



**NOTICE AND AGENDA
MEETING OF THE CITY COUNCIL
AND THE EMPLOYEE BENEFITS TRUST
BOARD OF DIRECTORS
TUESDAY, SEPTEMBER 2, 2025, 7:00 P.M.
REGULAR CITY COUNCIL MEETING**

Notice is hereby given that the City Council of the City of Glenn Heights, Texas and the Employee Benefits Trust Board of Directors will hold a Meeting on Tuesday, September 2, 2025, in the City Hall, City Council Chambers, located at 1938-C South Hampton Road, Glenn Heights, Texas, 75154, as prescribed by Vernon's Texas Civil Statutes, Government Code Section §551.041, to consider and possibly take action on the following agenda items. Items do not have to be taken in the same order as shown in this meeting Notice and Agenda.

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members, including the presiding officer, will be physically present at the location noted above on this Agenda.

This Notice and Meeting Agenda, and the Agenda Packet, are posted online at <https://www.glennheightstx.gov/129/Agendas-Minutes>.

This City Council Meeting will be live-streamed at <https://www.glennheightstx.gov/229/City-Council-Meeting-Videos>.

CALL TO ORDER – City Council and the Employee Benefits Trust Board of Directors Meeting (and temporarily recess the Employee Benefits Trust Meeting)

INVOCATION

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

The public is invited to address City Council on any topic. Speakers should complete a Public Comment form and submit it to the City Secretary prior to the beginning of the meeting. The Texas Open Meetings Act prohibits City Council from discussing or taking action on issues not posted on the agenda; however, the Mayor, City Manager or designee may provide specific factual information, recite an existing policy, or schedule a discussion of the issue for possible placement on a future agenda. Speakers are limited to a maximum of three (3) minutes.

PROCLAMATION

- Patriot Day and National Day of Service and Remembrance, September 11, 2025

EVENT

- Town Hall Meeting, Saturday, September 20, 2025, 11:00 A.M. – 1:00 P.M., Harvest of Praise Ministry, 2603 South Hampton Road, Glenn Heights, Texas

- Hispanic Heritage Festival, Saturday, September 27, 2025, 6:00 P.M. – 9:00 P.M., Glenn Heights City Center, 1938 South Hampton Road, Glenn Heights, Texas

CONSENT AGENDA

Consent Agenda items are considered to be routine in nature and may be acted upon in one motion. Any Item requiring additional discussion may be withdrawn from the Consent Agenda by the Mayor, a Council Member, or the City Manager, and acted upon separately.

1. Discussion and take action to approve the Meeting Minutes of the July 1, 2025, City Council Meeting. (Brandi Brown, City Secretary)
2. Discussion and take action to approve the Meeting Minutes of the July 15, 2025, City Council Meeting. (Brandi Brown, City Secretary)
3. Discussion and take action to approve Resolution R-28-25, approving a negotiated settlement between the Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corp., Mid-Tex Division regarding the company’s 2025 Rate Review Mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attachment establishing a benchmark for pensions and retiree medical benefits; requiring the company to reimburse ACSC’S reasonable ratemaking expenses; determining that this Resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this Resolution to the company and the ACSC’S legal counsel. (Clifford Blackwell, City Manager)

City Council will recess temporarily to reconvene a meeting of the Glenn Heights Employee Benefits Trust Board of Directors.

EMPLOYEE BENEFITS TRUST BOARD OF DIRECTORS

The City of Glenn Heights Employee Benefits Trust Board of Directors reserves the right to retire into Executive Session concerning any of the agenda items whenever it is considered necessary and legally justified pursuant to Texas Government Code, Chapter 551. The City of Glenn Heights Employee Benefits Trust reconvenes into its Regular Called Meeting.

1. Discussion and take action approving ~~a Resolution~~ approving insurance renewal recommendations for Employees’ Group Medical/Prescription, Life/Disability, Dental, Vision, and Accident/Critical Illness Insurance, and a Flexible Spending Account. (Jaynice Porter-Brathwaite, Human Resources Director)

ADJOURNMENT

The City Council will reconvene into its Regular Called Meeting.

AGENDA

1. Discussion and take action to approve Resolution R-26-25, authorizing the City

of Glenn Heights Employee Benefits Trust to pay the obligations of the Trust as it relates to insurance contracts that the Trust awards; authorizing any transfers of funds that may be necessary during the 2025-2026 Fiscal Year to fund the Trust's obligations relating to insurance contracts that the Trust awards; and providing for an effective date. (Jaynice Porter-Brathwaite, Human Resources Director)

