	\$ (426)	\$ 3,451,113

-75-
CITY OF BIG SPRING, TEXAS

EXHIBIT C-7

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Garage	Health Insurance	Occupational Accident Insurance	Payroll Fund	Total Internal Service Funds (See Exhibit A-9)
Cash Flows from Operating Activities					
Cash Received from Interfund Services Provided	\$ 0	\$ 3,082,082	\$ 639,755	\$ 217,146	\$ 3,721,837
Cash Payments to Suppliers for Goods and Services	(45,159)	(2,523,226)	(140,474)	217,146	(2,491,713)
Net Cash from Operating Activities	<u>\$ (45,159)</u>	<u>\$ 558,856</u>	<u>\$ 499,281</u>	<u>\$ 217,146</u>	<u>\$ 1,230,124</u>
Cash Flows from Non-Capital Financing Activities					
Cash Transfers from (to) Other Funds	\$	\$	\$	\$ 17,378	\$ 17,378
Various Reimbursements		251,960			251,960
Net Cash from Non-Capital Financing Activities	<u>\$ 0</u>	<u>\$ 251,960</u>	<u>\$ 0</u>	<u>\$ 17,378</u>	<u>\$ 269,338</u>
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid	\$ (420)	\$	\$	\$	\$ (420)
Net Cash from Capital and Related Financing Activities	<u>\$ (420)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (420)</u>
Cash Flows from Investing Activities					
Interest and Dividends on Investments	\$	\$ 2,674	\$ 2,888	\$	\$ 5,562
Net Cash from Investing Activities	<u>\$ 0</u>	<u>\$ 2,674</u>	<u>\$ 2,888</u>	<u>\$ 0</u>	<u>\$ 5,562</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (45,579)	\$ 813,490	\$ 502,169	\$ 234,524	\$ 1,504,604
Cash and Cash Equivalents at Beginning of Year	60,280	1,070,847	1,650,874	1,211	2,783,212
Cash and Cash Equivalents at End of Year	<u>\$ 14,701</u>	<u>\$ 1,884,337</u>	<u>\$ 2,153,043</u>	<u>\$ 235,735</u>	<u>\$ 4,287,816</u>
Reconciliation of Operating Income to Net Cash from Operating Activities					
Operating Income (Loss)	<u>\$ (55,564)</u>	<u>\$ 549,238</u>	<u>\$ 450,647</u>	<u>\$ 0</u>	<u>\$ 944,321</u>
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities					
Change in Assets and Liabilities					
(Increase) Decrease in Accounts Receivable	\$	\$ (200)	\$	\$	\$ (200)
Increase (Decrease) in Accounts Payable	10,405	2,775	11,788	217,146	242,114
Increase (Decrease) in Claims and Judgements Payable		7,043	36,846		43,889
Total Adjustments	<u>\$ 10,405</u>	<u>\$ 9,618</u>	<u>\$ 48,634</u>	<u>\$ 217,146</u>	<u>\$ 285,803</u>
Net Cash from Operating Activities	<u>\$ (45,159)</u>	<u>\$ 558,856</u>	<u>\$ 499,281</u>	<u>\$ 217,146</u>	<u>\$ 1,230,124</u>

OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

**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**

City Council
City of Big Spring, Texas
Big Spring, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Big Spring, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Big Spring, Texas' basic financial statements, and have issued our report thereon dated March 15, 2024. Our report includes a reference to other auditors who audited the financial statements of Big Spring Economic Development Corporation, as described in our report on the City of Big Spring, Texas' basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 City of Big Spring, Texas' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Big Spring, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

March 15, 2024

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

March 15, 2024

Mayor and City Council
City of Big Spring, Texas
Big Spring, Texas

We have audited the financial statements of City of Big Spring, Texas (the City) for the year ended September 30, 2023, and have issued our report thereon dated March 15, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 26, 2023. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in the notes to the financial statements. The City did not adopt any new accounting policies during the year and the application of existing policies did not change. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements was were:

Management's estimate of the allowance for doubtful accounts and lives used to calculate depreciation on distribution plant in service. Management's estimate for the allowance for doubtful accounts is based on an evaluation of past due accounts. Management's estimate of the net pension and total OPEB liabilities.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are disclosed in notes and relate to pension liabilities and total OPEB liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. All misstatements detected as a result of the audit were corrected by management except for one proposed entry which was not considered material to the financial statements. All adjusted journal entries and unadjusted audit differences are attached to this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 15, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to contact us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, budgetary comparison schedule for the General Fund, schedule of changes in net pension liability and related ratios for the TMRS and BSFRRF plans, schedule of employer contributions for the TMRS and BSFRRF plans, and the schedule of changes in the total OPEB liability for the TMRS SDBF and retiree health insurance plans, which are (is) required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Balinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Client: **06565 - City of Big Spring**
Engagement: **2023 City of Big Spring**
Period Ending: **9/30/2023**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To correct sales tax receivable and revenue.			
002-1102	ACCOUNTS RECEIVABLE - OTHER	39,033.69	
002-4020	CITY SALES TAXES		39,033.69
Total		39,033.69	39,033.69

Adjusting Journal Entries JE # 2

To record GASB 68 and 75 TMRS pension and OPEB entries.

405-002-735-5050	RETIREMENT	13,064.92	
405-021-705-5050	RETIREMENT	19,352.91	
405-021-710-5050	RETIREMENT	33,295.69	
405-021-740-5050	RETIREMENT	16,820.15	
405-021-745-5050	RETIREMENT	4,152.31	
405-1805	DEFERRED OUTFLOWS - ER CONTRI	6,891.28	
405-1806	DEF OUTFL - TMRS	38,040.99	
405-2807	DEFF INFLOWS - TMRS PENSION	1,381,361.56	
405-2808	DEF INFLOWS - TMRS OPEB	7,952.01	
405-2906	TOTAL OPEB LIABILITY - TMRS	57,718.02	
410-021-610-5050	RETIREMENT	8,336.72	
410-1806	DEF OUTFL - TMRS	6,344.76	
410-2807	DEFF INFLOWS - TMRS PENSION	254,746.81	
410-2808	DEF INFLOWS - TMRS OPEB	1,540.21	
410-2906	TOTAL OPEB LIABILITY - TMRS	11,426.51	
440-025-350-5050	RETIREMENT	3,580.93	
440-025-350-5050	RETIREMENT	82,564.88	
440-1805	DEFERRED OUTFLOWS - ER CONTRI	11,928.36	
440-1806	DEF OUTFL - PEN TMRS	14,807.48	
440-2807	DEFF INFLOWS - TMRS PENSION	343,461.77	
440-2808	DEF INFLOWS - TMRS OPEB	1,389.22	
440-2906	TOTAL OPEB LIABILITY - TMRS	8,111.51	
445-025-330-5050	RETIREMENT	18,795.39	
445-1805	DEFERRED OUTFLOWS - ER CONTRI	1,126.53	
445-1806	DEF OUTFL - PEN TMRS	9,716.40	
445-2807	DEFF INFLOWS - TMRS PENSION	366,137.39	
445-2808	DEF INFLOWS - TMRS OPEB	2,148.02	
445-2906	TOTAL OPEB LIABILITY - TMRS	15,726.07	
405-002-735-5050	RETIREMENT		2,004.13
405-021-705-5050	RETIREMENT		2,968.68
405-021-710-5050	RETIREMENT		5,107.47
405-021-740-5050	RETIREMENT		2,580.16
405-021-745-5050	RETIREMENT		636.95
405-1807	DEF OUTFL - TMRS OPEB		52,372.64
405-2905	NET PENSION LIABILITY - TMRS		1,512,979.81
410-021-610-5050	RETIREMENT		3,315.79
410-1805	DEFERRED OUTFLOWS - ER CONTRI		9.88

Client: **06565 - City of Big Spring**
Engagement: **2023 City of Big Spring**
Period Ending: **9/30/2023**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
410-1807	DEF OUTFL - TMRS OPEB		9,650.93
410-2905	NET PENSION LIABILITY - TMRS		269,418.41
440-1807	DEF OUTFL - TMRS OPEB		13,081.66
440-2905	NET PENSION LIABILITY-TMRS		452,762.49
445-025-330-5050	RETIREMENT		3,996.53
445-1807	DEF OUTFL - TMRS OPEB		13,877.56
445-2905	NET PENSION LIABILITY-TMRS		395,775.71
Total		2,740,538.80	2,740,538.80

Adjusting Journal Entries JE # 3

To adjust wages payable to agree to detail.

002-1003	CLAIM ON CASH	10,179.49	
110-1098	PAYROLL CASH CLEARING	0.09	
405-1098	PAYROLL CASH CLEARING	3,281.98	
430-1003	CLAIM ON CASH	1,520.96	
440-1003	CLAIM ON CASH	999.84	
445-1003	CLAIM ON CASH	5,485.38	
720-1098	PAYROLL CASH CLEARING	14,903.60	
002-1098	PAYROLL CASH CLEARING		10,179.49
110-1003	CLAIM ON CASH		0.09
405-1003	CLAIM ON CASH		3,281.98
430-1098	PAYROLL CASH CLEARING		1,520.96
440-1098	PAYROLL CASH CLEARING		999.84
445-1098	PAYROLL CASH CLEARING		5,485.38
720-1003	CLAIM ON CASH		14,903.60
Total		36,371.34	36,371.34

Adjusting Journal Entries JE # 4

To reclass accrued payroll for BSEDC portion due to City.

002-1101	ACCOUNTS RECEIVABLE	12,423.97	
002-040-180-5010	SALARIES		7,975.12
002-040-180-5015	AUTO ALLOWANCE		700.00
002-040-180-5019	NON-TAX EMPL ALLOWANCE /		100.00
002-040-180-5050	RETIREMENT		1,629.00
002-040-180-5060	GROUP INSURANCE		1,306.95
002-040-180-5070	RETIREMENT-DEFERRED COMP		488.88
002-040-180-5075	LIFE & DISABILITY INSURANCE		96.82
002-040-180-5080	MEDICARE		127.20
Total		12,423.97	12,423.97

Client: **06565 - City of Big Spring**
Engagement: **2023 City of Big Spring**
Period Ending: **9/30/2023**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 5			
To adjust delinquent taxes and related revenues.			
258-1105	DELINQUENT TAXES RECEIVABLE	27,550.80	
258-4012	DELINQUENT TAXES	802,481.96	
259-2401	DEFERRED REV-PROPERTY TAX	27,550.80	
259-4012	DELINQUENT TAXES	324,529.90	
258-2401	DEFERRED REV-PROPERTY TAX		27,550.80
258-4010	CURRENT TAX COLLECTIONS		802,481.96
259-1105	DELINQUENT TAXES RECEIVABLE		27,550.80
259-4010	CURRENT TAX COLLECTIONS		324,529.90
Total		1,182,113.46	1,182,113.46
Adjusting Journal Entries JE # 6			
To adjust the allowance for doubtful accounts for EMS receivable at 9-30-2023.			
430-012-260-5643	BAD DEBT EXPENSE	270,703.49	
430-1152	ALLOWANCE FOR AMBULANCE		270,703.49
Total		270,703.49	270,703.49
Adjusting Journal Entries JE # 7			
To adjust construction work-in-progress in Water and Sewer Fund to system generated report.			
405-021-740-5425	MAINT. MACHINERY, TOOLS,	48,732.50	
405-1340	CONSTRUCTION IN PROGRESS		48,732.50
Total		48,732.50	48,732.50
Adjusting Journal Entries JE # 8			
To adjust landfill liability.			
440-025-350-5658	RECOGN FUTURE CLOSURE &	40,796.92	
440-2653	EST LIAB FOR LANDFILL #288A		27,269.05
440-2654	EST LIAB FOR LANDFILL #2395		13,527.87
Total		40,796.92	40,796.92

Client: **06565 - City of Big Spring**
Engagement: **2023 City of Big Spring**
Period Ending: **9/30/2023**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 9			
To adjust 2020 and 2022 Refunding			
259-1003	CLAIM ON CASH	15,000.00	
405-2634	2020 GO REFUNDING	15,000.00	
405-2635	2022 GO REFUNDING	560,000.00	
483-4811	TRANSFERS FROM UTILITY FUND	535,000.00	
259-070-070-5701	DEBT SERVICE PRINCIPAL		15,000.00
405-070-070-5701	DEBT SERVICE - PREM/DISC/INS		25,000.00
405-080-080-5807-	TNSF TO 2022 I&S CO'S		535,000.00
405-1003	CLAIM ON CASH		15,000.00
483-070-070-5701	DEBT SERVICE - PRINCIPAL		535,000.00
Total		1,125,000.00	1,125,000.00
Adjusting Journal Entries JE # 10			
To adjust capital lease payable.			
405-2201	CURR PORTION-NOTES PAYABLE	2,801.08	
405-2655	LONG TERM NOTES PAYABLE	34,949.49	
410-2655	LONG TERM NOTES PAYABLE	12,639.74	
445-2655	LONG TERM NOTES PAYABLE	3,601.26	
405-002-735-5515	HIRE OF EQUIPMENT		37,750.57
410-021-610-5515	HIRE OF EQUIPMENT		12,639.74
445-025-330-5515	HIRE OF EQUIPMENT		3,601.26
Total		53,991.57	53,991.57
Adjusting Journal Entries JE # 11			
To clear deficit fund balance in 2016 debt service fund.			
002-080-000-5802	TRANSFER TO CEMETERY	87,478.00	
258-2101	DUE TO GENERAL FUND	87,478.00	
002-1208	DUE FROM CEMETERY FUND		87,478.00
258-4808	TRANSFERS FROM OTHER FUNDS		87,478.00
Total		174,956.00	174,956.00
Adjusting Journal Entries JE # 12			
To record intergovernmental receivable for water and sewer CDBG grant.			
409-1250	DUE FROM OTHER GOVERNMENTS	142,528.50	
409-4201-02	CDBG GRANT CDM21-0350		142,528.50
Total		142,528.50	142,528.50

Client: **06565 - City of Big Spring**
Engagement: **2023 City of Big Spring**
Period Ending: **9/30/2023**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 13			
To adjust GASB 68 balances for Fire Fighters Pension Fund.			
430-2806	DEFF INFLOWS - BSFRRF PENSION	1,028,008.90	
430-012-260-5050	RETIREMENT		125,113.63
430-1804	DEFERRED OUTFLOWS - BSFRRF		810,507.74
430-1807	DOR - ER CONTRIBUTIONS		11,481.47
430-2906	NET PENSION LIABILITY - BSFRRF		80,906.06
Total		1,028,008.90	1,028,008.90

Client: **06565 - City of Big Spring**
Engagement: **2023 City of Big Spring**
Period Ending: **9/30/2023**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 100			
Reclass the November sales tax collection due BSEDC.			
002-1102	ACCOUNTS RECEIVABLE - OTHER	288,498.61	
002-2000	A/P PENDING		288,498.61
Total		288,498.61	288,498.61
Adjusting Journal Entries JE # 101			
To reclass RAMP grant receivable.			
410-1250	DUE FROM OTHER GOVERNMENTS	49,960.00	
410-1101	ACCOUNTS RECEIVABLE		49,960.00
Total		49,960.00	49,960.00

City of Big Spring, Texas
Unadjusted Audit Differences
9/30/2023

Government-Wide	Total OPEB	DOR	DIR	Expense
Governmental	695,918.57	(100,886.70)	(789,901.10)	194,869.23
Business-Type	336,046.03	(48,716.30)	(381,428.45)	94,098.72
	<u>1,031,964.60</u>	<u>(149,603.00)</u>	<u>(1,171,329.55)</u>	<u>288,967.95</u>
Proprietary Funds	Total OPEB	DOR	DIR	Expense
Water	162,065.78	(23,494.54)	(183,952.48)	45,381.24
Airpark	28,089.14	(4,072.06)	(31,882.53)	7,865.45
EMS	74,974.94	(10,869.05)	(85,100.17)	20,994.28
Landfill	36,689.30	(5,318.81)	(41,644.13)	10,273.64
Sanitation	34,226.87	(4,961.84)	(38,849.14)	9,584.11
	<u>336,046.03</u>	<u>(48,716.30)</u>	<u>(381,428.45)</u>	<u>94,098.72</u>

City of Big Spring
OPEB Health - Expense Estimate for 2022 Plan
September 30, 2023

Service Cost	380,228.00
Interest on the Total OPEB Liability	115,348.00
CY Amortization	(180,603.05)
PY Amortization	(26,005.00)
Expense	<u>288,967.95</u>

507 N DOUGLAS

Code Compliance Official: Ashley Guerra

Exhibit E-1

STATE OF TEXAS

§
§
§

COUNTY OF HOWARD

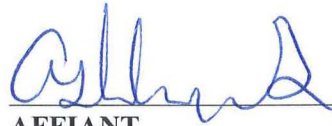
**AFFIDAVIT OF ASHLEY GUERRA
CONCERNING 507 N DOUGLAS**

BEFORE ME, the undersigned authority, on this day, personally appeared **Ashley Guerra**, who, being by me duly sworn, deposed as follows:

“My name is **Ashley Guerra**. I am over 21 years of age, of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated:

“I am a Code Compliance Official for the City of Big Spring, Texas. In the course of my duties, I inspect properties for compliance with Texas state law and the ordinances of the City of Big Spring. I am an employee of the City of Big Spring and am familiar with the manner in which its records are created and maintained by virtue of my duties and responsibilities. Attached are pages of records relating to the Code Compliance Case for **507 N DOUGLAS**, Big Spring, Texas. These are exact duplicates of original records. The records were made at or near the time of each act, event, or finding set forth. The records were made by, or from information transmitted by, persons with knowledge of the matters set forth. The records were kept in the course of regularly conducted business activity. It is the regular practice of the business activity to make the records.”

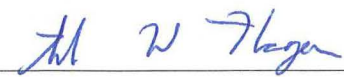
SIGNED on the 2 day of April, 2024.



AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024 by the above referenced Affiant.





Notary Public, State of Texas

Exhibit E-2

Property Details

Account		
Property ID:	276936	Geographic ID: B2280007600
Type:	Real	Zoning:
Property Use:		Condo:
Location		
Situs Address:	507 N DOUGLAS	
Map ID:		Mapsco:
Legal Description:	LT 12 BK 7 BAUER 50X140 712 ACQ 122602 0.161 ACRES	
Abstract/Subdivision:		
Neighborhood:	BAUR	
Owner ?		
Owner ID:	299937	
Name:	BADILLO ALICIA V 302 PARKVIEW DR	
Agent:		
Mailing Address:		
	ARLINGTON , TX 76010	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	\$3,879 (+)
Improvement Non-Homesite Value:	\$0 (+)
Land Homesite Value:	\$2,200 (+)
Land Non-Homesite Value:	\$0 (+)
Agricultural Market Valuation:	\$0 (+)
Market Value:	\$6,079 (=)

2/23/24, 2:15 PMabout:blank

Agricultural Value Loss:?	\$0 (-)
Appraised Value:	\$6,079 (=)
Homestead Cap Loss: ?	\$0 (-)
Assessed Value:	\$6,079
Ag Use Value:	\$0
VALUES DISPLAYED ARE 2023 PRELIMINARY VALUES AND ARE SUBJECT TO CHANGE PRIOR TO CERTIFICATION. Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.	

Property Taxing Jurisdiction

Owner: BADILLO ALICIA V 302 PARKVIEW DR %Ownership: 100.0%

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
01H	HOWARD COUNTY	0.208716	\$6,079	\$6,079	\$12.69	
02B	CITY OF BIG SPRING	0.636039	\$6,079	\$6,079	\$38.66	
03B	BIG SPRING ISD	0.763200	\$6,079	\$6,079	\$46.39	
052	HOWARD COLLEGE	0.154789	\$6,079	\$6,079	\$9.41	
ZZZ	CREDIT	0.000000	\$0	\$0	\$0.00	

Total Tax Rate: 1.762744

Estimated Taxes With Exemptions: \$107.15

Estimated Taxes Without Exemptions: \$107.15

STATE OF TEXAS

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§
§

COUNTY OF HOWARD

CERTIFICATION
507 N DOUGLAS CASE NOTES

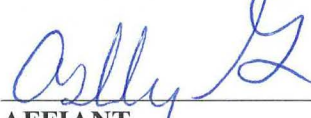
“This record, attached as **Exhibit E-3**, was made at or near the time by – or from information transmitted by a person or persons with the City with knowledge.