2. Discussion regarding possible amendments to Article 3.20, Rental Registration Program. (Mayor Sonja A. Brown)
3. Discussion, first reading and public hearing for Ordinance O-14-25, adopting the Budget for the Fiscal Year beginning October 1, 2025, and ending September 30, 2026. (Clifford Blackwell, City Manager)
4. Discussion, first reading and public hearing for Ordinance O-15-25, adopting and levying ad valorem taxes for the year 2025 (Fiscal Year 2025-2026) at a rate of \$0.562795 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Glenn Heights, Texas. (Clifford Blackwell, City Manager)
5. Discussion and take action to postpone vote on approval of the Proposed Property Tax Rate for Fiscal Year 2025 until the September 9, 2025, City Council Meeting, to be held at City Hall, City Council Chambers, 1938-C S Hampton Road, Glenn Heights, Texas 75154, at 7:00 P.M. (Clifford Blackwell, City Manager)
6. Discussion and take action to approve Resolution R-25-25, approving an Agreement with Vail & Park, PC., to serve as Auditors for the City, to conduct Annual Audits and prepare Financial Statements for the City; and authorizing the City Manager to execute an Engagement Letter. (Sherry Roberts, Finance Director)
7. Discussion and first reading of Ordinance O-16-25, appointing a Presiding Municipal Judge and an Alternate Municipal Judge of the Municipal Court of the City of Glenn Heights; setting qualifications and terms of office; approving contracts for each Judge and authorizing the City Manager to execute Agreements on behalf of the City. (Clifford Blackwell, City Manager)
8. Discussion and take action to approve Resolution R-29-25, authorizing the City Manager to enter into the Ballot for voting to accept or reject the Thirteenth Amended Joint Chapter 11 Plan of reorganization of Purdue Pharma L.P. and its affiliated debtors and authorizing the submission of an e-ballot to accept or reject the Thirteenth Amended Joint Chapter 11 Plan of reorganization of Purdue Pharma L.P. and its affiliated debtors; and providing an effective date. (David Berman, City Attorney)
9. Discussion and take action to approve Resolution R-30-25, authorizing the City Manager to enter into the Purdue Settlement and authorizing the submission of the subdivision participation and release form regarding the Purdue Settlement and full release of all claims. (David Berman, City Attorney)

EXECUTIVE SESSION

1. The City Council shall convene into Executive Session:
 - A. pursuant to the Texas Government Code, Section 551.072, Real Property; to deliberate the purchase, exchange, lease or value of real property located at S Uhl Road, Glenn Heights, Texas.
 - B. pursuant to the Texas Government Code, Section 551.072, Real Property, and Section 551.071, Consultation with City Attorney; to deliberate land acquisitions for the E Bear Creek Road Right-of-Way Expansion Project.
2. The City Council shall reconvene into Open Session and take any action arising from Executive Session.

ADJOURNMENT

In accordance with the Americans with Disabilities Act, If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodations, please contact the City Secretary at least 48 hours in advance of the event at 972-223-1690 ext. 125 or email brandi.brown@glennheightstx.gov. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.

I, Brandi Brown, City Secretary, do hereby certify that the above Meeting Notice and Agenda was posted in a place convenient to the Public at Glenn Heights City Hall, 1938-C South Hampton Road, Glenn Heights, Texas by 5:00 P.M. on Saturday, August 30, 2025.

Pursuant to Section 551.071 of the Texas Government Code, the City Council reserves the right to consult in closed session with its attorney at any time during the course of this meeting and to receive legal advice regarding any item listed on this agenda.

Brandi Brown, City Secretary

PROCLAMATION



Office of the Mayor • City of Glenn Heights

Patriot Day and National Day of Service and Remembrance September 11, 2025

- WHEREAS,** on September 11, 2001, our nation endured an unprecedented tragedy when terrorists attacked the World Trade Center in New York City, the Pentagon in Washington, D.C., and Flight 93 in Pennsylvania, resulting in the loss of nearly 3,000 innocent lives; and
- WHEREAS,** in the face of this tragedy, Americans responded with courage, unity, and compassion, demonstrating the strength and resilience of our nation; and
- WHEREAS,** Patriot Day serves as a solemn occasion to honor the memory of those who perished, including the heroic first responders who risked and gave their lives to save others; and
- WHEREAS,** it is our shared responsibility to educate future generations about the events of September 11, 2001, and to instill in them the values of patriotism, civic duty, and the importance of standing united in the face of adversity; and
- WHEREAS,** the United States Congress has designated September 11 as both Patriot Day and a National Day of Service and Remembrance, encouraging all Americans to engage in acts of kindness, volunteerism, and community service in tribute to those lost and in recognition of the spirit of unity that emerged in the aftermath.

NOW, THEREFORE, I, Sonja A. Brown, Mayor of the City of Glenn Heights, Texas, do hereby proclaim September 11, 2025, as **Patriot Day and National Day of Service and Remembrance** in the City of Glenn Heights, and encourage all residents to observe this day with appropriate ceremonies and activities, including moments of silence, acts of service, and expressions of unity and compassion.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of September in the year of our Lord two thousand twenty-five.

Sonja A. Brown, Mayor
Glenn Heights, Dallas County, Texas



Discussion and take action to approve the Meeting Minutes of the July 1, 2025, City Council Meeting. (Brandi Brown, City Secretary)

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**MINUTES OF THE CITY COUNCIL OF
THE CITY OF GLENN HEIGHTS, TEXAS**

JULY 1, 2025

STATE OF TEXAS *

COUNTIES OF DALLAS AND ELLIS *

CITY OF GLENN HEIGHTS *

On the 1st day of July 2025, the City Council of the City of Glenn Heights, Texas, met in the City Hall, City Council Chambers, located at 1938-C South Hampton Road, Glenn Heights, Texas, 75154, with the following members present:

CITY COUNCIL:

Sonja A. Brown	*	Mayor
Cornel Benford II	*	Mayor Pro Tem
Sherron Mosley	*	Council Member, Place 1
Harry A. Garrett*	*	Council Member, Place 2
Stephanne Hale	*	Council Member, Place 4
Laymon Lightfoot	*	Council Member, Place 5

* Harry A. Garrett, Council Member, Place 2, arrived at 7:13 P.M.

STAFF:

Clifford Blackwell	*	City Manager
Keith Moore	*	Deputy City Manager
Brandi Brown	*	City Secretary
Farrah Allen	*	Court Administrator
Dr. Glynell Horn	*	Chief of Police
Jeff Kent	*	IT Support Specialist
Jaynice Porter-Brathwaite	*	Human Resources Director
Parviz Pourazizian	*	Director of Planning and Development Services
Andrew Waits	*	Public Works Superintendent
Nicholas Williams	*	Fire Chief

CONSULTANT:

David Berman	*	City Attorney's Office
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CALL TO ORDER

Mayor Sonja A. Brown called the City Council Meeting to order at 7:03 P.M., with a quorum of the City Council present.

INVOCATION

Pastor Anthony Walker, Freedom Church, delivered the Invocation.

PLEDGE OF ALLEGIANCE

Mayor Sonja A. Brown led the assembly in the Pledge of Allegiance.

PUBLIC COMMENT

There were no Public Comments.

PROCLAMATIONS

Mayor Sonja A. Brown read the following Proclamations:

- American Independence Day, July 4, 2025
- Park and Recreation Month, July

EVENTS

Mayor Sonja A. Brown announced the following Event:

- Sunset Concert Series featuring Ox and the Waymakers, July 6, 2025, 7:30 P.M., Glenn Heights City Center, 1938 South Hampton Road, Glenn Heights, Texas

CONSENT AGENDA

Mayor Pro Tem Cornel Benford II requested to remove Agenda Item 2 for discussion.

2. Discussion and take action to approve Ordinance O-09-25, an Ordinance of the City Council of the City of Glenn Heights, Texas, amending the Code of Ordinances by amending Section 12.04.001 of Article 12.04 ("Stop Intersections") adding new intersections controlled by stop signs. (Second Reading) (Clifford Blackwell, City Manager)

Council Member Laymon Lightfoot made a motion to approve Consent Agenda Item 2. Council Member Stephanie Hale made the second. The motion carried with the following record vote:

VOTE 6 Ayes – Brown, Benford, Mosley, Garrett, Hale, and Lightfoot

1. Discussion and take action to approve Ordinance O-08-25, an Ordinance of the City Council of the City of Glenn Heights, Texas, adopting the city's Employee Personnel Policy. (Second Reading)

Jaynice Porter-Brathwaite, Human Resources Director, and Clifford Blackwell, answered Council's questions related to the September 11th Holiday and whether or not guidelines regarding the usage of a City Credit Card is in the Personnel Policy.

Mayor Pro Tem Cornel Benford II made a motion to approve Consent Agenda Item 1. Council Member Sherron Mosley made the second. The motion carried with the following record vote:

VOTE 6 Ayes – Brown, Benford, Mosley, Garrett, Hale, and Lightfoot

AGENDA

1. Discussion regarding a proposal for an Economic Development Strategic Plan.

Clifford Blackwell, City Manager, introduced this item, and Molly McKay, Managing Principal at Willdan, completed a presentation.

Mr. Blackwell and Mrs. McKay answered Council's questions related to a feasibility study, potential development ideas, and "healthy choice" attractions,

2. Discussion, first reading and public hearing for Ordinance O-10-25, related to granting a change in zoning from Retail (R) District to a Planned Development District-32 (PD-32) for approximately 33.3559 acres of land located at 605 Ovilla Road, by changing the zoning classification from Retail (R) to Planned Development-32 (PD-32) for a mixed-use development site consisting of Multi-Family and Commercial.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and completed a presentation, followed by a presentation by the Applicant, Michael Neary. Mr. Pourazizian and Mr. Neary answered Council's questions related to similar developments, types on zoning at the property and what will be built, storage units, and total land size. Council also requested that 3D or 4D images be provided.

Mayor Sonja A. Brown opened the Public Hearing.

- Krystal Jones, address on file: spoke in opposition to Agenda Item 2.
- Delandro Payne, address on file: spoke in opposition to Agenda Item 2.

Hearing no additional testimony, Mayor Sonja A. Brown closed the Public Hearing.

3. Discussion, first reading and public hearing for Ordinance O-11-25, to consider amending the zoning of approximately a 111.606 acre tract of land generally located at the southeastern corner of the intersection of West Bear Creek Road and South Westmoreland Road by changing the zoning classification from Planned Development-27 (PD-27) from mixed use single-family residential to Planned Development-27A (PD-27A) for Single-Family Residential (base Single-Family Residential-3) and Multi-Family Residential uses.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and completed a presentation, followed by a brief discussion by the Applicant, Jim Dewy. Mr. Pourazizian and Mr. Dewey answered Council's questions related to green space, community amenities, structure types and sizes, and street width.