This record was kept in the course of a regularly conducted business activity of the Code Compliance Department of the City of Big Spring, Texas.

Making this record was a regular practice of that activity.

1. The City uses a computer.
2. The computer is reliable.
3. The City has developed procedures for inserting data into the computer.
4. The procedure has built-in safeguards to ensure accuracy and to identify errors.
5. The City keeps the computer in a good state of repair.
6. I had the computer readout certain data.
7. I used the proper procedures to obtain the readout.
8. The computer was in working order at the time I obtained the readout.
9. I recognize the attached **Exhibit E-3** as the readout.”

SIGNED on the 2 day of April, 2024.


 AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024

by the above referenced Affiant.




 Notary Public, State of Texas

Exhibit E-3



CASE NOTES

Page 1 of 1

Report Run On: Tuesday, 05 March
2024 08:41

Case # 24-00000083
Site Address: 507 N DOUGLAS
Case Description: substandard building

Parcel # : 276936

Note Type	Note Code	Text	Created By	Begin Date	End Date
SITE VISIT		WENT BACK OUT FOR A REINSPECT AND NO PROGRESS HAS BEEN MADE AND NO CONTACT HAS BEEN MADE	Ashley Guerra	03/04/24	
GENERAL		SENT TO LEGAL ON MARCH 4 2024	Ashley Guerra	03/04/24	
CORRECTIVE ACTION		Due to a complaint drove by and noticed a substandard building that is dangerous needs to be brought up to code or brought down deadline for compliance is (7) seven days from the date of mailing	Ashley Guerra	02/23/24	
GENERAL		sent out notice of violation on Feb 23, 2024	Ashley Guerra	02/23/24	
SITE VISIT		on Jan 24,2024 dove by due to a complaint . upon arrival noticed a substandard building	Ashley Guerra	01/24/24	

STATE OF TEXAS

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COUNTY OF HOWARD

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**CERTIFICATION OF
PHOTOGRAPHS BY ASHLEY GUERRA**

“With regard to the photographs in **Exhibits E-4** I am familiar with and recognize the scene depicted in the photographs. On January, 24th, 2024 and March, 4th, 2024, I inspected the property described as:

LT 12 BK 7 BAUER 50X140 712 ACQ 122602 0.161 ACRES Big Spring,
Howard County, Texas, also known as **507 N DOUGLAS**, Big Spring, Texas.

Each of the photographs is a fair and accurate depiction of the scene at the relevant time.”

SIGNED on the 2 day of April, 2024.


AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024
by the above referenced Affiant.



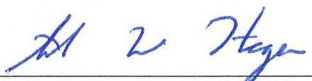

Notary Public, State of Texas

Exhibit E-4

24-000000 83



January 24, 2024 3:49 PM

Page 161 of 297



24-00000083



January 24, 2024 3:51 PM

Page 163 of 207







24-000000283



March 04, 2024 11:14 AM

Page 167 of 297

STATE OF TEXAS

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COUNTY OF HOWARD

**CERTIFICATION
NOTICE SENT BY ASHLEY GUERRA**

“The document in **Exhibit E-5** presents factual findings from a legally authorized investigation for code compliance. The document is a copy of the official record.”

Certified Mail Return for **Exhibit E-5** is also attached.

SIGNED on the 2 day of April, 2024.

Ashley Guerra
AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024
by the above referenced Affiant.



Andrew W Hagen
Notary Public, State of Texas

Exhibit E-5



City of Big Spring, TX
NOTIFICATION OF CODE VIOLATION
217 East 3rd St., Big Spring, TX 79720
Ph: 432-264-2504 Fax: 432-264-7024

2-23-2024

NOTICE OF VIOLATION

24-00000083

BADILLO ALICIA V 302 PARKVIEW DR
UNKNOWN
ARLINGTON, TX 76010

Subject Property: 507 N DOUGLAS , BIG SPRING, TX 00000
APN: 276936

Dear BADILLO ALICIA V 302 PARKVIEW DR

Municipal Code	Description	Corrective Action
----------------	-------------	-------------------

SUBSTANDARD STRUCTURE	304.1.1 UNSAFE CONDITIONS. The following conditions shall be determined as unsafe and shall be repaired or replaced to comply with the International Building Code or the International Existing Building Code as required for existing buildings: 1.Structural members have deterioration or distress that appears to reduce their load-carrying capacity.2.The anchorage of the floor or roof to walls or columns, and of walls and columns to foundations have deterioration or distress that appears to reduce their load-carrying capacity.3.Structures or components thereof have deterioration or distress that appears to reduce their load-carrying capacity.4.Siding and masonry joints including joints between the building envelope and the perimeter of windows, doors and skylights are not maintained, weather resistant or watertight.5.Reserved.6.Foundation systems that are not firmly supported by footings, are not plumb and free from open cracks and breaks, are not properly anchored or are not capable of supporting all nominal loads and resisting all load effects.7.Exterior walls that are not anchored to supporting and supported elements or are not plumb and free of holes, cracks or breaks and loose or rotting materials, are not properly anchored or are not capable of supporting all nominal loads and resisting all load effects.8.Roofing or roofing components that have defects that admit rain, roof surfaces with inadequate drainage, or any portion of the roof framing that is not in good repair with signs of deterioration, fatigue or without proper anchorage and in capable of supporting all nominal loads and resisting all load effects.9.Flooring and flooring components with defects that affect serviceability or flooring components that show signs of deterioration or fatigue, are not properly anchored or are incapable of supporting all nominal loads and resisting all load effects.10.Veneer, cornices, belt courses, corbels, trim, wall facings and similar decorative features not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.11.Overhang extensions or projections including, but not limited to, trash chutes, canopies, marquees, signs, awnings, fire escapes, standpipes, and exhaust ducts not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.12.Exterior stairs, decks, porches, balconies, and all similar appurtenances attached thereto, including guards and handrails, are not structurally sound, not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.13.Chimneys, cooling towers, smokestacks, and similar appurtenances not structurally sound or not properly anchored, or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.	Due to a complaint drove by and noticed a substandard building that is dangerous needs to be brought up to code or brought down Deadline for compliance (7) seven days from the date of mailing 2-23-24
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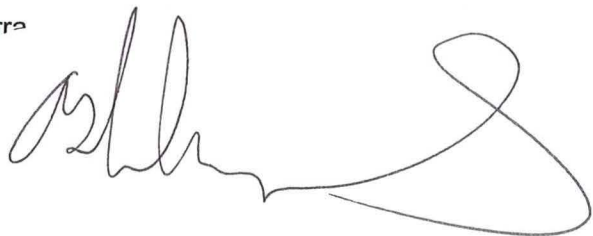
After , an inspection of your property will take place to verify compliance. Should this notice resolve the concern, no further action will be taken. However, please be advised, if a property owner or resident does not comply, further code enforcement action will be required.

Should you have questions regarding this notice, you may contact the undersigned at 432-264.2505 or by email at aguerra@mybigspring.com.

Thank you for helping to resolve this matter.

Sincerely,

Ashley Guerra
Code

A handwritten signature in black ink, appearing to read 'Ashley Guerra', followed by a large, stylized flourish or loop.



Case Number: 24-00000083

Code Compliance

217 E 3rd St., Big Spring, Texas 79720 · Ph. 432-264-2505

NOTICE OF VIOLATION AND NOTICE OF HEARING

Sent via: Certified Mail; Return Receipt Requested

March 19, 2024

Alicia V. Badillo
302 Parkview Dr.
Arlington, Texas 76010

Four Sevens Operating Co., Ltd.
306 W. 7th St., Suite 1045
Fort Worth, Texas 76102

Alicia V. Badillo
507 N. Douglas St.
Big Spring, Texas 79720

Four Sevens Operating Co. Ltd
108 Marcy Dr.
Big Spring, Texas 79720

Alicia V. Badillo
P.O. Box 2943
Big Spring, Texas 79721-2943

c/o Hunter Enis
Registered Agent
Four Sevens Operating Co., Ltd.
777 Taylor St., Suite 1090
Fort Worth, Texas 76102

Re: 507 N DOUGLAS, BIG SPRING, TEXAS 79720

**LEGAL DESCRIPTION: LT 12 BK 7 BAUER 50X140 712 ACQ 122602 0.161
ACRES, Howard County**

Big Spring Code Compliance has determined that at the following structure(s): MAIN STRUCTURE, at the property as stated above, is/are in violation of the following section(s) of the **Property Maintenance Code of Big Spring (PMC)**, constituting a nuisance:

VIOLATION	DESCRIPTION OF VIOLATION
111.1.5 HAZARDOUS STRUCTURE OR PREMISES. For the purpose of this code, any structure or premises that has any or all of the conditions or defects described as follows shall be considered to be hazardous: 11. Any portion of a building remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned so as to constitute such building or portion thereof as an attractive nuisance or hazard to the public.	The building was abandoned and constitutes an attractive nuisance. Hazardous condition.

304.1.1 UNSAFE CONDITIONS. The following conditions shall be determined as unsafe and shall be repaired or replaced to comply with the International Building Code or the International Existing Building Code as required for existing buildings: 8. Roofing or roofing components that have defects that admit rain, roof surfaces with inadequate drainage, or any portion of the roof framing that is not in good repair with signs of deterioration, fatigue or without proper anchorage and is capable of supporting all nominal loads and resisting all load effects.	The roof appears to admit rain and has signs of deterioration. Unsafe condition.
304.7 Roofs and drainage. The roof and flashing shall be sound, tight and not have defects that admit rain. Roof drainage shall be adequate to prevent dampness or deterioration in the walls or interior portion of the structure. Roof drains, gutters and downspouts shall be maintained in good repair and free from obstructions. Roof water shall not be discharged in a manner that creates a public nuisance.	The roof has defects that admit rain and is not sound and not tight.

The following actions are required to correct the violation(s) at the structure(s) as stated above:

Corrective Action Sought by Code Compliance

Secure and vacate the structure(s) until the violation(s) are resolved,
and:

DEMOLITION OR REPAIR
of MAIN STRUCTURE.

For further information about this notice, please contact the following person:

Issued by

Ashley Guerra

Name

Code Compliance Official

Title

+1 (432) 264-2505

Phone

aguerra@mybigspring.com

E-mail

The City's goal is voluntary compliance.

FAILURE TO TAKE THE CORRECTIVE ACTION BY THE DEADLINE MAY RESULT IN FINE. Failure to take the corrective action regarding the nuisance(s) by the prescribed deadline(s) may result in a complaint (a criminal charge, Class C Misdemeanor) sworn against you in the Municipal Court of Big Spring alleging the violation. A person found guilty may be convicted by the Court and fined. Each day that a violation continues after due

notice has been served is deemed a separate offense. A convicted person may appeal their case to Howard County Court. This punishment is separate from and in addition to any abatement action that the City may perform and cannot result in a lien.

YOU ARE HEREBY NOTIFIED THAT THE CITY HAS INITIATED PROCEEDINGS TO ABATE THE ABOVE-DESCRIBED NUISANCES AT YOUR EXPENSE.

This proceeding is held before a hearing board (either City Council or the Board of Adjustment and Appeals). The hearing board will review the case and rule on the City's request to abate the nuisance. If so ordered by the hearing board, the City will abate the nuisance and send you and/or the owner(s) an invoice for the City's costs plus a civil penalty, typically 25% of the amount of the costs. In the event you and/or the owner(s) do not pay the invoice promptly, the City of Big Spring will assess a lien against the property to secure payment for services rendered and the civil penalty. You have the right to appeal the costs, lien, and civil penalty to the District Court. The abatement procedure is separate from and in addition to any charge filed in Municipal Court.

The City Council will serve as the Hearing Board for your case. The hearing is scheduled for **5:30 PM, April 09, 2024** at the City Council Chambers located at **307 E 4th St., Big Spring, Texas 79720**. You are encouraged to attend this hearing to demonstrate the scope of work that may be required to comply with the Building Codes and the time it will take to reasonably perform the work.

CONDUCT OF THE HEARING. The Structural Standards Ordinance of the Big Spring City Code provides the following concerning the conduct of the hearing:

SECTION A-1.10. Rights of Parties

- (a) Rules. Hearings need not be conducted according to the technical rules relating to evidence and witnesses.
- (b) Admissibility of Evidence. Any relevant evidence shall be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions in courts of competent jurisdiction in this State.
- (c) Exclusion of Evidence. Irrelevant and unduly repetitious evidence shall be excluded.
- (d) Rights of Parties. Each party shall have the following rights, among others:
 - 1. To call and examine witnesses on any matter relevant to the issues of the hearing;
 - 2. To introduce documentary and physical evidence;
 - 3. To cross-examine opposing witnesses on any matter relevant to the issues of the hearing;

4. To impeach any witness regardless of which party first called him to testify;
5. To rebut the evidence against him;
6. To represent himself or to be represented by anyone of his choice who is lawfully permitted to do so.

Section C-9.02 (c) The City Attorney shall present the case for the City. If the City Attorney is recused or disqualified, the City Manager shall determine who shall present the case for the City.

YOU HAVE A RIGHT TO APPEAL THE DECISION OF THE HEARING BOARD. If the Hearing Board enters an order to abate the violation(s) at the structure(s) at the property, the order is preliminary, allowing you to appeal the order to District Court within thirty (30) days pursuant to Section 8.03 of the Structural Standards Ordinance of the Big Spring City Code. If you fail to appeal the Hearing Board's ruling within that time, such order shall become the final order.

FAILURE TO COMPLY/ATTACHMENT OF LIEN. If the owner of a premises fails to comply with an order of the Board within the time prescribed, and the City conducts abatement or work, either through an available public agency or by contract or arrangement with private persons, and the cost of such abatement work shall be charged against the real estate upon which the nuisance is located and shall be a lien on such real estate.

NOTICE TO OWNER: According to the real property records of Howard County, you own the real property described in this notice. If you no longer own the property, you must execute an affidavit stating that you no longer own the property and stating the name and last known address of the person who acquired the property from you. The affidavit must be delivered in person or by certified mail, return receipt requested, to this office not later than the 20th day after the date you receive this notice. If you do not send the affidavit, it will be presumed that you own the property described in this notice, even if you do not.

NOTICE TO EMPLOYEE OF OWNER: If you are an individual employed by the owner of the property, or a company that manages the property on behalf of the owner, you may be personally liable for criminal or civil penalties resulting from the violation under Section 250.003, Texas Local Government Code, unless, not later than the fifth calendar day after this notice you provide the property owner's name, current street address, and telephone number to the Code Compliance Officer who sent this notice.

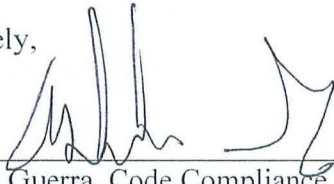
TRANSFER OF OWNERSHIP UNLAWFUL: Please be advised that until this order is complied with, it shall be unlawful (being a Class C Misdemeanor) to transfer ownership of the property— with conditions and exceptions stated in PMC Sec. 111.6.

RIGHTS AND REMEDIES RESERVED. The City of Big Spring expressly reserves any additional rights and remedies that may be available to it, including but not limited to injunctive or equitable relief.

CITY CODE. The City Code is online at https://library.municode.com/tx/big_spring. See Big Spring City Code, Chapter 36, Property Maintenance Code of Big Spring; and 2021 International Property Maintenance Code, available for public inspection at the Office of the City Secretary at

310 Nolan St., Big Spring, Texas and available online for free at
<https://codes.iccsafe.org/codes/i-codes>.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ashley Guerra', written over a horizontal line.

Ashley Guerra, Code Compliance Official
City of Big Spring, Texas

STATE OF TEXAS

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COUNTY OF HOWARD

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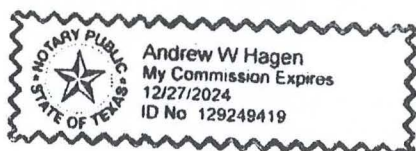
**CERTIFICATION
OF POSTING OF PUBLIC HEARING**

“The Hearing Board of the City of Big Spring, Texas notice of Public Hearing scheduled for April 09, 2024, attached as **Exhibit E-6**, was posted on or near the front door of each dwelling unit listed in the attached notice on March 27th, 2024.

SIGNED on the 2 day of April, 2024.


AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024
by the above referenced Affiant.




Notary Public, State of Texas

Exhibit E-6



Code Enforcement

217 E 3rd St., Big Spring, Texas 79720 · Ph. 432-264-2505

NOTICE OF PUBLIC HEARING CONCERNING PUBLIC NUISANCE

NOTICE IS HEREBY GIVEN THAT THE BIG SPRING HEARING BOARD WILL HOLD A PUBLIC HEARING ON **APRIL 9TH, 2024, AT 5:30 P.M.**, IN THE CITY OF BIG SPRING COUNCIL CHAMBERS AT 307 E 4TH ST., BIG SPRING, TEXAS 79720 TO CONSIDER ABATEMENT OF PUBLIC NUISANCES ON PROPERTIES IN THE CITY OF BIG SPRING, TEXAS. ALL INTERESTED PERSONS MAY SPEAK, THEN A DETERMINATION WILL BE MADE AND REMEDIAL ACTION ORDERED ON THE FOLLOWING PROPERTIES:

1610 W 3RD, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: PART N/115 OF LT 1 BK 9 BROWN 50X118 449 BLK/TRACT 49 0.132 ACRES – OWNER: ESTHER HUGHES

112 E 13TH, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: E/2 OF LT 6 & LT 7 BK 8 MCDOWELL HEIGHTS 75X140 225 ACQ 03072016 BLK/TRACT 32 1S 0.241 ACRES – OWNER: EDWARD ASH

507 N DOUGLAS, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LT 12 BK 7 BAUER 50X140 712 ACQ 122602 0.161 ACRES – OWNER: ALICIA V BADILLO

THE CITY OF BIG SPRING HEARING BOARD MEETING IS AVAILABLE TO ALL PERSONS REGARDLESS OF DISABILITY. IF YOU REQUIRE SPECIAL ASSISTANCE, PLEASE CONTACT TAMI DAVIS AT 432-264-2513 OR AT 310 NOLAN, BIG SPRING, TEXAS 79720, AT LEAST FORTY-EIGHT (48) HOURS IN ADVANCE OF THE MEETING.

Nick Reyna

Nick Reyna, Building Official, City of Big Spring



March 17, 2015 1:15 PM

112 E 13TH

Code Enforcement Officer: Malissa Garcia

Exhibit C-1

STATE OF TEXAS

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COUNTY OF HOWARD

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**AFFIDAVIT OF MALISSA GARCIA
CONCERNING 112 E 13TH**

BEFORE ME, the undersigned authority, on this day, personally appeared **Malissa Garcia**, who, being by me duly sworn, deposed as follows:

“My name is **Malissa Garcia**. I am over 21 years of age, of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated:

“I am a Code Enforcement Officer for the City of Big Spring, Texas. In the course of my duties, I inspect properties for compliance with Texas state law and the ordinances of the City of Big Spring. I am an employee of the City of Big Spring and am familiar with the manner in which its records are created and maintained by virtue of my duties and responsibilities. Attached are pages of records relating to the Code Compliance Case for **112 E 13TH**, Big Spring, Texas. These are exact duplicates of original records. The records were made at or near the time of each act, event, or finding set forth. The records were made by, or from information transmitted by, persons with knowledge of the matters set forth. The records were kept in the course of regularly conducted business activity. It is the regular practice of the business activity to make the records.”

SIGNED on the 2 day of April, 2024.

M. Garcia
AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024 by the above referenced Affiant.



Andrew W. Hagen
Notary Public, State of Texas

Exhibit C-2

Property Details

Account		
Property ID:	283076	Geographic ID: B4320005300
Type:	Real	Zoning:
Property Use:		Condo:
Location		
Situs Address:	112 E 13TH	
Map ID:		Mapsco:
Legal Description:	E/2 OF LT 6 & LT 7 BK 8 MCDOWELL HEIGHTS 75X140 225 ACQ 03072016 BLK/TRACT 32 1S 0.241 ACRES	
Abstract/Subdivision:		
Neighborhood:	MCDW	
Owner ?		
Owner ID:	444834	
Name:	ASH EDWARD	
Agent:		
Mailing Address:	750 UNION RIDGE RD WARTRACE, TN 37183	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	\$0 (+)
Improvement Non-Homesite Value:	\$277 (+)
Land Homesite Value:	\$0 (+)
Land Non-Homesite Value:	\$5,250 (+)
Agricultural Market Valuation:	\$0 (+)
Market Value:	\$5,527 (=)

Agricultural Value Loss: ⓘ	\$0 (-)
Appraised Value:	\$5,527 (=)
Homestead Cap Loss: ⓘ	\$0 (-)
Assessed Value:	\$5,527
Ag Use Value:	\$0

VALUES DISPLAYED ARE 2023 PRELIMINARY VALUES AND ARE SUBJECT TO CHANGE PRIOR TO CERTIFICATION.

Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Owner: ASH EDWARD **%Ownership:** 100.0%

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
01H	HOWARD COUNTY	0.208716	\$5,527	\$5,527	\$11.54	
02B	CITY OF BIG SPRING	0.636039	\$5,527	\$5,527	\$35.15	
03B	BIG SPRING ISD	0.763200	\$5,527	\$5,527	\$42.18	
052	HOWARD COLLEGE	0.154789	\$5,527	\$5,527	\$8.56	
ZZZ	CREDIT	0.000000	\$0	\$0	\$0.00	

Total Tax Rate: 1.762744

Estimated Taxes With Exemptions: \$97.43

Estimated Taxes Without Exemptions: \$97.43

STATE OF TEXAS

COUNTY OF HOWARD

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CERTIFICATION
112 E 13TH CASE NOTES

“This record, attached as **Exhibit C-3**, was made at or near the time by – or from information transmitted by a person or persons with the City with knowledge.

This record was kept in the course of a regularly conducted business activity of the Code Compliance Department of the City of Big Spring, Texas.

Making this record was a regular practice of that activity.

1. The City uses a computer.
2. The computer is reliable.
3. The City has developed procedures for inserting data into the computer.
4. The procedure has built-in safeguards to ensure accuracy and to identify errors.
5. The City keeps the computer in a good state of repair.
6. I had the computer readout certain data.
7. I used the proper procedures to obtain the readout.
8. The computer was in working order at the time I obtained the readout.
9. I recognize the attached **Exhibit C-3** as the readout.”

SIGNED on the 2 day of April, 2024.

M. Garcia
AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024

by the above referenced Affiant.



Andrew W Hagen
Notary Public, State of Texas

Exhibit C-3



CASE NOTES

Page 1 of 1

Report Run On: Friday, 08 March
2024 16:20

Case # 24-00000094

Parcel # : 283076

Site Address: 112 E 13TH

Case Description: structure is open the the elements

Note Type	Note Code	Text	Created By	Begin Date	End Date
SITE VISIT		went back for a reinspect and no progress has been made 3-8-24 also no contact has been made	Malissa Garcia	03/08/24	
GENERAL		sent to legal on 3-8-24	Malissa Garcia	03/08/24	
GENERAL		SENT OUT NOTICE OF VIOLATION ON 2-29-24	Ashley Guerra	02/29/24	
PHOTOS		structure has holes in the roof	Malissa Garcia	02/26/24	
CORRECTIVE ACTION		structure needs to be removed or repaired	Malissa Garcia	02/26/24	

STATE OF TEXAS

COUNTY OF HOWARD

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**CERTIFICATION OF
PHOTOGRAPHS BY MALISSA GARCIA**

“With regard to the photographs in **Exhibits C-4** I am familiar with and recognize the scene depicted in the photographs. On February, 26th, 2024 and March, 8th, 2024, I inspected the property described as:

E/2 OF LT 6 & LT 7 BK 8 MCDOWELL HEIGHTS 75X140 225 ACQ
03072016 BLK/TRACT 32 1S 0.241 ACRES Big Spring, Howard County,
Texas, also known as **112 E 13TH**, Big Spring, Texas.

Each of the photographs is a fair and accurate depiction of the scene at the relevant time.”

SIGNED on the 2 day of April, 2024.

M. Garcia
AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024
by the above referenced Affiant.

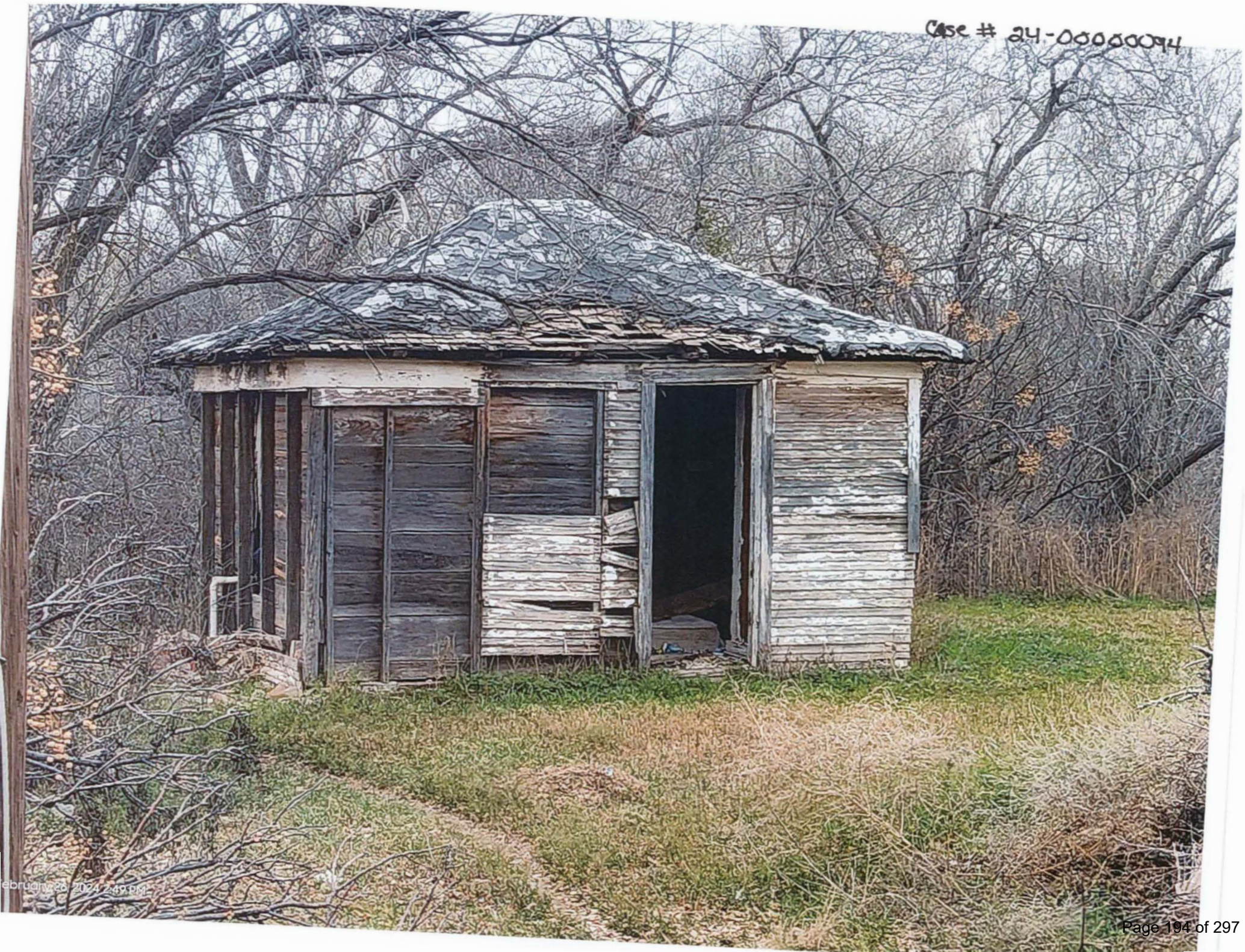


Andrew W Hagen
Notary Public, State of Texas

Exhibit C-4



Case # 24-00000094



February 26, 2024 2:49 PM



Case # 24-00000094

March 8, 2024 2:53 PM



March 8, 2024 2:53 PM



March 8, 2024 2:54 PM

STATE OF TEXAS

COUNTY OF HOWARD

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**CERTIFICATION
NOTICE SENT BY MALISSA GARCIA**

“The document in **Exhibit C-5** presents factual findings from a legally authorized investigation for code compliance. The document is a copy of the official record.”

Certified Mail Return for **Exhibit C-5** is also attached.

SIGNED on the 2 day of April, 2024.

M. Garcia
AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024
by the above referenced Affiant.



A W Hagen
Notary Public, State of Texas

Exhibit C-5



City of Big Spring, TX
NOTIFICATION OF CODE VIOLATION
217 East 3rd St., Big Spring, TX 79720
Ph: 432-264-2504 Fax: 432-264-7024

2-29-25

NOTICE OF VIOLATION

24-00000094

ASH EDWARD
750 UNION RIDGE RD
WARTRACE, TN 37183

Subject Property: 112 E 13TH , BIG SPRING, TX 00000
APN: 283076

Dear ASH EDWARD

Municipal Code	Description	Corrective Action
----------------	-------------	-------------------

SUBSTANDARD
STRUCTURE

304.1.1 UNSAFE CONDITIONS. The following conditions shall be determined as unsafe and shall be repaired or replaced to comply with the International Building Code or the International Existing Building Code as required for existing buildings:

1.Structural members have deterioration or distress that appears to reduce their load-carrying capacity.2.The anchorage of the floor or roof to walls or columns, and of walls and columns to foundations have deterioration or distress that appears to reduce their load-carrying capacity.3.Structures or components thereof have deterioration or distress that appears to reduce their load-carrying capacity.4.Siding and masonry joints including joints between the building envelope and the perimeter of windows, doors and skylights are not maintained, weather resistant or watertight.5.Reserved.6.Foundation systems that are not firmly supported by footings, are not plumb and free from open cracks and breaks, are not properly anchored or are not capable of supporting all nominal loads and resisting all load effects.7.Exterior walls that are not anchored to supporting and supported elements or are not plumb and free of holes, cracks or breaks and loose or rotting materials, are not properly anchored or are not capable of supporting all nominal loads and resisting all load effects.8.Roofing or roofing components that have defects that admit rain, roof surfaces with inadequate drainage, or any portion of the roof framing that is not in good repair with signs of deterioration, fatigue or without proper anchorage and in capable of supporting all nominal loads and resisting all load effects.9.Flooring and flooring components with defects that affect serviceability or flooring components that show signs of deterioration or fatigue, are not properly anchored or are incapable of supporting all nominal loads and resisting all load effects.10.Veneer, cornices, belt courses, corbels, trim, wall facings and similar decorative features not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.11.Overhang extensions or projections including, but not limited to, trash chutes, canopies, marquees, signs, awnings, fire escapes, standpipes, and exhaust ducts not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.12.Exterior stairs, decks, porches, balconies, and all similar appurtenances attached thereto, including guards and handrails, are not structurally sound, not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.13.Chimneys, cooling towers, smokestacks, and similar appurtenances not structurally sound or not properly anchored, or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.

structure needs to be removed or repaired

**DEADLINE FOR
COMPLIANCE
(7) SEVEN DAYS
FROM THE
DATE OF
MAILING 2-29-24**

After , an inspection of your property will take place to verify compliance. Should this notice resolve the concern, no further action will be taken. However, please be advised, if a property owner or resident does not comply, further code enforcement action will be required.

Should you have questions regarding this notice, you may contact the undersigned at 432.264.2506 or by email at mgarcia@mybigspring.com.

Thank you for helping to resolve this matter.

Sincerely,

Malissa Garcia
Code Enforcement Officer



Case Number: 24-00000094

Code Compliance

217 E 3rd St., Big Spring, Texas 79720 · Ph. 432-264-2505

NOTICE OF VIOLATION AND NOTICE OF HEARING

Sent via: Certified Mail; Return Receipt Requested

March 19, 2024

Edward Ash
750 Union Ridge Rd.
Wartrace, Tennessee 37183

Edward Charles Ash
6107 N. Interstate I-20 Service Rd., Lot 10
Big Spring, Texas 79720

Edward Ash
112 E. 13th St.
Big Spring, Texas 79720

Edward Charles Ash
612 NE 9th St.
Big Spring, Texas 79720-1429

Edward Charles Ash
1507 Eubanks Rd.
Big Spring, Texas 79720

Re: 112 E 13TH, BIG SPRING, TEXAS 79720

**LEGAL DESCRIPTION: E/2 OF LT 6 & LT 7 BK 8 MCDOWELL HEIGHTS
75X140 225 ACQ 03072016 BLK/TRACT 32 1S 0.241 ACRES, Howard County**

Big Spring Code Compliance has determined that at the following structure(s): MAIN STRUCTURE, at the property as stated above, is/are in violation of the following section(s) of the **Property Maintenance Code of Big Spring (PMC)**, constituting a nuisance:

VIOLATION	DESCRIPTION OF VIOLATION
111.1.5 HAZARDOUS STRUCTURE OR PREMISES. For the purpose of this code, any structure or premises that has any or all of the conditions or defects described as follows shall be considered to be hazardous: 6. The building or structure, or any portion thereof, is clearly unsafe for its use and occupancy. 7. The building or structure is neglected, damaged, dilapidated, unsecured or abandoned so as to become an attractive nuisance to children who might play in the building or structure to their danger, becomes a harbor for vagrants, criminals, or immoral persons, or enables	The building was abandoned and constitutes an attractive nuisance. Hazardous condition.

persons to resort to the building or structure for committing a nuisance or an unlawful act. 9. A building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, ventilation, mechanical or plumbing system, or otherwise, is determined by the code official to be unsanitary, unfit for human habitation or in such a condition that is likely to cause sickness or disease. 11. Any portion of a building remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned so as to constitute such building or portion thereof as an attractive nuisance or hazard to the public.	
304.1.1 UNSAFE CONDITIONS. The following conditions shall be determined as unsafe and shall be repaired or replaced to comply with the International Building Code or the International Existing Building Code as required for existing buildings: 8. Roofing or roofing components that have defects that admit rain, roof surfaces with inadequate drainage, or any portion of the roof framing that is not in good repair with signs of deterioration, fatigue or without proper anchorage and in capable of supporting all nominal loads and resisting all load effects.	The roof appears to admit rain and has signs of deterioration. Unsafe condition.
304.7 Roofs and drainage. The roof and flashing shall be sound, tight and not have defects that admit rain. Roof drainage shall be adequate to prevent dampness or deterioration in the walls or interior portion of the structure. Roof drains, gutters and downspouts shall be maintained in good repair and free from obstructions. Roof water shall not be discharged in a manner that creates a public nuisance.	The roof has defects that admit rain and is not sound and not tight.

The following actions are required to correct the violation(s) at the structure(s) as stated above:

Corrective Action Sought by Code Compliance

Secure and vacate the structure(s) until the violation(s) are resolved,
and:

DEMOLITION OR REPAIR
of MAIN STRUCTURE.

For further information about this notice, please contact the following person:

Issued by

Malissa Garcia	Code Enforcement Officer
<i>Name</i>	<i>Title</i>
+1 (432) 264-2506	mgarcia@mybigspring.com
<i>Phone</i>	<i>E-mail</i>

The City's goal is voluntary compliance.

FAILURE TO TAKE THE CORRECTIVE ACTION BY THE DEADLINE MAY RESULT IN FINE. Failure to take the corrective action regarding the nuisance(s) by the prescribed deadline(s) may result in a complaint (a criminal charge, Class C Misdemeanor) sworn against you in the Municipal Court of Big Spring alleging the violation. A person found guilty may be convicted by the Court and fined. Each day that a violation continues after due notice has been served is deemed a separate offense. A convicted person may appeal their case to Howard County Court. This punishment is separate from and in addition to any abatement action that the City may perform and cannot result in a lien.

YOU ARE HEREBY NOTIFIED THAT THE CITY HAS INITIATED PROCEEDINGS TO ABATE THE ABOVE-DESCRIBED NUISANCES AT YOUR EXPENSE. This proceeding is held before a hearing board (either City Council or the Board of Adjustment and Appeals). The hearing board will review the case and rule on the City's request to abate the nuisance. If so ordered by the hearing board, the City will abate the nuisance and send you and/or the owner(s) an invoice for the City's costs plus a civil penalty, typically 25% of the amount of the costs. In the event you and/or the owner(s) do not pay the invoice promptly, the City of Big Spring will assess a lien against the property to secure payment for services rendered and the civil penalty. You have the right to appeal the costs, lien, and civil penalty to the District Court. The abatement procedure is separate from and in addition to any charge filed in Municipal Court.

The City Council will serve as the Hearing Board for your case. The hearing is scheduled for **5:30 PM, April 09, 2024** at the City Council Chambers located at **307 E 4th St., Big Spring, Texas 79720**. You are encouraged to attend this hearing to demonstrate the scope of work that may be required to comply with the Building Codes and the time it will take to reasonably perform the work.

CONDUCT OF THE HEARING. The Structural Standards Ordinance of the Big Spring City Code provides the following concerning the conduct of the hearing:

SECTION A-1.10. Rights of Parties

- (a) Rules. Hearings need not be conducted according to the technical rules relating to evidence and witnesses.
- (b) Admissibility of Evidence. Any relevant evidence shall be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which

might make improper the admission of such evidence over objection in civil actions in courts of competent jurisdiction in this State.

- (c) Exclusion of Evidence. Irrelevant and unduly repetitious evidence shall be excluded.
- (d) Rights of Parties. Each party shall have the following rights, among others:
 - 1. To call and examine witnesses on any matter relevant to the issues of the hearing;
 - 2. To introduce documentary and physical evidence;
 - 3. To cross-examine opposing witnesses on any matter relevant to the issues of the hearing;
 - 4. To impeach any witness regardless of which party first called him to testify;
 - 5. To rebut the evidence against him;
 - 6. To represent himself or to be represented by anyone of his choice who is lawfully permitted to do so.

Section C-9.02 (c) The City Attorney shall present the case for the City. If the City Attorney is recused or disqualified, the City Manager shall determine who shall present the case for the City.

YOU HAVE A RIGHT TO APPEAL THE DECISION OF THE HEARING BOARD. If the Hearing Board enters an order to abate the violation(s) at the structure(s) at the property, the order is preliminary, allowing you to appeal the order to District Court within thirty (30) days pursuant to Section 8.03 of the Structural Standards Ordinance of the Big Spring City Code. If you fail to appeal the Hearing Board's ruling within that time, such order shall become the final order.

FAILURE TO COMPLY/ATTACHMENT OF LIEN. If the owner of a premises fails to comply with an order of the Board within the time prescribed, and the City conducts abatement or work, either through an available public agency or by contract or arrangement with private persons, and the cost of such abatement work shall be charged against the real estate upon which the nuisance is located and shall be a lien on such real estate.

NOTICE TO OWNER: According to the real property records of Howard County, you own the real property described in this notice. If you no longer own the property, you must execute an affidavit stating that you no longer own the property and stating the name and last known address of the person who acquired the property from you. The affidavit must be delivered in person or by certified mail, return receipt requested, to this office not later than the 20th day after the date you receive this notice. If you do not send the affidavit, it will be presumed that you own the property described in this notice, even if you do not.

NOTICE TO EMPLOYEE OF OWNER: If you are an individual employed by the owner of the property, or a company that manages the property on behalf of the owner, you may be personally liable for criminal or civil penalties resulting from the violation under Section

250.003, Texas Local Government Code, unless, not later than the fifth calendar day after this notice you provide the property owner's name, current street address, and telephone number to the Code Compliance Officer who sent this notice.

TRANSFER OF OWNERSHIP UNLAWFUL: Please be advised that until this order is complied with, it shall be unlawful (being a Class C Misdemeanor) to transfer ownership of the property— with conditions and exceptions stated in PMC Sec. 111.6.

RIGHTS AND REMEDIES RESERVED. The City of Big Spring expressly reserves any additional rights and remedies that may be available to it, including but not limited to injunctive or equitable relief.

CITY CODE. The City Code is online at https://library.municode.com/tx/big_spring. See Big Spring City Code, Chapter 36, Property Maintenance Code of Big Spring; and 2021 International Property Maintenance Code, available for public inspection at the Office of the City Secretary at 310 Nolan St., Big Spring, Texas and available online for free at <https://codes.iccsafe.org/codes/i-codes>.