Mayor Sonja A. Brown opened the Public Hearing.

Hearing no testimony, Mayor Sonja A. Brown closed the Public Hearing.

4. Discussion, first reading and public hearing for Ordinance O-12-25, related to granting a change in Zoning from Single-Family Residential-1 (SF-1) to Single-Family Residential-3 (SF-3) for approximately 15.52+/- acres of land situated in Phase One of the Meadows on Bear Creek Addition located at 928 East Bear Creek Road.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and completed a presentation, followed by a presentation by the Applicant, Maxwell Fisher. Mr. Pourazizian and Mr. Fisher answered Council's questions related to HOA management, the chosen developer, price points, drainage, and citizen contact/ input.

Mayor Sonja A. Brown opened the Public Hearing.

- Jedidiah Gill, address on file: spoke in opposition to Agenda Item 4.

Hearing no additional testimony, Mayor Sonja A. Brown closed the Public Hearing

5. Discussion and presentation regarding proposed November 2025 General Election Charter Review Amendments.

Brandi Brown, City Secretary, introduced this item, and Christi Pierce, Chairperson, completed a presentation. Ms. Brown and Mrs. Pierce answered Council's questions related to elections, compensation, and misconduct for removal.

EXECUTIVE SESSION

1. The City Council shall convene into Executive Session:
 - A. pursuant to the Texas Government Code, Section 551.072, Real Property; to deliberate the purchase, exchange, lease or value of real property located at S Uhl Road, Glenn Heights, Texas.
 - B. pursuant to the Texas Government Code, Section 551.072, Real Property; to deliberate the purchase, exchange, lease or value of real property located at S Hampton, Glenn Heights, Texas.
 - C. pursuant to the Texas Government Code, Section 551.072, Real Property, and Section 551.071, Consultation with City Attorney; to deliberate land acquisitions for the E Bear Creek Road Right-of-Way Expansion Project.
 - D. pursuant to the Texas Government Code, Section 551.072, Real Property, and Section 551.071, Consultation with City Attorney; to deliberate land acquisitions for the S Uhl Road Right-of-Way Expansion Project.

Mayor Pro Tem Cornel Benford II made a motion to convene into Executive Session. Council Member Laymon Lightfoot made the second. The motion carried with the following record vote:

VOTE 6 Ayes – Brown, Benford, Mosley, Garrett, Hale, and Lightfoot

Mayor Sonja A. Brown announced that Council would convene into Executive Session at 9:22 P.M.

2. The City Council shall reconvene into Open Session and take any action arising from Executive Session.

Mayor Pro Tem Cornel Benford II made a motion to reconvene into Open Session. Council Member Laymon Lightfoot made the second. The motion carried with the following record vote:

VOTE 6 Ayes – Brown, Benford, Mosley, Garrett, Bruton, and Lightfoot

Mayor Sonja A. Brown announced that Council reconvened into Open Session at 9:49 P.M. and that no action would be taken as a result of Executive Session.

AGENDA

6. Discussion and take action to approve Resolution R-19-25, a Resolution of the City Council of the City of Glenn Heights, Texas, authorizing the City Manager to negotiate the acquisition of property for the South Uhl Road Right-of-Way Expansion Project, and authorizing the Mayor to execute any Conveyances on the City's behalf.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item.

Council Member Harry A. Garrett made a motion to approve Agenda Item 6. Mayor Pro Tem Cornel Benford II made the second. The motion carried with the following record vote:

VOTE 6 Ayes – Brown, Benford, Mosley, Garrett, Hale, and Lightfoot

ADJOURNMENT

Mayor Sonja A. Brown made a motion to adjourn. Mayor Pro Tem Cornel Benford II made the second. The motion carried with the following record vote:

VOTE 6 Ayes – Brown, Benford, Mosley, Garrett, Bruton, and Lightfoot

Mayor Sonja A. Brown adjourned the meeting at 9:49 P.M.

Sonja A. Brown, Mayor

Attest:

Brandi Brown, City Secretary

Passed and approved on the 2nd day of September 2025



Discussion and take action to approve the Meeting Minutes of the July 15, 2025, City Council Meeting. (Brandi Brown, City Secretary)

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**MINUTES OF THE CITY COUNCIL OF
THE CITY OF GLENN HEIGHTS, TEXAS**

JULY 15, 2025

STATE OF TEXAS *

COUNTIES OF DALLAS AND ELLIS *

CITY OF GLENN HEIGHTS *

On the 15th day of July 2025, the City Council of the City of Glenn Heights, Texas, met in the City Hall, City Council Chambers, located at 1938-C South Hampton Road, Glenn Heights, Texas, 75154, with the following members present:

CITY COUNCIL:

Sonja A. Brown	*	Mayor
Cornel Benford II	*	Mayor Pro Tem
Sherron Mosley	*	Council Member, Place 1
Harry A. Garrett	*	Council Member, Place 2
Travis Bruton*	*	Council Member, Place 3
Stephanne Hale*	*	Council Member, Place 4
Laymon Lightfoot	*	Council Member, Place 5

* Stephanne Hale, Council Member, Place 4, arrived at 7:01 P.M.

* Travis Bruton, Council Member, Place 3, arrived at 7:39 P.M.

STAFF:

Clifford Blackwell	*	City Manager
Keith Moore	*	Deputy City Manager
Brandi Brown	*	City Secretary
Farrah Allen	*	Court Administrator
Dr. Glynell Horn	*	Chief of Police
Jeff Kent	*	IT Support Specialist
Parviz Pourazizian	*	Director of Planning and Development Services
Andrew Waits	*	Public Works Superintendent
Nicholas Williams	*	Fire Chief

CONSULTANT:

David Berman	*	City Attorney's Office
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CALL TO ORDER

Mayor Sonja A. Brown called the City Council Meeting to order at 7:00 P.M., with a quorum of the City Council present.

INVOCATION

Pastor Alex Blake, Freedom Church, delivered the Invocation.

PLEDGE OF ALLEGIANCE

Mayor Sonja A. Brown led the assembly in the Pledge of Allegiance.

PUBLIC COMMENT

There were no Public Comments.

EVENTS

Mayor Sonja A. Brown announced the following Event:

- Sunset Concert Series, Chelsay Nicole & Amber Bullock, July 20, 2025, 7:30 P.M., Glenn Heights City Center, 1938 South Hampton Road, Glenn Heights, Texas
- Movies with the Mayor, July 26, 2025, 1:00 P.M., Glenn Heights Community Center, 1938-D South Hampton Road, Glenn Heights, Texas

CONSENT AGENDA

1. Discussion and take action to approve the Meeting Minutes of the May 6, 2025, City Council Meeting. (Brandi Brown, City Secretary)
2. Acknowledge receipt of the June 2025 Financial Reports. (Sherry Roberts, Finance Director)
3. Discussion and take action to approve Resolution R-21-25, a Resolution suspending the July 31, 2025, effective date of Oncor Electric Delivery Company's requested rate change to permit the City time to study the request and to establish reasonable rates; approving cooperation with the Steering Committee of cities served by Oncor to hire legal and consulting services and to negotiate with the company and direct any necessary litigation and appeals; finding that the meeting at which this Resolution is passed is open to the public as required by law; requiring notice of this Resolution to the company and legal counsel for the Steering Committee. (Clifford Blackwell, City Manager)

Council Member Laymon Lightfoot made a motion to approve Consent Agenda Items 1-3. Mayor Pro Tem Cornel Benford II made the second. The motion carried with the following record vote:

VOTE 5 Ayes – Brown, Benford, Mosley, Hale, and Lightfoot

AGENDA

1. Discussion and take action to approve Ordinance O-10-25, related to granting a change in zoning from Retail (R) District to a Planned Development District-32 (PD-32) for approximately 33.359 acres of land located at 605 Ovilla Road, by changing the zoning classification from Retail (R) to Planned Development-32 (PD-32) for a mixed-use development site consisting of Multi-Family and Commercial. (Second Reading)

Parviz Pourazizian, Director of Planning and Development Service, introduced this item and completed a Presentation.

- Public Comment - Peter Harding, address on file: spoke in opposition to Agenda Item 1, specifically in reference to water drainage.

Council discussed various aspects of the development and Mr. Pourazizian and Michael Neary, Applicant, answered Council's questions related to the approval of plats and plans, what a civil plat is, the differences between Districts 1 and 2, drainage issues, and included amenities and their sizes.

Mayor Sonja A. Brown also stated she had received a written Public Comment opposing Agenda Item 1, but due to the interest of time, she would not read it.

Council Member Harry A. Garrett made a motion to approve Agenda Item 1. Council Member Laymon Lightfoot made the second. The vote resulted in a tie:

VOTE 3 Ayes – Mosley, Garrett, and Lightfoot

VOTE 3 Nays – Brown, Benford, and Hale

City Council further discussed amenities, specifically storage units.

Council Member Harry A. Garrett made a motion to approve Ordinance O-10-25, as written, but striking the storage facility as a permissible use and if there was a request for a storage facility, the Applicant would have to come back to the City Council for a Specific Use Permit. The Motion language was then confirmed by David Berman, City Attorney – that self-storage units and mini warehouses would be struck from the entire project, not just District 2. Council Member Laymon Lightfoot made the second. The motion carried with the following record vote:

VOTE 5 Ayes – Mosley, Garrett, Bruton, Hale, and Lightfoot

VOTE 2 Nays – Brown and Benford

2. Discuss and take action to approve a Preliminary Plat request by Michael Neary, on behalf of Mark Buster, for Uhl Crossing, for a 33.359-acre tract of land being generally located at the Northwest corner of the intersection of Ovilla Road and South Uhl Road.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and completed a Presentation. He specifically discussed why this item was needed in addition to Agenda Item 1 and answered Council's questions related to the dedication of a Right of Way.

Council Member Harry A. Garrett made a motion to approve Agenda Item 2. Mayor Pro Tem Cornel Benford II made the second. The motion carried with the following record vote:

VOTE 5 Ayes – Mosley, Garrett, Bruton, Hale, and Lightfoot

VOTE 2 Nays – Brown and Benford

3. Discuss and take action to approve a Final Plat request by Michael Neary, on behalf of Mark Buster, for Uhl Crossing, for a 33.359-acre tract of land being generally located at the Northwest corner of the intersection of Ovilla Road and South Uhl Road.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and completed a Presentation.