Sincerely,



Malissa Garcia, Code Enforcement Officer
City of Big Spring, Texas

STATE OF TEXAS

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COUNTY OF HOWARD

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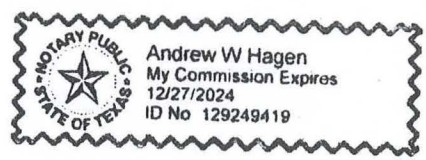
**CERTIFICATION
OF POSTING OF PUBLIC HEARING**

“The Hearing Board of the City of Big Spring, Texas notice of Public Hearing scheduled for April 09, 2024, attached as **Exhibit C-6**, was posted on or near the front door of each dwelling unit listed in the attached notice on March 27, 2024.

SIGNED on the 2 day of April, 2024.

M. Garcia
AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024
by the above referenced Affiant.



Andrew W Hagen
Notary Public, State of Texas

Exhibit C-6



Code Enforcement

217 E 3rd St., Big Spring, Texas 79720 · Ph. 432-264-2505

NOTICE OF PUBLIC HEARING CONCERNING PUBLIC NUISANCE

NOTICE IS HEREBY GIVEN THAT THE BIG SPRING HEARING BOARD WILL HOLD A PUBLIC HEARING ON **APRIL 9TH, 2024, AT 5:30 P.M.**, IN THE CITY OF BIG SPRING COUNCIL CHAMBERS AT 307 E 4TH ST., BIG SPRING, TEXAS 79720 TO CONSIDER ABATEMENT OF PUBLIC NUISANCES ON PROPERTIES IN THE CITY OF BIG SPRING, TEXAS. ALL INTERESTED PERSONS MAY SPEAK, THEN A DETERMINATION WILL BE MADE AND REMEDIAL ACTION ORDERED ON THE FOLLOWING PROPERTIES:

1610 W 3RD, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: PART N/115 OF LT 1 BK 9 BROWN 50X118 449 BLK/TRACT 49 0.132 ACRES – OWNER: ESTHER HUGHES

112 E 13TH, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: E/2 OF LT 6 & LT 7 BK 8 MCDOWELL HEIGHTS 75X140 225 ACQ 03072016 BLK/TRACT 32 1S 0.241 ACRES – OWNER: EDWARD ASH

507 N DOUGLAS, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LT 12 BK 7 BAUER 50X140 712 ACQ 122602 0.161 ACRES – OWNER: ALICIA V BADILLO

THE CITY OF BIG SPRING HEARING BOARD MEETING IS AVAILABLE TO ALL PERSONS REGARDLESS OF DISABILITY. IF YOU REQUIRE SPECIAL ASSISTANCE, PLEASE CONTACT TAMI DAVIS AT 432-264-2513 OR AT 310 NOLAN, BIG SPRING, TEXAS 79720, AT LEAST FORTY-EIGHT (48) HOURS IN ADVANCE OF THE MEETING.

Nick Reyna

Nick Reyna, Building Official, City of Big Spring



March 27, 2024 12:46 PM

1610 W 3RD

Code Compliance Official: Ashley Guerra

Exhibit B-1

STATE OF TEXAS

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§

COUNTY OF HOWARD

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**AFFIDAVIT OF ASHLEY GUERRA
CONCERNING 1610 W 3RD**

BEFORE ME, the undersigned authority, on this day, personally appeared **Ashley Guerra**, who, being by me duly sworn, deposed as follows:

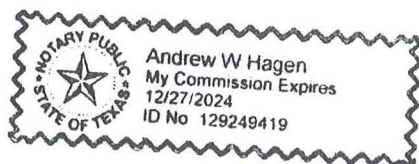
“My name is **Ashley Guerra**. I am over 21 years of age, of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated:

“I am a Code Compliance Official for the City of Big Spring, Texas. In the course of my duties, I inspect properties for compliance with Texas state law and the ordinances of the City of Big Spring. I am an employee of the City of Big Spring and am familiar with the manner in which its records are created and maintained by virtue of my duties and responsibilities. Attached are pages of records relating to the Code Compliance Case for **1610 W 3RD**, Big Spring, Texas. These are exact duplicates of original records. The records were made at or near the time of each act, event, or finding set forth. The records were made by, or from information transmitted by, persons with knowledge of the matters set forth. The records were kept in the course of regularly conducted business activity. It is the regular practice of the business activity to make the records.”

SIGNED on the 2 day of April, 2024.

Ashley Guerra
AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024 by the above referenced Affiant.



Andrew W. Hagen
Notary Public, State of Texas

Exhibit B-2

Property Details

Account		
Property ID:	277789	Geographic ID: B2460006100
Type:	Real	Zoning:
Property Use:		Condo:
Location		
Situs Address:	1610 W 3RD	
Map ID:		Mapsco:
Legal Description:	PART N/115 OF LT 1 BK 9 BROWN 50X118 449 BLK/TRACT 49 0.132 ACRES	
Abstract/Subdivision:		
Neighborhood:	LKVW	
Owner 		
Owner ID:	421546	
Name:	HUGHES ESTHER	
Agent:		
Mailing Address:	508 HIGHLAND DR BIG SPRING, TX 79720	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:		\$18,582 (+)
Improvement Non-Homesite Value:		\$0 (+)
Land Homesite Value:		\$5,500 (+)
Land Non-Homesite Value:		\$0 (+)
Agricultural Market Valuation:		\$0 (+)
Market Value:		\$24,082 (=)

Agricultural Value Loss:?	\$0 (-)
Appraised Value:	\$24,082 (=)
Homestead Cap Loss: ?	\$0 (-)
Assessed Value:	\$24,082
Ag Use Value:	\$0

VALUES DISPLAYED ARE 2023 PRELIMINARY VALUES AND ARE SUBJECT TO CHANGE PRIOR TO CERTIFICATION.

Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Owner: HUGHES ESTHER %Ownership: 100.0%

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
01H	HOWARD COUNTY	0.208716	\$24,082	\$24,082	\$50.26	
02B	CITY OF BIG SPRING	0.636039	\$24,082	\$24,082	\$153.17	
03B	BIG SPRING ISD	0.763200	\$24,082	\$24,082	\$183.79	
052	HOWARD COLLEGE	0.154789	\$24,082	\$24,082	\$37.28	
ZZZ	CREDIT	0.000000	\$0	\$0	\$0.00	

Total Tax Rate: 1.762744

Estimated Taxes With Exemptions: \$424.50

Estimated Taxes Without Exemptions: \$424.50

STATE OF TEXAS

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COUNTY OF HOWARD

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CERTIFICATION
1610 W 3RD CASE NOTES

“This record, attached as **Exhibit B-3**, was made at or near the time by – or from information transmitted by a person or persons with the City with knowledge.

This record was kept in the course of a regularly conducted business activity of the Code Compliance Department of the City of Big Spring, Texas.

Making this record was a regular practice of that activity.

1. The City uses a computer.
2. The computer is reliable.
3. The City has developed procedures for inserting data into the computer.
4. The procedure has built-in safeguards to ensure accuracy and to identify errors.
5. The City keeps the computer in a good state of repair.
6. I had the computer readout certain data.
7. I used the proper procedures to obtain the readout.
8. The computer was in working order at the time I obtained the readout.
9. I recognize the attached **Exhibit B-3** as the readout.”

SIGNED on the 2 day of April, 2024.


 AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024

by the above referenced Affiant.


 Notary Public, State of Texas



Exhibit B-3



CASE NOTES

Page 1 of 1

Report Run On: Thursday, 15
February 2024 15:11

Case # 24-00000039
Site Address: 1610 W 3RD
Case Description: substandard case

Parcel # : 277789

Note Type	Note Code	Text	Created By	Begin Date	End Date
GENERAL		SENT TO LEGAL ON 2-15-24	Ashley Guerra	02/15/24	
SITE VISIT		WENT BACK FOR A REINSPECT ON FEB 13 2024 NO COMPLIANCE HAS BEEN MADE .	Ashley Guerra	02/13/24	
GENERAL		SENT OUT NOTICE OF VIOLATION ON Feb- 5 -2024	Ashley Guerra	02/05/24	
CORRECTIVE ACTION		SUBSTANDARD BUILDING NEEDS TO BE BROUGHT DOWN OR BROUGHT UP TO CODE . DEADLINE FOR COMPLIANCE (7) SEVEN DAYS FROM THE DATE OF MAILING 2-5-24	Ashley Guerra	01/31/24	
GENERAL		photos of substandard structure	Malissa Garcia	01/12/24	
SITE VISIT		ON JAN 12 2024 DROVE BY DUE TO A COMPLAINT NOTICED A SUBSTANDARD STRUCTURE .	Ashley Guerra	01/12/24	

STATE OF TEXAS

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COUNTY OF HOWARD

**CERTIFICATION OF
PHOTOGRAPHS BY ASHLEY GUERRA**

“With regard to the photographs in **Exhibits B-4** I am familiar with and recognize the scene depicted in the photographs. On January, 12th, 2024 and February, 13th, 2024, I inspected the property described as:

PART N/115 OF LT 1 BK 9 BROWN 50X118 449 BLK/TRACT 49 0.132
ACRES Big Spring, Howard County, Texas, also known as **1610 W 3RD**, Big
Spring, Texas.

Each of the photographs is a fair and accurate depiction of the scene at the relevant time.”

SIGNED on the 2 day of April, 2024.

Ashley Guerra
AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024
by the above referenced Affiant.



Andrew W Hagen
Notary Public, State of Texas

Exhibit B-4

Case # 24-00000039



January 12, 2024 1:40 PM



January 12, 2024 1:40 PM



January 12, 2024 1:41 PM









STATE OF TEXAS

COUNTY OF HOWARD

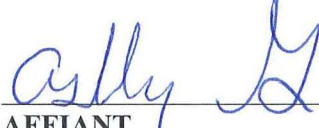
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CERTIFICATION
NOTICE SENT BY ASHLEY GUERRA

“The document in **Exhibit B-5** presents factual findings from a legally authorized investigation for code compliance. The document is a copy of the official record.”

Certified Mail Return for **Exhibit B-5** is also attached.

SIGNED on the 2 day of April, 2024.



AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024
by the above referenced Affiant.





Notary Public, State of Texas

Exhibit B-5



City of Big Spring, TX
NOTIFICATION OF CODE VIOLATION

217 East 3rd St., Big Spring, TX 79720
Ph: 432-264-2504 Fax: 432-264-7024

FINAL NOTICE OF VIOLATION

24-00000039

HUGHES ESTHER
508 HIGHLAND DR
BIG SPRING, TX 79720

Subject Property: 1610 W 3RD , BIG SPRING, TX 00000
APN: 277789

Dear HUGHES ESTHER

This is a follow-up notice regarding the subject address where code violations persist. As you are aware, on you were sent a notice regarding this matter.

Your property was recently reinspected and no progress was observed. You must make the following correction(s) by or contact Code Enforcement to get this matter resolved promptly.

Municipal Code	Description	Corrective Action
----------------	-------------	-------------------

SUBSTANDARD STRUCTURE	304.1.1 UNSAFE CONDITIONS. The following conditions shall be determined as unsafe and shall be repaired or replaced to comply with the International Building Code or the International Existing Building Code as required for existing buildings: 1.Structural members have deterioration or distress that appears to reduce their load-carrying capacity.2.The anchorage of the floor or roof to walls or columns, and of walls and columns to foundations have deterioration or distress that appears to reduce their load-carrying capacity.3.Structures or components thereof have deterioration or distress that appears to reduce their load-carrying capacity.4.Siding and masonry joints including joints between the building envelope and the perimeter of windows, doors and skylights are not maintained, weather resistant or watertight.5.Reserved.6.Foundation systems that are not firmly supported by footings, are not plumb and free from open cracks and breaks, are not properly anchored or are not capable of supporting all nominal loads and resisting all load effects.7.Exterior walls that are not anchored to supporting and supported elements or are not plumb and free of holes, cracks or breaks and loose or rotting materials, are not properly anchored or are not capable of supporting all nominal loads and resisting all load effects.8.Roofing or roofing components that have defects that admit rain, roof surfaces with inadequate drainage, or any portion of the roof framing that is not in good repair with signs of deterioration, fatigue or without proper anchorage and in capable of supporting all nominal loads and resisting all load effects.9.Flooring and flooring components with defects that affect serviceability or flooring components that show signs of deterioration or fatigue, are not properly anchored or are incapable of supporting all nominal loads and resisting all load effects.10.Veneer, cornices, belt courses, corbels, trim, wall facings and similar decorative features not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.11.Overhang extensions or projections including, but not limited to, trash chutes, canopies, marquees, signs, awnings, fire escapes, standpipes, and exhaust ducts not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.12.Exterior stairs, decks, porches, balconies, and all similar appurtenances attached thereto, including guards and handrails, are not structurally sound, not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.13.Chimneys, cooling towers, smokestacks, and similar appurtenances not structurally sound or not properly anchored, or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.	SUBSTANDARD BUILDING NEEDS TO BE BROUGHT DOWN OR BROUGHT UP TO CODE . DEADLINE FOR COMPLIANCE (7) SEVEN DAYS FROM THE DATE OF MAILING 2-5-24
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After , an inspection of your property will take place to verify compliance. Should this notice resolve the concern, no further action will be taken. However, please be advised, if a property owner or resident does not comply, further code enforcement action will be required.

Should you have questions regarding this notice, you may contact the undersigned at 432-264.2505 or by email at aguerra@mybigspring.com.

Thank you for helping to resolve this matter.

Sincerely,

Ashley Guerra
Code

A handwritten signature in black ink, appearing to read 'Ashley Guerra', written in a cursive style.



Case Number: 24-00000039

Code Compliance

217 E 3rd St., Big Spring, Texas 79720 · Ph. 432-264-2505

**NOTICE OF VIOLATION
AND NOTICE OF HEARING**

Sent via: Certified Mail; Return Receipt Requested

March 19, 2024

Esther Hughes / Mike Hughes
508 Highland Dr.
Big Spring, Texas 79720

Cody & InaShay Hughes
2706 Crestline Rd.
Big Spring, Texas 79720

Esther Hughes / Esther Fuhrmann Hughes
1610 W. 3rd St.
Big Spring, Texas 79720

Kori Hughes
10605 Elkhart Ave.
Lubbock, Texas 79424

c/o Michael C. Hughes
Registered Agent
Hughes Rental and Sales, Inc. (also d/b/a
"Hughes Financial Services")
1611 S. Gregg St.
Big Spring, Texas 79720

Stan & Linn Hughes
5814 Duke St.
Lubbock, Texas 79416

Re: 1610 W 3RD, BIG SPRING, TEXAS 79720

**LEGAL DESCRIPTION: PART N/115 OF LT 1 BK 9 BROWN 50X118 449
BLK/TRACT 49 0.132 ACRES, Howard County**

Big Spring Code Compliance has determined that at the following structure(s): TWO-STOREY MAIN STRUCTURE, at the property as stated above, is/are in violation of the following section(s) of the **Property Maintenance Code of Big Spring (PMC)**, constituting a nuisance:

VIOLATION	DESCRIPTION OF VIOLATION
111.1.5 HAZARDOUS STRUCTURE OR PREMISES. For the purpose of this code, any structure or premises that has any or all of the conditions or defects described as follows shall be considered to be hazardous: 6. The building or structure, or any portion thereof, is clearly unsafe for its use and occupancy. 7. The building or structure is neglected, damaged, dilapidated, unsecured or abandoned so as to become an attractive nuisance to children who might play in the	The building is neglected, damaged, and dilapidated so as to constitute an attractive nuisance. Hazardous condition.

building or structure to their danger, becomes a harbor for vagrants, criminals, or immoral persons, or enables persons to resort to the building or structure for committing a nuisance or an unlawful act.

9. A building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, ventilation, mechanical or plumbing system, or otherwise, is determined by the code official to be unsanitary, unfit for human habitation or in such a condition that is likely to cause sickness or disease.

The following actions are required to correct the violation(s) at the structure(s) as stated above:

Corrective Action Sought by Code Compliance

Secure and vacate the structure(s) until the violation(s) are resolved, and:

DEMOLITION OR REPAIR

of TWO-STOREY MAIN STRUCTURE.

For further information about this notice, please contact the following person:

Issued by

Ashley Guerra

Name

Code Compliance Official

Title

+1 (432) 264-2505

Phone

aguerra@mybigspring.com

E-mail

The City's goal is voluntary compliance.

FAILURE TO TAKE THE CORRECTIVE ACTION BY THE DEADLINE MAY RESULT IN FINE.

Failure to take the corrective action regarding the nuisance(s) by the prescribed deadline(s) may result in a complaint (a criminal charge, Class C Misdemeanor) sworn against you in the Municipal Court of Big Spring alleging the violation. A person found guilty may be convicted by the Court and fined. Each day that a violation continues after due notice has been served is deemed a separate offense. A convicted person may appeal their case to Howard County Court. This punishment is separate from and in addition to any abatement action that the City may perform and cannot result in a lien.

YOU ARE HEREBY NOTIFIED THAT THE CITY HAS INITIATED PROCEEDINGS TO ABATE THE ABOVE-DESCRIBED NUISANCES AT YOUR EXPENSE. This proceeding is held before a hearing board (either City Council or the Board of Adjustment and

Appeals). The hearing board will review the case and rule on the City's request to abate the nuisance. If so ordered by the hearing board, the City will abate the nuisance and send you and/or the owner(s) an invoice for the City's costs plus a civil penalty, typically 25% of the amount of the costs. In the event you and/or the owner(s) do not pay the invoice promptly, the City of Big Spring will assess a lien against the property to secure payment for services rendered and the civil penalty. You have the right to appeal the costs, lien, and civil penalty to the District Court. The abatement procedure is separate from and in addition to any charge filed in Municipal Court.

The City Council will serve as the Hearing Board for your case. The hearing is scheduled for **5:30 PM, April 09, 2024** at the City Council Chambers located at **307 E 4th St., Big Spring, Texas 79720**. You are encouraged to attend this hearing to demonstrate the scope of work that may be required to comply with the Building Codes and the time it will take to reasonably perform the work.

CONDUCT OF THE HEARING. The Structural Standards Ordinance of the Big Spring City Code provides the following concerning the conduct of the hearing:

SECTION A-1.10. Rights of Parties

(a) Rules. Hearings need not be conducted according to the technical rules relating to evidence and witnesses.

(b) Admissibility of Evidence. Any relevant evidence shall be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions in courts of competent jurisdiction in this State.

(c) Exclusion of Evidence. Irrelevant and unduly repetitious evidence shall be excluded.

(d) Rights of Parties. Each party shall have the following rights, among others:

1. To call and examine witnesses on any matter relevant to the issues of the hearing;
2. To introduce documentary and physical evidence;
3. To cross-examine opposing witnesses on any matter relevant to the issues of the hearing;
4. To impeach any witness regardless of which party first called him to testify;
5. To rebut the evidence against him;
6. To represent himself or to be represented by anyone of his choice who is lawfully permitted to do so.

Section C-9.02 (c)The City Attorney shall present the case for the City. If the City Attorney

is recused or disqualified, the City Manager shall determine who shall present the case for the City.

YOU HAVE A RIGHT TO APPEAL THE DECISION OF THE HEARING BOARD. If the Hearing Board enters an order to abate the violation(s) at the structure(s) at the property, the order is preliminary, allowing you to appeal the order to District Court within thirty (30) days pursuant to Section 8.03 of the Structural Standards Ordinance of the Big Spring City Code. If you fail to appeal the Hearing Board's ruling within that time, such order shall become the final order.

FAILURE TO COMPLY/ATTACHMENT OF LIEN. If the owner of a premises fails to comply with an order of the Board within the time prescribed, and the City conducts abatement or work, either through an available public agency or by contract or arrangement with private persons, and the cost of such abatement work shall be charged against the real estate upon which the nuisance is located and shall be a lien on such real estate.

NOTICE TO OWNER: According to the real property records of Howard County, you own the real property described in this notice. If you no longer own the property, you must execute an affidavit stating that you no longer own the property and stating the name and last known address of the person who acquired the property from you. The affidavit must be delivered in person or by certified mail, return receipt requested, to this office not later than the 20th day after the date you receive this notice. If you do not send the affidavit, it will be presumed that you own the property described in this notice, even if you do not.