Council Member Stephanie Hale made a motion to approve Agenda Item 3. Council Member Laymon Lightfoot made the second. The motion carried with the following record vote:

VOTE 5 Ayes – Mosley, Garrett, Bruton, Hale, and Lightfoot

VOTE 2 Nays – Brown and Benford

4. Discussion and take action to approve Ordinance O-11-25, amending the zoning of a 111.606 +/- acre tract of land generally located at the southeastern corner of the intersection of West Bear Creek Road and South Westmoreland Road by changing the zoning classification from Planned Development-27 (PD-27) from mixed use single-family residential to Planned Development-27A (PD-27A) for Single-Family Residential (base Single-Family Residential-3) and Multi-Family Residential uses. (Second Reading)

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and completed a Presentation. Mr. Pourazizian answered Council's questions related to traffic control/ stop signs and the development name.

Council Member Harry A. Garrett made a motion to approve Agenda Item 4. Council Member Laymon Lightfoot made the second. The motion carried with the following record vote:

VOTE 4 Ayes – Mosley, Garrett, Hale, and Lightfoot

VOTE 3 Nays – Brown, Benford, and Bruton

5. Discussion and take action to approve Ordinance O-12-25, related to granting a change in Zoning from Single-Family Residential-1 (SF-1) to Single-Family Residential-3 (SF-3) for approximately 15.52+/- acres of land situated in Phase One of the Meadows on Bear Creek Addition located at 928 East Bear Creek Road. (Second Reading) (Parviz Pourazizian, Director of Planning and Development Services)

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and completed a Presentation.

Council Member Travis Bruton made a motion to table Agenda Item 5 the August 5, 2025, City Council Meeting. Council Member Laymon Lightfoot made the second. The motion carried with the following record vote:

VOTE 7 Ayes – Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot

6. Discussion and first reading of Ordinance O-13-25, related to amending Section 13.12.002 of Article 13.12 (“Drainage Utility System”) of Chapter 13 (“Utilities”) to adopt Subsection (d) to Section 13.12.002, providing for the adoption of future amendments to the Drainage Design Manual, as previously adopted, and to adopt amendments to the Drainage Design Manual, providing principles and practices for the design, construction and implementation of drainage facilities in the City of Glenn Heights.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and answered Council’s questions related to the suggested amendments and their purpose, and he received a request to include a presentation with the Second Reading.

7. Discussion and first reading of Ordinance O-14-25, related to amending Chapter 2 (“Animal Control”) to amend Section 2.01.001 of Article 2.01 (“General Provisions”), Section 2.02.003 of Article 2.02 (“Animal Care Generally”), Section 2.04.001 of Article 2.04 (“Impoundment, Redemption and Disposition of Animals”), and Sections 2.16.006 and 2.16.007 of Article 2.16 (“Public Nuisances”), to amend provisions defining and prohibiting animals at large, requiring all dogs to be microchipped, revising impoundment regulations, and establishing new penalties.

Dr. Glynell Horn Jr., Chief of Police, introduced this item and answered Council’s questions related to microchipping.

8. Discussion and take action to appoint/ reappoint three Commissioners to serve on the Planning and Zoning Commission.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and answered Council’s questions related to alternates and why members were being replaced.

Council Member Stephanie Hale made a motion to reappoint Austin Kelley to Place 1 and appoint Stevelyn Miller to Place 4, and to appoint Enrique Salazar to Place 7 of the Planning and Zoning Commission. Council Member Laymon Lightfoot made the second. The motion carried with the following record vote:

VOTE 6 Ayes – Brown, Benford, Mosley, Garrett, Hale, and Lightfoot

VOTE 1 Nays – Bruton

9. Discussion and presentation regarding proposed November 2025 General Election Charter Review Amendments.

Brandi Brown, City Secretary, introduced this item and completed a presentation. After discussion, Ms. Brown, Clifford Blackwell, City Manager, and David Berman, City Attorney, answered Council’s questions related to the job description and duties of a

Council Liaison, candidate qualifications and what outlines misconduct, and the monthly stipend.

For proposed Proposition B - Shall Section 2.01 of the Home Rule Charter be amended to provide for compensation for the Mayor of \$1,000 monthly and for Councilmembers of \$500 monthly, other suggestions were provided and an informal consensus was provided for each suggestion:

Proposition as written: Mayor Brown, Mayor Pro Tem Benford, Council Member Mosley, Council Member Garrett, Council Member Lightfoot

Adjust the compensation to \$100 per attended regular and special meeting: Council Member Hale

Adjust the compensation for the Mayor to \$750 monthly and for Councilmembers to \$500 monthly: Council Member Bruton

10. Discussion regarding a proposed November 2025 Bond Election.

Clifford Blackwell, City Manager, introduced this item and completed a presentation, and answered Council's questions related to roadway improvement amounts and projects, how the bond will be impacted by the tax rate, total requested amounts, and upcoming Special Called meetings.