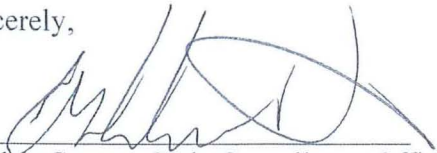
NOTICE TO EMPLOYEE OF OWNER: If you are an individual employed by the owner of the property, or a company that manages the property on behalf of the owner, you may be personally liable for criminal or civil penalties resulting from the violation under Section 250.003, Texas Local Government Code, unless, not later than the fifth calendar day after this notice you provide the property owner's name, current street address, and telephone number to the Code Compliance Officer who sent this notice.

TRANSFER OF OWNERSHIP UNLAWFUL: Please be advised that until this order is complied with, it shall be unlawful (being a Class C Misdemeanor) to transfer ownership of the property— with conditions and exceptions stated in PMC Sec. 111.6.

RIGHTS AND REMEDIES RESERVED. The City of Big Spring expressly reserves any additional rights and remedies that may be available to it, including but not limited to injunctive or equitable relief.

CITY CODE. The City Code is online at https://library.municode.com/tx/big_spring. See Big Spring City Code, Chapter 36, Property Maintenance Code of Big Spring; and 2021 International Property Maintenance Code, available for public inspection at the Office of the City Secretary at 310 Nolan St., Big Spring, Texas and available online for free at <https://codes.iccsafe.org/codes/i-codes>.

Sincerely,



Ashley Guerra, Code Compliance Official
City of Big Spring, Texas

STATE OF TEXAS

§
§
§

COUNTY OF HOWARD

**CERTIFICATION
OF POSTING OF PUBLIC HEARING**

“The Hearing Board of the City of Big Spring, Texas notice of Public Hearing scheduled for April 09, 2024, attached as **Exhibit B-6**, was posted on or near the front door of each dwelling unit listed in the attached notice on March 27th, 2024.

SIGNED on the 2 day of April, 2024.

Ashly G
AFFIANT

SWORN TO AND SUBSCRIBED before me this 2 day of April, 2024
by the above referenced Affiant.



At W Hagen
Notary Public, State of Texas

Exhibit B-6



Code Enforcement

217 E 3rd St., Big Spring, Texas 79720 · Ph. 432-264-2505

NOTICE OF PUBLIC HEARING CONCERNING PUBLIC NUISANCE

NOTICE IS HEREBY GIVEN THAT THE BIG SPRING HEARING BOARD WILL HOLD A PUBLIC HEARING ON **APRIL 9TH, 2024, AT 5:30 P.M.**, IN THE CITY OF BIG SPRING COUNCIL CHAMBERS AT 307 E 4TH ST., BIG SPRING, TEXAS 79720 TO CONSIDER ABATEMENT OF PUBLIC NUISANCES ON PROPERTIES IN THE CITY OF BIG SPRING, TEXAS. ALL INTERESTED PERSONS MAY SPEAK, THEN A DETERMINATION WILL BE MADE AND REMEDIAL ACTION ORDERED ON THE FOLLOWING PROPERTIES:

1610 W 3RD, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: PART N/115 OF LT 1 BK 9 BROWN 50X118 449 BLK/TRACT 49 0.132 ACRES – OWNER: ESTHER HUGHES

112 E 13TH, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: E/2 OF LT 6 & LT 7 BK 8 MCDOWELL HEIGHTS 75X140 225 ACQ 03072016 BLK/TRACT 32 1S 0.241 ACRES – OWNER: EDWARD ASH

507 N DOUGLAS, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LT 12 BK 7 BAUER 50X140 712 ACQ 122602 0.161 ACRES – OWNER: ALICIA V BADILLO

THE CITY OF BIG SPRING HEARING BOARD MEETING IS AVAILABLE TO ALL PERSONS REGARDLESS OF DISABILITY. IF YOU REQUIRE SPECIAL ASSISTANCE, PLEASE CONTACT TAMI DAVIS AT 432-264-2513 OR AT 310 NOLAN, BIG SPRING, TEXAS 79720, AT LEAST FORTY-EIGHT (48) HOURS IN ADVANCE OF THE MEETING.

Nick Reyna

Nick Reyna, Building Official, City of Big Spring



March 27, 2014 12:53 PM

STATE OF TEXAS :
COUNTY OF HOWARD :
CITY OF BIG SPRING :

The City Council of the City of Big Spring, Texas, met in a REGULAR AGENDA in the City Council Chambers located at 307 E. 4th St., Big Spring, Texas, at 5:30 PM, March 26, 2024, with the following members present in person:

COUNCIL MEMBER GLORIA MCDONALD
COUNCIL MEMBER CODY HUGHES
COUNCIL MEMBER DIANE YANEZ
MAYOR ROBERT MOORE

Same and constituting a quorum, for which four Councilmembers must be present; and the following staff in person;

TODD DARDEN	City Manager
JOHN MEDINA	Assistant City Manager
ANDREW HAGEN	City Attorney
SHANE BOWLES	Public Works Director
CHAD WILLIAMS	Police Chief
JAY HOLT	Fire Chief
MIKE FEELEY	Airpark Director
SANDY SMITH	Finance Director
HAYLEY LEWIS	Community Services Director
TAMI DAVIS	City Secretary
MANDY HAYNES	Municipal Judge

Open Session

Call to Order

Mayor Moore called the City Council meeting to order at 5:36 p.m.

Invocation

David Alaman, Hillside Church, gave the invocation.

Pledge of Allegiance to the United States Flag and to the Texas State Flag

Mayor Moore led the Pledge of Allegiance to the United State Flag and to the Texas State Flag.

Public Comment

Public Comment

No comments were made at this time.

Announcements, Presentations and Public Hearings

PUBLIC HEARING - Regarding the Texas Community Development Block Grant Program

MOTION WAS MADE BY Mayor Moore to open the above captioned public hearing, seconded by Council Member Hughes.

YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, Council Member McDonald **4**

NAYS: None **0**

MOTION PASSED

There were no public comments regarding the above captioned public hearing at this time.

MOTION WAS MADE BY Council Member Hughes to close the above captioned public hearing, seconded by Mayor Moore.

YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, Council Member McDonald **4**

NAYS: None **0**

MOTION PASSED

City Manager's Report

City Manager's report on the following items:

- Update - Large Item Pickup, District 3
- Update - Restroom @ Bert Andries Splash Pad
- Update - Runnels St. Waterline Replacement
- Temporary EMS Service
- City Holiday - Good Friday, March 29th
- Trash Pick Up Holiday Schedule

Todd Darden, City Manager, gave an update on the above captioned items as follows: Large Item Pickup for District 3 picked up 16 tons of items; A contractor has started on the roof for the restrooms at the splash pad located at Bert Andries Park; A contractor will be starting on Monday for the Runnels St. waterline replacement; Due to short staffing issues the City staff will be seeking offers to temporarily run the EMS Service; City offices will be closed on Friday, March 29th in observance of Good Friday and the trash pickup for Friday will be

scheduled for Wednesday, March 27th.

Consent Items

Approval of the City Council Minutes of the Regular Meeting of March 12, 2024.

Acknowledge Receipt of the Big Spring Economic Development Corporation Board of Directors Minutes for a Regular Meeting of February 20, 2024 and for a Special Meeting of March 4, 2024

Final Reading of an Ordinance Amending Ordinance Number 049-2023 Which Adopted the Annual budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2023 and Ending September 30, 2024 by Increasing the General Fund Budget for the Purpose of Purchasing SCBA Equipment for the Fire Department; Providing for Severability; Providing for Publication; and Providing an Effective Date.

Final Reading of an Ordinance Amending Ordinance Number 049-2023 Which Adopted the Annual Budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2023 and Ending September 30, 2024 by Increasing the Airpark Fund Budget for the Purpose of the Demolition and/or Asbestos Abatement of Several Structures on the Airpark; Providing for Severability; Providing for Publication; and Providing and Effective Date.

Final Reading of a Resolution Determining that an Area of the City Contains Conditions Which are Detrimental to the Public Health, Safety, and Welfare of the Community and Constitutes a Blighted Area

Final Reading of a Resolution Authorizing the Submission of a Texas Community Development Block Grant Program Application; Finding and Determining that the Meetings at Which the Resolution were Discussed were Open to the Public as Required by Law; and Providing for an Effective Date

MOTION WAS MADE BY Council Member Hughes to approve the above captioned minutes, ordinances and resolutions, seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, 4
Council Member McDonald**

NAYS: None 0

MOTION PASSED

Vouchers

Vouchers for 03/07/24	\$	793,098.90
Vouchers for 03/14/24	\$	914,666.57
Vouchers for 03/21/24	\$	298,025.94

Drafts \$ 491,941.12

Council Member Hughes reviewed the above captioned vouchers.

MOTION WAS MADE BY Council Member Hughes to approve the above captioned vouchers, seconded by Council Member McDonald.

YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, 4

Council Member McDonald

NAYS: None 0

MOTION PASSED

Bids

Consideration and Possible Action on Awarding a Contract for Aviation Fuel Supply and Associated Services for McMahon-Wrinkle Airport and Authorizing the City Manager or his Designee to Execute and Necessary Documents

MOTION WAS MADE BY Mayor Moore to award the above captioned bid to Avfuel, seconded by Council Member McDonald.

YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, 4

Council Member McDonald

NAYS: None 0

MOTION PASSED

New Business

First Reading of an Ordinance Amending Chapter 46 of the Big Spring City Code Entitled "Streets, Sidewalks and Other Public Places," Article V "Street Names and Building Numbers," Division 2 "Renaming Streets" Section 46-235 by Amending Subsection (c) to Summarily Deny Repetitive Street Name Petitions for Two Years after City Council Denies the Same Requested Change; Amending Subsection (d) to Clarify that a Street Name Change Petition that Fails Cannot be Reconsidered Unless a New Petition is Submitted; Providing for the Repeal of Conflicting Legislation; Providing for Severability; Finding and Determining that the Meetings at Which the Ordinance was Discussed Were Open to the Public as Required by Law; and Providing an Effective Date

MOTION WAS MADE BY Council Member McDonald to approve the above captioned ordinance, seconded by Mayor Moore.

YEAS: Mayor Moore, Council Member Yanez, Council Member McDonald 3

NAYS: Council Member Hughes 1

MOTION PASSED

First Reading of an Ordinance Amending Chapter 2, Section 2-57 of the Big Spring City Code by Establishing Classifications and Number of Positions for the Fire Department Pursuant to Section 143.021, Texas Local Government Code; Providing for Repeal of Conflicting Ordinance; Providing a Severability Clause; Finding and Determining that the Meeting at Which the Ordinance was Discussed were Open to the Public as

Required by Law; Providing for Publication; and Providing for an Effective Date

MOTION WAS MADE BY Mayor Moore to approve the above captioned ordinance, seconded by Council Member Hughes.

**YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, 4
Council Member McDonald**

NAYS: None 0

MOTION PASSED

First Reading of an Ordinance Establishing the Fire Department Pay Scale Effective April 14, 2024, in Accordance with Chapter 143 of the Texas Local Government Code; Providing for the Repeal of Ordinances in Conflict Herewith; and Providing for an Effective Date.

First Reading of an Ordinance Establishing the Pay Schedule for Classified Positions Within the Police Department Effective April 14, 2024; Providing for Repeal of Ordinances in Conflict Herewith; and Providing for an Effective Date

MOTION WAS MADE BY Council Member McDonald to approve the above listed 2 ordinances regarding Fire and Police Pay Scales, seconded by Council Member Hughes.

**YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, 4
Council Member McDonald**

NAYS: None 0

MOTION PASSED

First Reading of a Resolution Authorizing the Police Chief to Execute on Behalf of Said City, Education Reimbursement Agreements with New or Recently Hired Employees Who have Paid for Their Own Police Academy Tuition and Fees and Received Certification as a Result; and Requiring that the Employee Reimburse the City for Such Payments if He or She Voluntarily Terminates Employment Prior to the Completion of Three Years of Employment

First Reading of a Resolution Authorizing the Fire Chief to Execute on Behalf of Said City, Education Reimbursement Agreements with New or Recently Hired Employees Who have Paid for Their Own Fire Academy Tuition and Fees and Received Certification as a Result; and Requiring that the Employee Reimburse the City for Such Payments if He or She Voluntarily Terminates Employment Prior to the Completion of Three Years of Employment

First Reading of a Resolution Authorizing the Fire Chief to Execute on Behalf of Said City, Education Reimbursement Agreements with New or Recently Hired Employees who Have Paid for Their Own Emergency Medical Technician (EMT) Training Tuition and Fees and Received Certification as a Result; and Requiring that the Employee Reimburse the City for Such Payments if He or She Voluntarily Terminates Employment Prior to the Completion of Three Years of Employment

First Reading of a Resolution Authorizing the City Manager to Execute on Behalf of Said City, Relocation Incentive Agreements with Newly Hired Police and Fire Recruits and Requiring that the Employee Reimburse the City of Such Payments and Collection Costs if He or She Voluntarily Terminates Employment Prior to the Completion of Three Years of Employment

MOTION WAS MADE BY Council Member Hughes to approve the above captioned 4 ordinances regarding Fire, EMS and Police Education and Relocation Reimbursements, seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, 4
Council Member McDonald**

NAYS: None 0

MOTION PASSED

Consideration and Possible Action to Accept a Coronavirus Aid, Relief, and Economic Security Act (CARES) Grant from the Texas Department of Transportation and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Yanez to approve the above captioned grant, seconded by Council Member Hughes.

**YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, 4
Council Member McDonald**

NAYS: None 0

MOTION PASSED

Consideration and Possible Action to Approve One Partial Release of Oil and Gas Lease with Rodeo Midland Basin, LLC, and One Partial Release of Oil and Gas Lease with Rodeo Midland Basin, LLC, and Camterra Resources Partners, LTD., and Authorizing the Mayor or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Hughes to approve the above captioned lease, seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Yanez, Council Member Hughes, 4
Council Member McDonald**

NAYS: None 0

MOTION PASSED

Council Input

Input

Council Member Yanez expressed that she is excited for the splash pad at Bert Andries Park to open and thanked the first responders

Council Member McDonald announced that after 21 years of working with Ports to Plains on the I-27 project that the last portion of that segment is being signed off and will be named I-27 East from Sterling City to Lamesa.

Executive Session

Adjourn into Executive Session in Accordance with the Purposes Permitted by the Open Meetings Act, Section 551.072 Texas Government Code, "Deliberation Regarding Real Property; Closed Meeting," to Deliberate the Purchase, Exchange, Lease, or Value of Real Property when Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of the Governmental Body in Negotiations with a Third Person.

There was no executive session at this time.

Reconvene into Open Session and Take any Necessary Action on Executive Session Items

Adjourn

Mayor Moore adjourned the City Council meeting at 6:15 p.m.

Robert H. Moore III, Mayor

ATTEST:

Tami L. Davis, City Secretary

CITY OF BIG SPRING
Convention and Visitors Bureau Board Meeting
February 21, 2024

The CVB Board for the City of Big Spring held its first meeting on Wednesday, February 21, 2024, at 5:20 p.m. in the City Council Chambers, located at 307 East 4th Street.

The following members were present:

Drew Mouton	Chavonna Parker	Jay Patel
Zac Phinney	Jeanie Knocke	

The following members were absent:

Lee Harris	Inez (Denise) Morgan
------------	----------------------

Also in attendance:

Todd Darden	Shane Bowles	Andrew Hagen
Terri Telchik	Hayley Lewis	Robyn Evans

CALL TO ORDER

The meeting was called to order at 5:20 p.m.

PUBLIC COMMENT

There were no members of the public present at the meeting. No public comments made.

DISCUSSION OF FUTURE PLANS FOR THE DORA ROBERTS COMMUNITY CENTER

The Board agreed to keep the original location for the community center but wants the new facility to be bigger while keeping the rental fees affordable. The Board would also prefer a new name for the community center. Board Chairman Drew Mouton asked for information regarding past rentals of the DRCC and information about surrounding event centers to be provided at the March meeting for review and consideration.

BOARD MEMBER INPUT

Following the open discussion, no further board input was given.

ADJOURNMENT

The meeting was adjourned at 6:15 p.m.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS AMENDING CHAPTER 46 OF THE BIG SPRING CITY CODE ENTITLED "STREETS, SIDEWALKS AND OTHER PUBLIC PLACES," ARTICLE V "STREET NAMES AND BUILDING NUMBERS," DIVISION 2 "RENAMING STREETS" SECTION 46-235 BY AMENDING SUBSECTION (c) TO SUMMARILY DENY REPETITIVE STREET NAME PETITIONS FOR TWO YEARS AFTER CITY COUNCIL DENIES THE SAME REQUESTED CHANGE; AMENDING SUBSECTION (d) TO CLARIFY THAT A STREET NAME CHANGE PETITION THAT FAILS CANNOT BE RECONSIDERED UNLESS A NEW PETITION IS SUBMITTED; PROVIDING FOR THE REPEAL OF CONFLICTING LEGISLATION; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE ORDINANCE WAS DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

SECTION 1. The Big Spring City Code, Chapter 46 entitled "Streets, Sidewalks and Other Public Places," Article V entitled "Street Names and Building Numbers," Division 2 entitled "Street Names" Section 46-235, is hereby amended in part as follows:

Sec 46-235. – Purpose; application and review of name change; criteria for street names

...

(c) Review of proposed name change. Following receipt of a completed application, the city public works department will review the application and forward a recommendation to the planning and zoning commission, unless the same street name changed was considered by the city council under subsection (d) and failed within the last two calendar years, in which case, the petition is summarily denied. Except when a petition is summarily denied, ~~the~~ planning and zoning commission shall conduct a public hearing to receive public comment on the proposed change, which hearing shall be held not more than 30 days from the date of filing of the application.

...

(d) Consideration by city council. The city council shall consider the recommendation of the planning and zoning commission and shall hold a public hearing. A notice of the time and place of such hearing shall be published in accordance with this Code and the Texas Open Meetings Act. The favorable vote of the majority of the city council is required for approval of the application. If a majority of the city council does not vote in favor of the change, it fails. A failed street name change cannot be reconsidered by the city council unless a new petition is filed under subsection (b).

NOTE* Language to be added appears underlined and language to be deleted is ~~stricken~~.

SECTION 2. All provisions of any ordinance, rule, regulation, or order of the City in conflict with this Ordinance are hereby repealed to the extent they are in conflict.

SECTION 3. Should any one or more sections or clauses of this Ordinance be adjudged unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 4. It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 5. This Ordinance is ordered to be codified.

SECTION 6. This Ordinance shall become effective immediately.

SECTION 7. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and of the United States of America.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **26th** day of **March, 2024** with Council Members Yanez, Moore and McDonald voting “aye” for the passage of same. Council Member Hughes, being opposed, voting “nay” for the passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the **9th** day of **April, 2024** with all members of the Council voting “aye” for the passage of same.

Robert H. Moore III, Mayor

ATTEST:

Tami L. Davis, City Secretary



INTEROFFICE MEMORANDUM

Date: March 22, 2024
To: Mayor Robert H. Moore and Big Spring City Council
CC: Todd Darden, City Manager
From: John Medina, Assistant City Manager
Subject: Fire Department Restructuring

To improve services, the Big Spring Fire Department is proposing to transition to a four-fire station model that will have staffed ambulances with two personnel and a fire truck with three personnel assigned to each station, when appropriately staffed. The number of personnel will remain the same, but the number of employees in each classification will be redistributed by reducing the number of lieutenants and drivers by three each and increasing the number of firefighters by six.

In addition, the department has proposed to change from to a 14-day overtime period to a 21-day overtime period. In 2019, the schedule was changed from a 24-hours on/48-hours off to the more popular 48 hours on/96-hours off schedule. The change will relieve overtime expenses and will also work better with the 48/96 schedule.

Lastly, the classification names of Deputy Chief and Lieutenant will change to the more widely used nomenclature of Battalion Chief and Captain, respectively.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS AMENDING CHAPTER 2, SECTION 2-57 OF THE BIG SPRING CITY CODE BY ESTABLISHING CLASSIFICATIONS AND NUMBER OF POSITIONS FOR THE FIRE DEPARTMENT PURSUANT TO SECTION 143.021, TEXAS LOCAL GOVERNMENT CODE; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE ORDINANCE WAS DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; PROVIDING FOR PUBLICATION; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, having adopted the Charter of the City of Big Spring, the City of Big Spring is incorporated and organized under the laws of the State of Texas as a home-rule municipality; and

WHEREAS, the City Council of Big Spring is the governing body of the City of Big Spring pursuant to Section 1a, Article IV of the Charter; and

WHEREAS, the City of Big Spring has as one of its departments the Big Spring Fire Department; and

WHEREAS, the citizens of the City of Big Spring, Texas have adopted the Civil Service system for the Fire Department; and

WHEREAS, Civil Service is governed under State law, Chapter 143 of the Texas Local Government Code; and

WHEREAS, by statute, the Civil Service Commission “shall provide for the classification of all fire fighters,” and City Council “by ordinance shall prescribe the number of positions in each classification,” Section 143.021, Texas Local Government Code; and

WHEREAS, the management staff of the City, after appropriate review and evaluation of the needs of the Fire Department, in light of fiscal realities and the need to plan for future budget years with uncertain revenue, have made their recommendation relating to the numbers of classified positions; and

WHEREAS, due to budgetary shortfalls affecting the Fire Department, especially as concerns overtime expense, the City of Big Spring must take action to control expenses; and

WHEREAS, the City of Big Spring will go to a four fire station model while keeping five fire stations for flexibility; and

WHEREAS, to relieve the overtime expense, the work period for firefighters is becoming twenty-one days; and

WHEREAS, the intent of the City Council is to change the name of the following ranks/classifications within the Fire Department, the job descriptions will follow the name changes. It is not the City Council's intent to create additional ranks/classifications by adoption of this Ordinance. The Deputy Chief will be changed to Battalion Chief. The Lieutenant will be changed to Captain.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, THAT:

SECTION 1. The City Council approves an ordinance to change the number of classified positions in the Fire Department, affecting no current employees.

SECTION 2. City Council hereby amends Big Spring City Code Chapter 2, entitled "Administration," Article III, entitled "Officers and Employees," Section 2-57, entitled "Adoption of civil service for firefighters' and civil service positions designated," in part as follows:

Big Spring City Code
Chapter 2 – Administration
Article III – Officers and Employees

Section 2-57 – Adoption of civil service for firefighters and civil service positions designated.

- (a) Firefighters' Civil Service under Texas Local Government Code ch. 143 is hereby put into effect by the city as of October 1, 1985.
- (b) All employees are hereby granted the same vacation and sick leave benefits granted to firefighters under Texas Local Government Code ch. 143 and the city personnel policies and procedures is hereby amended to reflect these benefits.
- (c) Classification of all firefighters and the number of authorized positions in each classification are as follows:

Classification	Number of Authorized Positions
* Fire chief	1
** <u>Battalion</u> Deputy chief	7
<u>Captain</u> Lieutenant	<u>12</u> 15
Driver	<u>12</u> 15

*** Firefighter	<u>32</u> 26
Total	64

* Non-civil service

** One ~~of the six~~ battalion ~~deputy~~ chiefs will be appointed by the fire chief in accordance with Texas Local Government Code § 143.014. One battalion ~~deputy~~ chief will be assigned as fire marshal and certified health inspector by the fire chief in accordance with Texas Local Government Code § 143.042.

~~*** The city will reduce, through attrition only, firefighters to 26 from 36. As the position is reduced by attrition the number will be reduced accordingly.~~

NOTE* Language to be added appears underlined and language to be deleted is ~~stricken~~.

SECTION 3. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 5. Should any section, paragraph, sentence, clause, phrase or word of this Ordinance be declared unconstitutional or invalid for any purpose, the remainder of this Ordinance shall not be affected thereby.

SECTION 6. It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 7. This Ordinance shall become effective immediately.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the 26th day of March, 2024 with all members of the Council present voting “aye” for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the 9th day of April, 2024 with all members of the Council present voting “aye” for the passage of same.

Robert H. Moore, III, Mayor

ATTEST:

Tami L. Davis, City Secretary



INTEROFFICE MEMORANDUM

Date: March 22, 2024
To: Mayor Robert H. Moore and Big Spring City Council
CC: Todd Darden, City Manager
From: John Medina, Assistant City Manager
Subject: Mid-Year Pay Adjustment for First Responders

Although we are currently in the process of a compensation study, we are proposing a 10% and 13% sliding scale increase for the police and fire departments respectively. Due to the high number of employee turnover, a mid-year pay adjustment can be funded through the end of the year due to understaffing. The cost of this increase for these divisions for a full year is \$870,000.00. Additional budget considerations will need to be addressed in next year's budget in order to continue funding these pay increases and additional pay adjustments should they be proposed by the compensation study.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, ESTABLISHING THE FIRE DEPARTMENT PAY SCALE EFFECTIVE APRIL 14TH, 2024, IN ACCORDANCE WITH CHAPTER 143 OF THE TEXAS LOCAL GOVERNMENT CODE; PROVIDING FOR THE REPEAL OF ORDINANCES IN CONFLICT HERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council desires to amend the Fire Department pay plan effective April 14th, 2024; and to provide for certificate, education, and paramedic pay; and

WHEREAS, a mid-year pay adjustment can be funded through the end of the fiscal year because budgeted funds are available due to high vacancies in the Fire Department;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, AS FOLLOWS, THAT:

SECTION 1. The pay schedule for the Fire Department as shown in Exhibit “A,” which is attached hereto and incorporated herein for all purposes as if copied herein verbatim, is adopted as the pay scale for the Fire Department of the City of Big Spring effective April 14, 2024. Assignment, education and paramedic pay are authorized as provided in Exhibit “A.” In the event the City Council does not take action to amend the assignment, education, and paramedic pay in the years following 2024, the assignment, education, and paramedic pay provided shall remain in effect for subsequent years.

SECTION 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 3. It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 4. This ordinance shall be in force and effect beginning April 14, 2024.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **26th** day of **March, 2024** with all members of the Council voting “aye” for passage of the same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the **9th** day of **April, 2024** with all members of the Council voting “aye” for passage of the same.

Robert H. Moore, III, Mayor

ATTEST:

Tami Davis, Assistant City Secretary

FIRE - Exhibit A

April 14, 2024

	STEP	SHIFT	JOB DESCRIPTION	CODE	PREVIOUS HOURLY	NEW HOURLY	HCP
BASE PAY	1	SHIFT	CADET		-----	-----	
		DAY			\$19.595	\$22.142	
	1	SHIFT	FIRE FIGHTER	FF S	\$16.905	\$19.103	\$ 1.652
	2	DAY	FIRE FIGHTER	FF D	\$23.666	\$26.743	\$ 2.312
	1	SHIFT	DRIVER	APENG S	\$18.556	\$20.755	\$ 2.228
	2	DAY	DRIVER	APENG D	\$25.977	\$29.055	\$ 3.124
	1	SHIFT	CAPTAIN	LT S	\$20.780	\$22.983	\$ 3.291
	2	DAY	CAPTAIN	LT D	\$29.095	\$32.179	\$ 4.610
	1	SHIFT	BATTALION CHIEF	DC S	\$24.694	\$26.274	\$ 11.558
	2	DAY	BATTALION CHIEF	DC D	\$34.576	\$36.789	\$ 16.176
PARA CERT.	1	SHIFT	EMERGENCY MED TECH PARAMEDIC	EMTP S	\$2.131	\$2.131	
	2	DAY	EMERGENCY MED TECH PARAMEDIC	EMTP D	\$2.985	\$2.985	
EDUCATION	1	SHIFT	ASSOCIATE DEGREE	ASSOC S	\$0.428	\$0.428	
	2	DAY	ASSOCIATE DEGREE	ASSOC D	\$0.600	\$0.600	
	1	SHIFT	BACHELORS DEGREE	BACH S	\$0.870	\$0.870	
	2	DAY	BACHELORS DEGREE	BACH D	\$1.218	\$1.218	
ASSIGNMENT PAY			EMS				
	1	SHIFT	INSTRUCTOR - TDH	INST-TDH S	\$0.888	\$0.888	
	2	DAY	INSTRUCTOR - TDH	INST-TDH D	\$1.244	\$1.244	
			FIRE				
	1	SHIFT	INSTRUCTOR - INTERMEDIATE TCFP	INST-TCFP S	\$0.888	\$0.888	
	2	DAY	INSTRUCTOR - INTERMEDIATE TCFP	INST-TCFP D	\$1.244	\$1.244	
	1	SHIFT	FIRE INVESTIGATOR or INSPECTOR	INV-INSP S	\$0.455	\$0.455	
	2	DAY	FIRE INVESTIGATOR or INSPECTOR	INV-INSP D	\$0.636	\$0.636	
	1	SHIFT	ARSON INVESTIGATOR	ARSON S	\$0.908	\$0.908	
	2	DAY	ARSON INVESTIGATOR	ARSON D	\$1.261	\$1.261	
	1	SHIFT	TRAINING OFFICER	TRANOFF S		\$0.861	
	2	DAY	TRAINING OFFICER	TRANOFF D	\$1.206	\$1.206	
	1	SHIFT	FIRE MARSHAL	FIRE MARSH S		\$2.548	
	2	DAY	FIRE MARSHAL	FIRE MARSH D	\$8.410	\$3.567	
	1	SHIFT	HEALTH INSPECTOR	FIRE MARSH S	\$0.861	\$0.861	
	2	DAY	HEALTH INSPECTOR	FIRE MARSH D	\$1.206	\$1.206	

Emergency Management Coordinator \$300.00 per month



INTEROFFICE MEMORANDUM

Date: March 22, 2024
To: Mayor Robert H. Moore and Big Spring City Council
CC: Todd Darden, City Manager
From: John Medina, Assistant City Manager
Subject: Mid-Year Pay Adjustment for First Responders

Although we are currently in the process of a compensation study, we are proposing a 10% and 13% sliding scale increase for the police and fire departments respectively. Due to the high number of employee turnover, a mid-year pay adjustment can be funded through the end of the year due to understaffing. The cost of this increase for these divisions for a full year is \$870,000.00. Additional budget considerations will need to be addressed in next year's budget in order to continue funding these pay increases and additional pay adjustments should they be proposed by the compensation study.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, ESTABLISHING THE PAY SCHEDULE FOR CLASSIFIED POSITIONS WITHIN THE POLICE DEPARTMENT EFFECTIVE APRIL 14TH, 2024; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council desires to amend the Police Department pay plan for calendar year 2024;

WHEREAS, a mid-year pay adjustment can be funded through the end of the fiscal year because budgeted funds are available due to high vacancies in the Police Department;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, AS FOLLOWS:

SECTION 1: Enacted

THAT, the pay schedule for the Police Department as shown in Exhibit “A”, which is attached hereto and incorporated herein for all purposes as if copied herein verbatim, is adopted as the pay schedule for the classified positions within the Police Department of the City of Big Spring effective April 14th, 2024. In the event the City Council does not take action to amend the pay schedule in the years following 2024, the pay plan provided shall remain in effect for subsequent years.

SECTION 2: Repeal

That, all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 3. Open Meetings

It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 4: Effective Date

That, this ordinance shall be in force and effect beginning April 14th, 2024.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **26th** day of **March, 2024**, with all members of the Council voting “aye” for passage of the same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the **9th** day of **April, 2024**, with all members voting “aye” for the passage of the same.

Robert H. Moore, III, Mayor

ATTEST:

Tami Davis, Assistant City Secretary

Exhibit A

City of Big Spring Police Department Pay Plan Effective April 14, 2024

<u>Rank</u>	<u>Grade & Step</u>	<u>Old Pay Rate</u>	<u>New Pay Rate</u>	<u>Bi-weekly</u>	<u>HCP</u>	
Non-Cert Police Officer	P0-01	22.641	24.905	\$ 1,992.40		10%
Police Officer	P1-01	26.875	29.563	\$ 2,365.04	\$ -	10%
Corporal	P2-01	28.805	31.498	\$ 2,519.84	\$ 1.935	9.35%
Corporal 1 st Class	P3-01	30.847	33.546	\$ 2,683.68	\$ 2.048	8.75%
Senior Corporal	P4-01	32.391	35.024	\$ 2,801.92	\$ 1.478	8.13%
Sergeant	P5-01	34.016	36.635	\$ 2,930.80	\$ 1.611	7.70%
Sergeant 1 st Class	P6-01	36.550	39.211	\$ 3,136.88	\$ 2.576	7.28%
Master Sergeant	P7-01	38.401	41.031	\$ 3,282.48	\$ 1.820	6.85%
Lieutenant	P8-01	40.321	42.902	\$ 3,432.16	\$ 1.871	6.40%
Senior Lieutenant	P9-01	43.810	46.417	\$ 3,713.36	\$ 3.515	5.95%

Narcotics Officers

Includes authorized personnel only, specifically:		<u>Pay Rate</u>	<u>Bi-weekly</u>
(1) Master Sergeant	P7-01	41.031	\$ 3,282.48
(1) Corporal	P2-01	31.498	\$ 2,519.84
(1) Corporal - 1 st Class	P3-01	33.546	\$ 2,683.68
(1) Senior Corporal	P4-01	35.024	\$ 2,801.92

Additional Assignment Pay

Night Shift Differential	5% Hourly Increase from 6:00 pm to 6:00 am
Instructor	5% Hourly Increase when teaching
Field Training (FTO)	\$50/day, paid once a month
Special Weapons and Tactics (SWAT)	\$325/month

Monthly Incentive Pay

Education Monthly Pay

Associates	\$ 100.00
Bachelors	\$ 200.00

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AUTHORIZING THE POLICE CHIEF TO EXECUTE ON BEHALF OF SAID CITY, EDUCATION REIMBURSEMENT AGREEMENTS WITH NEW OR RECENTLY HIRED EMPLOYEES WHO HAVE PAID FOR THEIR OWN POLICE ACADEMY TUITION AND FEES AND RECEIVED CERTIFICATION AS A RESULT; AND REQUIRING THAT THE EMPLOYEE REIMBURSE THE CITY FOR SUCH PAYMENTS IF HE OR SHE VOLUNTARILY TERMINATES EMPLOYMENT PRIOR TO THE COMPLETION OF THREE YEARS OF EMPLOYMENT

WHEREAS, in order to provide incentives for the recruitment and retention of certified POLICE Fighters in the City of Big Spring POLICE Department, the City desires to reimburse new and recently hired employees for up to \$5,000.00 of the tuition and fee expenses personally incurred by the employee in obtaining Peace Officer certification.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

SECTION 1.

That the Police Chief is hereby authorized and directed to execute on behalf of the City of Big Spring, Education Agreements in the form attached hereto as Exhibit "A" with new employees and applicable recently hired employees of the Big Spring POLICE Department.

SECTION 2.

That the employees who receive reimbursement of said expenses described above are required to reimburse the City for such payments if he/she voluntarily terminates employment with the City of Big Spring prior to the completion of three years of employment.

SECTION 3.

All resolutions or parts of resolutions and minute orders in conflict herewith are hereby repealed to the extent of the conflict.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the 12th day of March, 2024, with all members of the Council present voting "aye" for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the 9th day of April, 2024, with all members of the Council present voting “aye” for passage of same.

Robert H. Moore, Mayor

ATTEST:

Tami Davis, City Secretary

**CITY OF BIG SPRING POLICE DEPARTMENT
EDUCATION EXPENSE REIMBURSEMENT AGREEMENT**

By this Agreement, **The City of Big Spring** (hereinafter referred to as the "City") and _____, an employee of the City of Big Spring Police Department, (hereinafter referred to as "Employee") agree that the City will provide certain educational assistance to the Employee under the following terms and conditions:

1. Reimbursement for Previously Completed Training. To be eligible for reimbursement under this Agreement, an employee must have been hired by the City of Big Spring Police Department and must have personally incurred expenses for tuition and fees to attend any training school meeting Texas Commission on Law Enforcement (TCOLE) Standards requirements for a basic police academy and received his or her Peace Officer certification as a result. If the Employee meets these eligibility standards, the City agrees to reimburse the Employee for documented tuition and fees incurred by the Employee as set forth above, in an amount not to exceed Five Thousand dollars (\$5,000.00).

2. Employee Obligation. For and in consideration of the above, the Employee agrees to repay the reimbursement paid to the Employee pursuant to Paragraph 1 above, immediately upon his or her voluntary termination of employment with the City if such termination occurs within three (3) calendar years from the date Employee was hired in accordance with Paragraph 1 above.

Executed at Big Spring, Texas on the ____ day of _____, 20__.

The City of Big Spring

By: _____
Police Chief

ATTEST:

Tami L. Davis, City Secretary

Employee:

By: _____
Signature

Printed Name

STATE OF TEXAS §
COUNTY OF HOWARD §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as Employee, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20__.

Notary Public, State of Texas

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AUTHORIZING THE FIRE CHIEF TO EXECUTE ON BEHALF OF SAID CITY, EDUCATION REIMBURSEMENT AGREEMENTS WITH NEW OR RECENTLY HIRED EMPLOYEES WHO HAVE PAID FOR THEIR OWN FIRE ACADEMY TUITION AND FEES AND RECEIVED CERTIFICATION AS A RESULT; AND REQUIRING THAT THE EMPLOYEE REIMBURSE THE CITY FOR SUCH PAYMENTS IF HE OR SHE VOLUNTARILY TERMINATES EMPLOYMENT PRIOR TO THE COMPLETION OF THREE YEARS OF EMPLOYMENT

WHEREAS, in order to provide incentives for the recruitment and retention of certified Fire Fighters in the City of Big Spring Fire Department, the City desires to reimburse new and recently hired employees for up to \$5,000.00 of the tuition and fee expenses personally incurred by the employee in obtaining Firefighter certification.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

SECTION 1.

That the Fire Chief is hereby authorized and directed to execute on behalf of the City of Big Spring, Education Agreements in the form attached hereto as Exhibit “A” with new employees and applicable recently hired employees of the Big Spring Fire Department.

SECTION 2.

That the employees who receive reimbursement of said expenses described above are required to reimburse the City for such payments if he/she voluntarily terminates employment with the City of Big Spring prior to the completion of three years of employment.

SECTION 3.

All resolutions or parts of resolutions and minute orders in conflict herewith are hereby repealed to the extent of the conflict.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **26th** day of **March, 2024** with all members of the Council present voting “aye” for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the 9th day of April, 2024, with all members of the Council present voting “aye” for passage of the same.

Robert H. Moore, Mayor

ATTEST:

Tami Davis, City Secretary

**CITY OF BIG SPRING FIRE DEPARTMENT
EDUCATION EXPENSE REIMBURSEMENT AGREEMENT**

By this Agreement, **The City of Big Spring** (hereinafter referred to as the "City") and _____, an employee of the City of Big Spring Fire Department, (hereinafter referred to as "Employee") agree that the City will provide certain educational assistance to the Employee under the following terms and conditions:

1. Reimbursement for Previously Completed Training. To be eligible for reimbursement under this Agreement, an employee must have been hired by the City of Big Spring Fire Department and must have personally incurred expenses for tuition and fees to attend any training school meeting Texas Commission on Fire Protection Standards requirements for a basic fire academy and received his or her Firefighter certification as a result. If the Employee meets these eligibility standards, the City agrees to reimburse the Employee for documented tuition and fees incurred by the Employee as set forth above, in an amount not to exceed Five Thousand dollars (\$5,000.00).

2. Employee Obligation. For and in consideration of the above, the Employee agrees to repay the reimbursement paid to the Employee pursuant to Paragraph 1 above, immediately upon his or her voluntary termination of employment with the City if such termination occurs within three (3) calendar years from the date Employee was hired in accordance with Paragraph 1 above.

Executed at Big Spring, Texas on the _____ day of _____, 20__.

The City of Big Spring

By: _____
Fire Chief

ATTEST:

Tami L. Davis, City Secretary

Employee:

By: _____
Signature

Printed Name

STATE OF TEXAS §
COUNTY OF HOWARD §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as Employee, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 20__.

Notary Public, State of Texas

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AUTHORIZING THE FIRE CHIEF TO EXECUTE ON BEHALF OF SAID CITY, EDUCATION REIMBURSEMENT AGREEMENTS WITH NEW OR RECENTLY HIRED EMPLOYEES WHO HAVE PAID FOR THEIR OWN EMERGENCY MEDICAL TECHNICIAN (EMT) TRAINING TUITION AND FEES AND RECEIVED CERTIFICATION AS A RESULT; AND REQUIRING THAT THE EMPLOYEE REIMBURSE THE CITY FOR SUCH PAYMENTS IF HE OR SHE VOLUNTARILY TERMINATES EMPLOYMENT PRIOR TO THE COMPLETION OF THREE YEARS OF EMPLOYMENT

WHEREAS, in order to provide incentives for the recruitment and retention of certified Fire Fighters in the City of Big Spring Fire Department, the City desires to reimburse new and recently hired employees for up to \$3,000.00 of the tuition and fee expenses personally incurred by the employee in obtaining EMT certification.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

SECTION 1.