11. Discussion and take action to approve Resolution R-20-25, approving and authorizing the City Manager to execute a Professional Services Agreement between the City of Glenn Heights and Birkhoff, Hendricks & Carter, L.L.P. for the provision of professional engineering services for the Cinnamon Spring Waterline Replacement Project.

Parviz Pourazizian, Director of Planning and Development Services, introduced this and completed a presentation.

Council Member Harry A. Garrett made a motion to approve Agenda Item 11. Mayor Pro Tem Cornel Benford II made the second. The motion carried with the following record vote:

VOTE 7 Ayes – Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot

12. Discussion and take action to approve a sponsorship for a Best Southwest Partnership TGIF Series Breakfast.

Mayor Sonja A. Brown introduced this item.

Council Member Laymon Lightfoot made a motion to approve Agenda Item 12. Council Member Stephanie Hale made the second. The motion carried with the following record vote:

VOTE 7 Ayes – Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot

13. Discussion and take action to approve a Site Plan for Holy House of Prayer Church by Oscar Galan with Classic Design Group for a 1.1636 +/- acre tract of land located at the northwest corner of West Bear Creek and Heritage Boulevard.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and completed a Presentation. Mr. Pourazizian and Pastor Mike Hendrix answered Council's questions related to fence type, neighbor discussions regarding sharing a fence, parking, and various regulations.

Council Member Stephanie Hale made a motion to approve Agenda Item 13. Council Member Laymon Lightfoot made the second. The motion carried with the following record vote:

VOTE 7 Ayes – Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot

14. Discussion and take action to approve a variance request by Michael D. Polk for the property located at 1100 Yorkshire Drive, Glenn Heights, Dallas County, Texas, to build an 8-foot-tall residential wood fence.

- Public Comment – Michael Polk, address on file: applicant discussed why he was requesting a variance.

Parviz Pourazizian, Director of Planning and Development Services, introduced this item and completed a Presentation. Mr. Pourazizian answered Council's questions related to elevations, and residents who built without a permit or when a permit was issued in error.

Council Member Laymon Lightfoot made a motion to approve Agenda Item 14. Mayor Pro Tem Cornel Benford II made the second. The motion carried with the following record vote:

VOTE 7 Ayes – Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot

EXECUTIVE SESSION

1. The City Council shall convene into Executive Session:
 - A. pursuant to the Texas Government Code, Section 551.072, Real Property; to deliberate the purchase, exchange, lease or value of real property located at S Uhl Road, Glenn Heights, Texas.
 - B. pursuant to the Texas Government Code, Section 551.072, Real Property; to deliberate the purchase, exchange, lease or value of real property located at S Hampton, Glenn Heights, Texas.
 - C. pursuant to the Texas Government Code, Section 551.072, Real Property, and Section 551.071, Consultation with City Attorney; to deliberate land acquisitions

for the S Uhl Road Right-of-Way Expansion Project.

Mayor Sonja A. Brown announced that Council would convene into Executive Session at 9:41 P.M.

2. The City Council shall reconvene into Open Session and take any action arising from Executive Session.

Mayor Sonja A. Brown announced that Council reconvened into Open Session at 9:47 P.M. and that no action would be taken as a result of Executive Session.

ADJOURNMENT

Mayor Pro Tem Cornel Benford II made a motion to adjourn. Council Member Laymon Lightfoot made the second. The motion carried with the following record vote:

VOTE 7 Ayes – Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot

Mayor Sonja A. Brown adjourned the meeting at 9:48 P.M.

Sonja A. Brown, Mayor

Attest:

Brandi Brown, City Secretary

Passed and approved on the 2nd day of September 2025



Discussion and take action to approve Resolution R-28-25, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2025 Rate Review Mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attachment establishing a benchmark for pensions and retiree medical benefits; requiring the company to reimburse ACSC'S reasonable ratemaking expenses; determining that this Resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this Resolution to the company and the ACSC'S legal counsel. (Clifford Blackwell, City Manager)

[illegible]



CITY OF GLENN HEIGHTS CITY COUNCIL REPORT

Date: September 2, 2025

SUBJECT

City Council will consider approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2025 Rate Review Mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attachment establishing a benchmark for pensions and retiree medical benefits; requiring the company to reimburse ACSC'S reasonable ratemaking expenses; determining that this Resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this Resolution to the company and the ACSC'S legal counsel.

DISCUSSION / BACKGROUND

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2025, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2024, entitled it to additional system-wide

revenues of \$245.2 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to \$225.6 million, \$163.5 million of which would be applicable to ACSC members. After reviewing the filing and conducting discovery, ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$185.6 million instead of the claimed \$245.2 million.

After several settlement meetings, the parties have agreed to settle the case for \$205.6 million. This is a reduction of \$20 million to the Company's initial request. This includes payment of ACSC's expenses. The Effective Date for new rates is October 1, 2025. ACSC members should take action approving the Resolution/Ordinance before October 1, 2025.

Atmos generated rate tariffs attached to the Resolution/Ordinance that will generate \$205.6 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

PRIOR COUNCIL OR BOARD ACTION

Not applicable.

PUBLIC CONTACT

Not applicable.