That the Fire Chief is hereby authorized and directed to execute on behalf of the City of Big Spring, Education Agreements in the form attached hereto as Exhibit "A" with new employees and applicable recently hired employees of the Big Spring Fire Department.

SECTION 2.

That the employees who receive reimbursement of said expenses described above are required to reimburse the City for such payments if he/she voluntarily terminates employment with the City of Big Spring prior to the completion of three years of employment.

SECTION 3.

All resolutions or parts of resolutions and minute orders in conflict herewith are hereby repealed to the extent of the conflict.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **26th** day of **March, 2024**, with all members of the Council present voting "aye" for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the **9th** day of **April, 2024** with all members of the Council present voting "aye" for passage of same.

ATTEST:

Robert H. Moore, III, Mayor

Tami Davis, City Secretary

**CITY OF BIG SPRING FIRE DEPARTMENT
EMT EDUCATION EXPENSE REIMBURSEMENT AGREEMENT**

By this Agreement, **The City of Big Spring** (hereinafter referred to as the "City") and _____, an employee of the City of Big Spring Fire Department, (hereinafter referred to as "Employee") agree that the City will provide certain educational assistance to the Employee under the following terms and conditions:

1. Reimbursement for Previously Completed Training. To be eligible for reimbursement under this Agreement, an employee must have been hired by the City of Big Spring Fire Department and must have personally incurred expenses for tuition and fees to attend any training school meeting Texas Department of State Health Services (DSHS) requirements and received his or her EMT (basic or higher) certification as a result. If the Employee meets these eligibility standards, the City agrees to reimburse the Employee for documented tuition and fees incurred by the Employee as set forth above, in an amount not to exceed Three Thousand dollars (\$3,000.00).

2. Employee Obligation. For and in consideration of the above, the Employee agrees to repay the reimbursement paid to the Employee pursuant to Paragraph 1 above, immediately upon his or her voluntary termination of employment with the City if such termination occurs within three (3) calendar years from the date Employee was hired in accordance with Paragraph 1 above.

Executed at Big Spring, Texas on the ____ day of _____, 20__.

The City of Big Spring

By: _____
Fire Chief

ATTEST:

Tami L. Davis, City Secretary

Employee:

By: _____
Signature

Printed Name

STATE OF TEXAS §
COUNTY OF HOWARD §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as Employee, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20__.

Notary Public, State of Texas

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, AUTHORIZING THE CITY MANAGER TO EXECUTE ON BEHALF OF SAID CITY, RELOCATION INCENTIVE AGREEMENTS WITH NEWLY HIRED POLICE AND FIRE RECRUITS AND REQUIRING THAT THE EMPLOYEE REIMBURSE THE CITY FOR SUCH PAYMENTS AND COLLECTION COSTS IF HE OR SHE VOLUNTARILY TERMINATES EMPLOYMENT PRIOR TO THE COMPLETION OF THREE YEARS OF EMPLOYMENT

WHEREAS, in order to provide incentives for the recruitment and retention of Police Officers and Fire Fighters in the City of Big Spring at a time of high vacancies, and to help improvement of response times by police officers and fire fighters during times of civil emergencies by incentivizing officers to live within a 30 minute drive of the City, the City desires to provide relocation incentives to newly hired employees in the amount of Four Thousand Five Hundred Dollars, (\$4,500.00) pursuant to the terms set forth in the agreement attached hereto as Exhibit "A," (the "Agreement").

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

SECTION 1. That the City Manager is hereby authorized and directed to execute from time to time on behalf of the City of Big Spring, Relocation Incentive Agreements in the form attached hereto as Exhibit "A" with new employees of the Police or Fire Department. In addition, the City Manager is authorized to execute such agreements with those employees of the Police or Fire Department who relocate in compliance with the terms of the agreement within sixty days of the effective date of this resolution.

SECTION 2. That any employee that receives a Relocation Incentive shall be required to reimburse the City for the full amount of the incentive received, plus any necessary collection costs if he/she voluntarily terminates employment with the City of Big Spring prior to the completion of the term of agreement.

SECTION 3. All resolutions or parts of resolutions and minute orders in conflict herewith are hereby repealed to the extent of the conflict.

PASSED AND APPROVED on the first reading at a regular meeting of the City Council on the 26th day of March, 2024 with all members of the Council present voting "aye" for passage of same.

PASSED AND APPROVED on the first reading at a regular meeting of the City Council on the 9th day of April, 2024 with all members of the Council present voting "aye" for passage of same.

Robert H. Moore, III, Mayor

ATTEST:

Tami L. Davis, City Secretary

EXHIBIT "A"

**CITY OF BIG SPRING POLICE AND FIRE DEPARTMENT
RELOCATION INCENTIVE AGREEMENT FOR NEW EMPLOYEES**

This Agreement is by and between the **City of Big Spring** (hereinafter referred to as the "City") and _____, an employee of the City of Big Spring Fire or Police Department, (hereinafter referred to as "Employee"). The City and Employee agree that the City will pay a Relocation Incentive in the amount of four thousand five hundred dollars (\$4,500.00) to the Employee under the following terms and conditions:

1. **Terms.** Within sixty days of the date of employment, the employee must relocate his or her primary residence to a location that is within a thirty-minute drive from the city limits of the City of Big Spring, from a location that exceeds that distance. In addition, the employee must remain employed with the Big Spring Police or Fire Department for at least three (3) years following the payment and continuously maintain his or her primary residence within a thirty-minute response time throughout that period.
2. **Repayment.** If the employee does not continuously maintain a residence within the response area for the three years following date of the payment or voluntarily terminates employment with the City of Big Spring before the end of the three-year period, the employee agrees to repay the incentive payment in full. In addition, the employee agrees to pay all costs of court and attorney fees if a collection suit is necessary to collect such payment.

Executed at Big Spring, Texas on the _____ day of _____, 20_____.

Employee:

Printed Name

Signature

City of Big Spring

By: _____
Fire/Police Department Chief

ATTEST: _____
Tami Davis, City Secretary

STATE OF TEXAS §
COUNTY OF HOWARD §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as Employee, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20_____.

NOTARY PUBLIC



INTEGRITY
EXCELLENCE
TRUST

April 3, 2024

Mr. John Medina
Assistant City Manager
City of Big Spring
310 Nolan Street
Big Spring, Texas 79720

Re: Lead Service Line Inventory
Letter of Recommendation for Award

Sent: Via Email

Dear Mr. Medina:

On March 28, 2024, the City of Big Spring received competitive sealed proposals for the Lead Service Line Inventory Project. One proposal was received for this project. A bid tabulation sheet summarizing the proposal is included as an attachment to this letter. The proposal was for \$395,880.00 submitted by Core & Main, LP located in San Angelo, Texas. Jacob and Martin has evaluated the proposal for conformity with the request for proposals and checked their references. Based on our evaluation of the proposal, it is recommended that the contract be awarded to Core & Main for \$395,880.00. If the City Council agrees with the recommendation for award, Jacob and Martin will prepare contract documents for execution by the Contractor and the City. Feel free to contact me if you have any questions.

Sincerely,

Kirt Harle, P.E.

JACOB | MARTIN



325.695.1070
817.594.9880



info@jacobmartin.com
www.jacobmartin.com



3465 Curry Lane
Abilene, TX 76906

1508 Santa Fe, Suite 203
Weatherford, TX 76086

TBPE Firm #: 2448

TBAE Firm #: BR 2261

TBPLS Firm #: 10024300 – Abilene

TBPLS Firm #: 10193992 - Weatherford

City of Big Spring
Lead Service Line Inventory
Bid Date: March 28, 2024 5:00 PM
JM Project Number: 23516
TWDB-DWSRF



Bid Tabulation

Engineer: Jacob & Martin, LLC
Abilene, Texas

For all Labor, Materials, Equipment, and Incidentals to Furnish and Install
the Following:

Core & Main, LP.
5791 Loop 306 S.
San Angelo, TX 76905

Item #	Item Description	Quantity	Unit	Unit Price	Total
1	Mobilization, Bonds, and Insurance	1	LS	\$ 6,000.00	\$ 6,000.00
2	Inventory of Water Service Lines	8,300	EA	\$ 45.00	\$ 373,500.00
TOTAL BASE BID (Items 1 - 2)					\$ 379,500.00

ADDITIVE ALTERNATE BID

Item #	Item Description	Quantity	Unit	Unit Price	Total
A1	GPS Coordinates for Water Service Meters (included in lead service line inventory)	8,300	EA	\$ 1.80	\$ 14,940.00
A2	GPS Coordinates for Water Service Meters (<u>NOT</u> included in lead service line inventory)	800	EA	\$ 1.80	\$ 1,440.00
TOTAL ADDITIVE ALTERNATE BID (ITEMS A1-A2)					\$ 16,380.00

TOTAL BASE BID PLUS ADDITIVE ALTERNATE BID					\$ 395,880.00
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310 Nolan Street Big Spring, TX 79720

City of Big Spring Texas /Airpark Department Request for Qualifications (RFQ) for Professional Engineering Services

The City of Big Spring, TX intends to engage a professional engineering firm for services pursuant to Chapter 2254, Subchapter A, of the Government Code, for the City of Big Spring's Airpark Department. The City of Big Spring will solicit and receive qualification statements for the current aviation project as described below.

Scope: Provide engineering and design services, including construction administration, to:

1. Striping and Marking the Airport consistent with the requirements of FAA AC 150/5340-1M - Standards for Airport Markings. The project will include striping and marking Runway 17/35, Runway 06/24, Taxiway A (Alpha), Taxiway B (Bravo), Taxiway C (Charlie), Taxiway D (Delta), Taxiway E (Echo), and Taxiway F (Foxtrot). A site visit should be required to determine linear feet and any special markings. Attached is an exhibit that shows the surfaces.
2. Providers will help the City fulfill State and Federal statutory responsibilities related to the specific grant or funding sources.
3. Providers will assist the City in completion of Program Engineering services for one or more programs or services (environmental, acquisition, general administration, etc.)
4. Program engineering services must be performed in compliance with the guidance provided by the grant or funding sources (US Treasury, FAA, State of Texas, TxDOT Aviation and/or Local Government Code, City of Bay City, etc.).

The City of Big Spring, TX reserves the right to determine which of the services listed above may or may not be awarded to the successful firm and to initiate additional procurement action for any of the services listed above.

The City of Big Spring, TX, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all respondents that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit in response to this solicitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

The proposed contract is subject to 49 CFR Part 26 concerning the participation of Disadvantaged Business Enterprises (DBE).

The DBE goal for the design phase of the current project is %. The goal will be re-set for the construction phase.

To assist in your qualification statement preparation the criteria, project diagram, and most recent Airport Layout Plan are available electronically from the Airport Director at mfeeley@mybigsprng.com. The qualification statement should address a technical approach for the current scope only. Firms shall use page 4, Recent Airport Experience, to list relevant past projects.

AVN-550 Preparation Instructions:

Interested firms shall utilize the latest version of Form AVN-550, titled “Qualifications for Aviation Architectural/Engineering Services”. The form is available for download from the TxDOT website at <http://www.txdot.gov/inside-txdot/division/aviation/projects.html>.

The form may not be altered in any way. Firms must carefully follow the instructions provided on each page of the form. Qualifications shall not exceed the number of pages in the AVN-550 template. The AVN-550 consists of eight pages of data plus one optional illustration page. A prime provider may only submit one AVN-550. If a prime provider submits more than one AVN-550, or submits a cover letter with the AVN-550, that provider will be disqualified. Responses to this solicitation WILL NOT BE ACCEPTED IN ANY OTHER FORMAT.

ATTENTION: To ensure utilization of the latest version of Form AVN-550, firms are encouraged to download Form AVN-550 from the TxDOT website as addressed above. Utilization of Form AVN-550 from a previous download may not be the exact same format. Form AVN-550 is a PDF Template.

The completed Form AVN-550 must be received in a sealed envelope and labeled ***Qualifications (RFQ) for Engineering/Architectural/Surveying Services for the City of Big Spring, TX***, followed by the firm’s legal name. The Form AVN-550 must be enclosed and sealed inside another envelope addressed for mailing. The mailing envelope shall be addressed as follows:

City of Big Spring
ATTN: Human Resources
310 Nolan St.
Big Spring, TX 79720

The completed Form AVN-550 will be accepted until February 1, 2024, at 2:00pm (CDST). Electronic facsimiles or forms sent by email will not be accepted.

The consultant selection committee will be composed of the Airport Manager and two (2) other local government representatives. The final selection by the committee will generally be made following the completion of review of AVN-550s. The committee will review all AVN-550s and rate and rank each. The Evaluation Criteria for Engineering Qualifications can be found at <http://www.txdot.gov/inside-txdot/division/aviation/projects.html> under Information for Consultants. All firms will be notified, and the top-rated firm will be contacted to begin fee negotiations for the design and bidding phases. The selection committee does, however, reserve

the right to conduct interviews for the top-rated firms if the committee deems it necessary. If interviews are conducted, selection will be made following interviews.

Please contact the Airport Director for any technical or procedural questions at (432) 264-2362.

MEMORANDUM

Date: April 9, 2024

To: Mayor Moore, Big Spring City Council Members and Todd Darden, City Manager

From: Mike Feeley A.A.E., Airport Director

Re: Award of Contract for Engineering and Design Services to Include Construction Administration for Airport Striping and Marking and Future Scope Projects at McMahon-Wrinkle Airport

On February 18, 2024, the City of Big Spring (COBS) issued a Request for Qualifications (RFQ) for professional engineering services associated with the proposed Striping and Marking Project at McMahon-Wrinkle Airport. With Texas Department of Transportation (TxDOT) concurrence the RFQ included potential future scope of work items spanning the next five (5) years to include Runway 06/24 Rehabilitation and Design and Construction of Airfield Lighting Upgrades.

The RFQ closed on March 5, 2024, and the city received three (3) responses to the solicitation. Consistent with the RFQ a selection committee was selected that included the Deputy City Manager, Public Works Director, and the Airport Director. On March 8, 2024, the committee met and reviewed/ranked the responses to the solicitation. The results of the selection committee meeting are as follows:

Evaluator	Woolpert	Parkhill	Lochner
Medina	98	90	95
Bowles	97	91	93
Feeley	97	90	95
Totals:	292	271	283

Based on that ranking the committee recommended the selection of Woolpert Inc., as the prime contractor who included Jacob Martin as a subcontractor for construction management and Resident Project Representative (RPR) services since they are locally based out of Abilene, Texas. As a result of the Selection Committee findings staff recommend the award of the contract to Woolpert Inc.

This is a budgeted item in the Airpark Fund under account number 410-021-610-6229. The project is within budget.



Staff Report

To: The Honorable Mayor and City Council

From: The City Manager

Date: April 9, 2024

Subject: Acknowledge Receipt of the Quarterly Claims
and Litigation Report from the City Attorney

RECOMMENDATION:

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

None

REPORT PREPARED BY:

Name1, Title

E-mail address

Phone #

APPROVED BY:

Department Head (optional)

Todd Darden, City Manager



Memorandum

Date: April 9, 2024

From: Sandy Smith, Finance Director

To: Mayor and City Council

Re: 2023-24 Budget Amendment

The Governmental Accounting Standards Board (GASB) has adopted two standards that were required to be implemented during our 2022-2023 Fiscal Year. These standards apply to certain leases and software subscriptions. It became apparent, last year that the volume of leases and the number of software programs that were subscription based has increased to the point where the auditor recommended that we get a software program that will ensure compliance with the standards.

We reviewed two programs,

- 1) Debtbook at \$9,000 for the 1st year subscription and \$2,500 for set-up and implementation
- 2) LeaseQuery at \$5,400 for the 1st year subscription and \$1,500 for set-up and implementation.

It is staff's recommendation that we approve Debtbook, with the realization that it is not the lowest price, however, Debtbook provides more features, in that it will prepare GASB compliant journal entries and footnotes for the audit document, whereas, LeaseQuery does not offer those features. The added features in staff's opinion make Debtbook the better software for our specific needs.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AMENDING ORDINANCE NUMBER 049-2023 WHICH ADOPTED THE ANNUAL BUDGET FOR THE CITY OF BIG SPRING, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024 BY INCREASING THE GENERAL FUND BUDGET FOR THE PURPOSE OF SUBSCRIBING TO SOFTWARE THAT WILL ENSURE COMPLIANCE WITH GASB 87 AND 96, FOR THE MANAGEMENT OF LEASES AND SOFTWARE SUBSCRIPTIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the City Council adopted the annual 2023-24 budget for the City of Big Spring, Texas on September 26, 2023 (“Budget”); and

WHEREAS the City Manager and the Finance Director recommend that the City Council increase the General Fund budgeted expenditures and amend the Budget previously approved;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AS FOLLOWS THAT:

SECTION 1. The General Fund Budget of the Annual Budget for the City of Big Spring, Texas for the Fiscal Year beginning October 1, 2023 and ending September 30, 2024 is hereby increased by the amount of \$11,500.00 to account 002-002-120-5411-000 for the purpose of purchasing a software subscription that will ensure compliance with GASB’s 87 and 96 for the management of leases and software subscriptions. The net increase will be funded through the fund balance.

SECTION 2. The remaining portions of Ordinance Number 049-2023 shall remain in full force and effect.

SECTION 3. Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose, the reminder of this ordinance shall not be affected thereby.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 5. The City Secretary is hereby authorized and directed to cause the publication of this ordinance in accordance with law.

SECTION 6. This ordinance shall be in full force and effective from and after its publication as required by law.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **9th** day of **April, 2024** with all members of the Council present voting “aye” for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the **23rd** day of **April, 2024** with all members of the Council present voting “aye” for the passage of same.

Robert H. Moore III, Mayor

ATTEST:

Tami L. Davis, City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS AMENDING CHAPTER 36 OF THE BIG SPRING CITY CODE “NUISANCES,” ARTICLE IV “ABANDONED, INOPERATIVE OR JUNKED MOTOR VEHICLES” TO DEFINE AS NUISANCES JUNKED TRAILERS AND JUNKED RV TRAILERS, AND TO ABATE THEM AS JUNKED VEHICLES; PROVIDING FOR THE REPEAL OF CONFLICTING LEGISLATION; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE ORDINANCE WAS DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Big Spring is a Texas municipality enjoying home rule; and

WHEREAS, the Texas Legislature has allowed municipalities to adopt procedures to abate junked vehicles as public nuisances under Subchapter E, Chapter 683, Texas Transportation Code; and

WHEREAS, the City Council of Big Spring last amended its junked vehicle rules and procedures in its Ordinance 024-2020; and

WHEREAS, “A home-rule municipality may enforce ordinances necessary to protect health, life, and property and to preserve the good government, order, and security of the municipality and its inhabitants,” Section 54.004, Texas Local Government Code; and

WHEREAS, a Texas municipality may define and prohibit nuisances, Section 217.042(a), Local Government Code;

WHEREAS, a Texas municipality may enforce all ordinances necessary to prevent, abate, and remove a nuisance, Section 217.042(b), Local Government Code; and

WHEREAS, “A municipality. . . may adopt procedures that conform to this subchapter [E] for the abatement and removal from private or public property or a public right-of-way of a junked vehicle or part of a junked vehicle as a public nuisance,” Section 683.074(a), Transportation Code; and

WHEREAS, being a court of non-record, the Municipal Court of Big Spring does not have jurisdiction to enforce junk vehicle ordinances, Section 30.00005(d)(1), Texas Government Code; and

WHEREAS, state law defines a “motor vehicle” to include many trailers and travel trailers under Sections 501.002(17) and 683.001(4), Transportation Code, but the state law definition of “junked vehicle” is limited to self-propelled vehicles, Section 683.071(a)(1), Transportation Code; and

WHEREAS, the state law definition of travel trailer under Section 501.002(30), Transportation Code excludes travel trailers being used as permanent dwellings and references a subsection of a federal regulation that is not in effect; and

WHEREAS, state law grants to the governing body of a municipality the authority to adopt by ordinance a more inclusive definition of “junked vehicle” than the definition enacted by state law, Section 683.0711, Texas Transportation Code; and

WHEREAS, the City Council of Big Spring finds that junked trailers and junked RV trailers are nuisances and should be included in its ordained definition of junked vehicles for the purpose of abatement; and

WHEREAS, the City Council of Big Spring finds that junked vehicles, including junked trailers and junked RV trailers, located on public or private property cause detriment to the health, comfort, safety, convenience, and welfare of the inhabitants of Big Spring, constitute public nuisances, and should be abated under law, and the City of Big Spring shall do so upon affording all interest holders in the private property recourse through the due course of law and due process of law;

THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

SECTION 1. The Big Spring City Code, Chapter 36 entitled “Nuisances,” Article IV entitled “Abandoned, Inoperative or Junked Motor Vehicles,” Section 36-115 entitled “Definitions” is hereby amended by replacing the definitions of “Junked vehicle” and “motor vehicle” in their entirety, and by inserting additional definitions as follows in the appropriate order in the Section.

Big Spring City Code
Chapter 36 – Nuisances
Article IV – Abandoned, Inoperative or Junked Motor Vehicles
Sec 36-115. – Definitions.

Junked RV trailer means an RV trailer that is visible, wrecked/inoperable, and unpermitted.

Junked trailer means a trailer that is visible and wrecked/inoperable.

Junked vehicle means

- (1) a motor vehicle, aircraft, or watercraft that is visible, self-propelled, wrecked/inoperable, and unlicensed;
- (2) a junked trailer; or
- (3) a junked RV trailer.
- (4) The definition of "junked vehicle" includes a part or parts of such a vehicle.

Motor vehicle has the meaning assigned in Section 683.001(4), Texas Transportation Code.

RV trailer means a trailer that

- (1) is less than eight feet six inches in width or 45 feet in length, exclusive of any hitch installed on the vehicle;
- (2) is designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use; and
- (3) is not a utility trailer, enclosed trailer, or other trailer that does not have human habitation as its primary function.

Trailer means a nonself-propelled vehicle that:

- (1) is designed or used to carry a load wholly on the trailer's own structure; and
- (2) is drawn or designed to be drawn by a motor vehicle.

Unlicensed means:

- (1) a motor vehicle that displays an expired license plate or does not display a license plate;
- (2) An aircraft that does not have lawfully printed on the aircraft an unexpired federal aircraft identification number registered under Federal Aviation Administration aircraft registration regulations in 14 C.F.R. Part 47; or
- (3) A watercraft that:
 - (a) Does not have lawfully on board an unexpired certificate of number; and
 - (b) Is not a watercraft described by Parks and Wildlife Code § 31.055.

Unpermitted means

- (1) being present in the municipality for more than five (5) consecutive days in any thirty (30) day period;
- (2) and a temporary use permit under Section 8-7 of the Zoning Ordinance has expired, or no such temporary use permit was granted.

Visible means visible at any time of the year from a public place or public right-of-way;

Wrecked/inoperable means:

- (1) Wrecked, dismantled or partially dismantled, or discarded; or
- (2) Inoperable and has remained inoperable for more than:
 - (i) Seventy-two (72) consecutive hours, if the vehicle is on public property; or
 - (ii) Thirty (30) consecutive days, if the vehicle is on private property;

Junked vehicle means a vehicle that is, and is:

- ~~(1) Visible at any time of the year from a public place or public right-of-way; and~~
- ~~(2) Self-propelled; and~~
- ~~(3) Is:~~
 - ~~(a) Wrecked, dismantled or partially dismantled, or discarded; or~~
 - ~~(b) Inoperable and has remained inoperable for more than:~~
 - ~~(i) Seventy-two consecutive hours, if the vehicle is on public property; or~~
 - ~~(ii) Thirty consecutive days, if the vehicle is on private property;~~

~~(4) And is:~~

- ~~(a) A motor vehicle that displays an expired license plate or does not display a license plate;~~
- ~~(b) An aircraft that does not have lawfully printed on the aircraft an unexpired federal aircraft identification number registered under Federal Aviation Administration aircraft registration regulations in 14 C.F.R. Part 47; or~~
- ~~(c) A watercraft that:~~
 - ~~(i) Does not have lawfully on board an unexpired certificate of number; and~~
 - ~~(ii) Is not a watercraft described by Parks and Wildlife Code § 31.055.~~

~~(5) The definition of "junked vehicle" includes a part or parts of such a vehicle.~~

Motor vehicle means a vehicle that is subject to registration under Texas Transportation Code, Title 7, Chapter 501.

SECTION 2. The Big Spring City Code, Chapter 36 entitled “Nuisances,” Article IV entitled “Abandoned, Inoperative or Junked Motor Vehicles,” Section 36-118 entitled “Notice and request for hearing” is hereby amended by inserting subsection (c) as follows:

Big Spring City Code
Chapter 36 – Nuisances
Article IV – Abandoned, Inoperative or Junked Motor Vehicles
Sec 36-118. – Notice and request for hearing.

...

- (c) For junked RV trailers, an additional notice shall be made as follows. A placard containing the information from the notice in subsection (a) shall be posted on or near the door of the junked RV trailer, or on a stake on the premises between it and the street.

NOTE* Language to be added appears underlined and language to be deleted is ~~stricken~~.

SECTION 3. All provisions of any ordinance, rule, regulation, or order of the City in conflict with this Ordinance are hereby repealed to the extent they are in conflict.

SECTION 4. Should any one or more sections or clauses of this Ordinance be adjudged unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 5. It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 6. This Ordinance is ordered to be codified.

SECTION 7. This Ordinance shall become effective immediately.

SECTION 8. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and of the United States of America.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **9th** day of **April, 2024** with all members of the Council voting “aye” for the passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the **23rd** day of **April, 2023** with all members of the Council voting “aye” for the passage of same.

Robert H. Moore III, Mayor

ATTEST:

Tami L. Davis, City Secretary

MEMORANDUM

Date: April 9, 2024

To: Mayor Moore, Big Spring City Council Members and Todd Darden, City Manager

From: Mike Feeley A.A.E., Airport Director

Re: Amendment to City Contract C-103-2023 Between the City of Big Spring and ABS Wind USA LLC (ABS)

On November 1, 2023, the City of Big Spring (COBS) executed a lease (C-103-2023) with ABS Wind USA LLC (ABS) for Building 75 and associated acreage at McMahon-Wrinkle Airport. The lease included mandatory improvements from ABS totaling \$336,240 dollars with COBS agreeing to reestablish electrical services to the facility. The COBS completed their obligation in reestablishing electrical services to the facility totaling approximately \$10,000 dollars' worth of expenses. To date, ABS has not made any of the improvements they agreed to in the lease because of a change in direction associated with a corporate merger that included redirection of the effort.

On March 18, 2024, ABS approached staff with a proposed amendment to the existing city contract (C-103-2023) that included ABS making approximately \$1,600,000 dollars' worth of improvements to the lease site. The ABS proposal also included COBS making mandatory improvements to the lease site including the addition of a security fence and an associated sixteen-foot gate and developing an asphalt road to the loading dock area. Staff has estimated the cost of those COBS improvements to be \$125,000, subject to bids.

Staff received a proposal from ABS that included a ten (10) year first term with reduced rates and two (2) five (5) year option periods. Staff negotiated with ABS and both entities agreed to the COBS providing an annual CPI Increase capped at 5% and the rental rates depicted in the following spreadsheet:

ABS Proposal for Amending Lease Terms for Building 75 and Acreage								City of Big Spring Counter Proposal Accepted by ABS								Proposal Comparison	
Years 1 through 10								Years 1 through 10								Annual Diff	10 Year Diff
SF	Rate	Annually	Monthly	# Acres	Rate	Monthly	Annually	SF	Rate	Annually	Monthly	# Acres	Rate	Monthly	Annually	Annual Diff	5 Year Diff
33,944	\$ 0.10	\$ 3,394.40	\$ 282.87	2.47	\$ 300.00	\$ 741.00	\$ 8,892.00	33,944	\$ 0.50	\$ 16,972.00	\$ 1,414.33	2.47	\$ 300.00	\$ 741.00	\$ 8,892.00	\$ 5,091.60	\$ 25,458.00
Total Annual Rent: \$12,286.40								Total Annual Rent: \$25,864.00									
5 Year Option Period 1								5 Year Option Period 1								Gross Diff	\$ 161,234.00
SF	Rate	Annually	Monthly	# Acres	Rate	Monthly	Annually	SF	Rate	Annually	Monthly	# Acres	Rate	Monthly	Annually	Less City Ex	\$ (125,000.00)
33,944	\$ 0.75	\$ 25,458.00	\$ 2,121.50	2.47	\$ 300.00	\$ 741.00	\$ 8,892.00	33,944	\$ 0.75	\$ 25,458.00	\$ 2,121.50	2.47	\$ 300.00	\$ 741.00	\$ 8,892.00	Net Diff	\$ 36,234.00
Total Annual Rent: \$34,350.00								Total Annual Rent: \$34,350.00									
5 Year Option Period 2								5 Year Option Period 2									
SF	Rate	Annually	Monthly	# Acres	Rate	Monthly	Annually	SF	Rate	Annually	Monthly	# Acres	Rate	Monthly	Annually		
33,944	\$ 0.75	\$ 25,458.00	\$ 2,121.50	2.47	\$ 300.00	\$ 741.00	\$ 8,892.00	33,944	\$ 0.90	\$ 30,549.60	\$ 2,545.80	2.47	\$ 300.00	\$ 741.00	\$ 8,892.00		
Total Annual Rent: \$34,350.00								Total Annual Rent: \$39,441.60									
*Concession on the Hangar 75 rent – The current lease for Hangar 75 is \$41144 per annum (\$3429 per month) for 33,000 Sq. Ft. which is ~1.25\$ per sq. ft per annum. Due to the new investment of ~1.6M\$ to Hangar 75 that will be spent towards revamping of existing building, additional building, and 60T crane, we hope Big Spring City will provide								ABS is proposing to make improvements to Building 75 totaling \$1,303,546 in structural upgrades and an additional \$364,400 in the addition of environmental control devices. ABS was requesting a reduced rental rate. The original rental rate for the first period was \$1.00 per SF so .50 seems like a fair starting point for the reduced rental rates. ABS wants a capped CPI to not exceed 5% annually.									
*Fixed rent for Hangar 75 – No change in rent for Hangar 75 for 10 years i.e., Big Spring City to maintain the same discounted rent for the next 10 years.								ABS is requesting the COBS build a 20' X 130' Asphalt Road Est Cost \$60,000 to the loading dock and that the COBS fence the property totaling an area 150 X 300 LF and add a 16' Gate Est Cost \$65,000 both improvements are subject to bid. The city agrees to the proposed improvements to be accomplished in the next fiscal year. The COBS also agrees to a CPI cap of not to exceed 5% annually.									
*Fencing for the entire property – Add fencing around the periphery of the property (building + empty concrete area) wherever there is no protection.																	

Staff recommends that the City Council approve the proposed amendment to City Contract C-103-2023, which will allow ABS to begin moving forward towards making improvements to the facility. The city improvements are unbudgeted and as a result ABS has agreed that the COBS can make the proposed city improvements in the next fiscal year where they will budget in the FY 24/25 Operating Budget. Staff has also asked that the proposed amendment include performance criteria to ensure ABS completes the proposed improvements in a timely manner.



MEMORANDUM

Date: March 5, 2024
To: Mayor Robert H. Moore and Big Spring City Council
CC: Todd Darden, City Manager
From: John Medina, Assistant City Manager
Subject: Asbestos Consultant Services for Texas Building & Airpark Building #42

City of Big Spring staff is requesting approval to enter into an agreement with Corral Environmental Consulting for asbestos abatement of the Texas Building located (315 Main Street) and abatement and demolition of the old firehouse (Building #42) at the Mc-Mahon-Wrinkle Airpark, both of which are currently in a dilapidated state. The city had an environmental survey done on both buildings to determine if asbestos abatement was required. The survey confirmed that both buildings contain asbestos material that will need to be removed prior to demolition.

The current balance in the General Fund demolition budget is \$160,000.00 for the Texas building. The Airpark Fund has allocated \$155,000.00 for the abatement and demolition of Building #42. We are requesting the City Council's approval to proceed with asbestos abatement of both buildings and the demolition of Building #42 at the Mc-Mahon-Wrinkle Airpark.

OWNER / CONSULTANT AGREEMENT

Agreement made as of: March 21, 2024

Between the Owner: City of Big Spring
217 E. 3rd Street
Big Spring, Texas 70720

and Asbestos Consultant: Corral Environmental Consulting, LLC.
P.O. Box 13996
Odessa, Texas 79768

For the following project: Asbestos Abatement Project
Old Texan Building - 315 Main Street, Big Spring TX

Asbestos Abatement & Demolition
Airport and Industrial Park Building #42
(former firehouse)

ARTICLE 2 - SCOPE OF ASBESTOS CONSULTANT'S BASIC SERVICES

2.1 IDENTIFICATION PHASE - The Asbestos Consultant will review the information furnished by the Owner regarding the identification and location of ACBM to be removed to ascertain the requirements of the Project and will arrive at a mutual understanding of such requirements with the Owner. The Asbestos Consultant will submit to the Owner a preliminary estimate of Construction Cost. Unless otherwise stated, the Asbestos Consultant will prepare removal specifications only for ACBM listed below:

Abatement - Old Texas Building – 315 Main Street, Big Spring
Abatement & Demolition – Airport Industrial Park Building #42
(former firehouse)

2.2 CONSTRUCTION DOCUMENTS PHASE - Based on the approved Identification of ACBM and any further adjustments in the scope, cost or quality of the Project authorized by the Owner, the Asbestos Consultant will prepare, for approval by the Owner, Construction Documents consisting of Specifications and Diagrams setting forth in detail the requirements for the construction/abatement of the Project.

2.3 BIDDING OR NEGOTIATION PHASE - The Asbestos Consultant, following the Owner's approval of the Construction Documents, will assist the Owner in obtaining bids or negotiated proposals and assist in awarding and preparing contracts for construction.

2.4.1 DEMOLITION PHASE - The Asbestos Consultant's responsibility to provide Basic Services for the Construction Phase under this Agreement commences with the award of the Contract for Construction and terminates at the issuance to the Owner of the final Certificate for Payment. The Asbestos Consultant will provide administration of the Contract for Construction as set forth below and in the General Conditions of the Contract for Demolition.

2.4.2 The Asbestos Consultant will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences, compliance with abatement schedule, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's responsibility under the Contract for Construction.

2.4.3 Based on the Asbestos Consultant's observations and evaluations of the Contractor's Applications

OWNER / CONSULTANT AGREEMENT

for Payment, the Asbestos Consultant will review and certify the amounts due the Contractor.

2.4.4 The Asbestos Consultant will have authority to reject Work which does not conform to the Contract Documents. However, this authority of the Asbestos Consultant nor a decision made in good faith either to exercise or not to exercise such authority will give rise to a duty or responsibility of the Asbestos Consultant to the Contractor, Subcontractors, or equipment suppliers.

2.4.5 The Asbestos Consultant will prepare Change Orders and Construction Change Directives, with supporting documentation and data if deemed necessary by the Asbestos Consultant for the Owner's approval and execution in accordance with the Contract Documents, and may authorize minor changes in the Work not involving an adjustment in the Contract Sum or Contract Time.

2.5 PROJECT MANAGEMENT – The Asbestos Consultant will provide services of on site project manager in order to observe and monitor compliance of the asbestos abatement activities being performed.

2.6 PROJECT AIR MONITORING - The Asbestos Consultant will provide services of on site technician in order to monitor the level of air borne fibers before, during and after the removal of ACM.

2.6.1 Air samples will be taken inside and outside the work area prior to commencement of work to establish prevalent air-borne asbestos fiber count.

2.6.2 Air samples will be taken at the following locations in order to determine the presence of air-borne asbestos fibers in and around the work area.

- * Decontamination Unit Entry
- * Air Filtration System Exhaust
- * Waste load-out area
- * Areas outside work area
- * Inside the work area

2.6.3 Air samples will be taken upon substantial completion of the work in order to determine "clearance" air-borne fiber levels.

2.6.4 Air samples will be analyzed by Phase Contrast Microscopy using the NIOSH 7400 method by participants in the NIOSH Proficiency Analytical Testing (PAT) program for asbestos analysis. Technician will not monitor Contractor's employees as required by OSHA or EPA requirements.

2.6.5 An air monitoring technician will be provided as required to place and collect samples. Technician will be required to be present during work of the Contractor.

ARTICLE 3 - ADDITIONAL SERVICES

3.1 The services described in this Article 3 are not included in Basic Services, and they will be paid for by the Owner as provided in this Agreement, in addition to the compensation for Basic Services. Providing services required because of changes in the Project including, but not limited to, size, quality, complexity, the Owner's schedule, Owner's previous approvals, failure by contractor to perform, method of bidding or negotiating and contracting for construction.

OWNER / CONSULTANT AGREEMENT

ARTICLE 4 - OWNER'S RESPONSIBILITIES

4.1 The Owner will provide full information regarding requirements for the Project, including a program which will set forth the Owner's objectives, budget, schedule, constraints and criteria, including the location of ACM to be removed.

4.3 The Owner will furnish a list of all personnel in the Owner's employ or persons that may use the building during the execution of the work of this contract. The Owner will provide advanced written notice to all occupants, or possible occupants, of the area where abatement will be performed.

ARTICLE 5 - CONSTRUCTION COST

5.1 The Construction Cost will be the estimated cost to the Owner of all elements of the Project designed or specified by the Asbestos Consultant. It will include the cost at current market rates of labor and materials furnished by the Owner and equipment designed, specified, selected or specially provided for by the Asbestos Consultant, plus a reasonable allowance for the Contractor's overhead and profit. The Asbestos Consultant cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's Project budget or from any estimate of Construction Cost or evaluation prepared or agreed to by the Asbestos Consultant.

ARTICLE 6 - USE OF ASBESTOS CONSULTANT'S DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

6.1 The Drawings, Specifications and other documents prepared by the Asbestos Consultant for this Project are instruments of the Asbestos Consultant's service for; use solely with respect to this Project and, unless otherwise provided. The Asbestos Consultant will be deemed the author of these documents and will retain all common law, statutory and other reserved rights, including the copyright.

ARTICLE 8 - TERMINATION, SUSPENSION OR ABANDONMENT

8.1 This Agreement may be terminated by either party upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

ARTICLE 9 - MISCELLANEOUS PROVISIONS

9.1 The Asbestos Consultant will have the right to include representations of the design of the Project, including photographs of the exterior and interior, among the Asbestos Consultant's promotional and professional materials. The Asbestos Consultant's materials will not include the Owner's confidential or proprietary information if the Owner has previously advised the Asbestos Consultant in writing of the specific information considered by the Owner to be confidential or proprietary.

ARTICLE 10 - PAYMENTS TO THE ASBESTOS CONSULTANT

10.1 REIMBURSABLE EXPENSES

OWNER / CONSULTANT AGREEMENT

10.1.1 Reimbursable Expenses are in addition to compensation for Basic and Additional Services and include expenses incurred by the Asbestos Consultant and Asbestos Consultant's employees and consultants in the interest of the Project, as identified in the following Clauses.

10.1.2 Expenses of transportation in connection with the Project; expenses in connection with authorized out-of-town travel; long-distance communications; reproduction of documents; and fees paid for securing approval of authorities having jurisdiction over the Project.

Mileage	\$0.56 per mile
Food and Lodging	\$150 per day
Long distance, reproduction	Cost plus 10%

10.1.3 Expense of analyzing air samples:

Phase Contrast Microscopy in excess of 8/day	\$17 per sample
Polarized-Light Microscopy in	\$20 per sample
Transmission Electron Microscopy	\$100 per sample

10.2 COMPENSATION

10.2.1 For Basic Services Basic Compensation will be daily/hourly at the following rate:

Project Consultant:	\$200/hour
Project Manager/Air Monitoring	\$85/hour
Draftsman:	\$85/hour
Clerical	\$75/hour

10.2.2 Payments are due and payable thirty (30) days from the date of the approved Asbestos Consultant's invoice. Amounts unpaid thirty (30) days after the invoice date will bear interest at the rate Ten Percent (10%) APR.

This Agreement entered into as of the day and year first written above.

Owner Representative:

Consultant:



City of Big Spring
Representative

Ines Corral - Consultant
Corral Environmental Consulting, LLC