FINANCIAL IMPACT

The impact of the settlement on average residential rates is an increase of \$7.83 on a monthly basis, or 9.27%. The increase for average commercial usage will be \$25.73 or 6.56%. Atmos provided bill impact comparisons containing these figures.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to

participate in the Railroad Commission’s review of annual GRIP filings or allow recovery of Cities’ rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC’s view, the GRIP process unfairly raises customers’ rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on October 1, 2025, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

Comparison to Other Mid-Tex Rates (Residential)		
	Average Bill	Compared to RRM Cities
RRM Cities	\$54.68	-
DARR	\$58.57	\$3.89
ATM Cities	\$57.39	\$2.71
Environs	\$55.96	\$1.25

Note: ATM Cities and Environs rates are as-filed. Also note that DARR uses a test year ending in September rather than December.

RECOMMENDATION / ALTERNATIVES

The Legislature’s GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex’s claim that its historic cost of service should entitle it to recover \$245.2 million in additional system-wide revenues, the RRM settlement at \$205.6 million for ACSC members reflects substantial savings to ACSC cities. Settlement at \$205.6 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members

urges all ACSC members to pass the Resolution/Ordinance before October 1, 2025.
New rates become effective October 1, 2025.

ATTACHMENTS

1. Resolution R-28-25
2. CY24 MTX RRM - Average Bill

PREPARED BY

Thomas Brocato, Principal

REVIEWED BY

Brandi Brown, City Secretary

RESOLUTION NO. R-28-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2025 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Glenn Heights, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the

Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2025, Atmos Mid-Tex filed its 2025 RRM rate request with ACSC Cities based on a test year ending December 31, 2024; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2025 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$205.6 million on a system-wide basis with an Effective Date of October 1, 2025; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS:

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$205.6 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2025 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$205.6 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2025 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2025.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 2ND DAY OF SEPTEMBER, 2025.

Sonja A. Brown, Mayor

ATTEST:

Brandi Brown, City Secretary

APPROVED AS TO FORM:

David Berman, City Attorney

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 23.65 per month
Rider CEE Surcharge	\$ 0.03 per month ¹
Total Customer Charge	\$ 23.68 per month
Commodity Charge – All <u>Ccf</u>	\$ 0.74748 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2025.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 94.00 per month
Rider CEE Surcharge	\$ 0.01 per month ¹
Total Customer Charge	\$ 94.01 per month
Commodity Charge – All Ccf	\$ 0.22261 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2025.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,848.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.7678 per MMBtu
Next 3,500 MMBtu	\$ 0.5623 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1206 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

This tariff is not available to customers with a maximum daily demand of 1,000 MMBtu or greater and a daily/annual load factor of 10% or less. Load factor is calculated as follows: annual usage / (maximum daily connected demand X 365). Load factors will be recalculated once each year to determine appropriate eligibility for Rate T.

Type of Service

Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,848.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.7678 per MMBtu
Next 3,500 MMBtu	\$ 0.5623 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1206 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest “midpoint” price for the Katy point listed in *Platts Gas Daily* in the table entitled “Daily Price Survey” during such month, for the MMBtu of Customer’s monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer’s receipt quantities for the month.

Overpull Fee

Upon notification by Company of an event of interruption of Customer’s deliveries, Customer will, for each MMBtu delivered in excess of the stated level of interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled “Daily Price Survey.”

Replacement Index

In the event the “midpoint” or “common” price for the Katy point listed in *Platts Gas Daily* in the table entitled “Daily Price Survey” is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company’s Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SUR – SURCHARGES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	

Application

This Rider is applicable to customer classes in the incorporated areas under the RRM tariff as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, ordinance, order, rule, contract, or agreement.

FASB ASC 740-10 (Fin48) Refund

Applicable to Customers taking service under Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions ("UTPs") arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from the negotiated RRM Tariff, and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-1.1 for the prior fiscal year shall be allocated based on the final class allocations of GUD No. 10170 as per the RRM Tariff, divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the Regulatory Authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Railroad Commission of Texas, and if applicable, the gas utility shall be required to reconcile any discrepancies.

The following refund as authorized in the most recent negotiated RRM Tariff shall be refunded to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill in each month for a 12-month period. The refund amount by month by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	\$ (0.12)
Rate C – Commercial Sales	\$ (0.41)
Rate I – Industrial Sales	\$ (8.68)
Rate T – Transportation	\$ (8.68)

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	TAX – TAX ADJUSTMENT	
APPLICABLE TO:	Entire Division as Set Forth Below	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	PAGE:

Application

Applicable to Customers taking service under Rate R, Rate C, Rate I, and Rate T, except for exempt State Agency Customers, to the extent of state gross receipts taxes only.

1. State Gross Receipts Taxes

Applicability - Entire Division except for Unincorporated Areas

Each monthly bill shall be adjusted for Miscellaneous state gross receipts taxes imposed by Sections 182-021 - 182-025 of the Texas Tax Code.

Entire Division

Each monthly bill shall also be adjusted by an amount equivalent to the amount of all applicable taxes and any other governmental impositions, rentals, fees, or charges (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed upon or allocated to Company with respect to the Gas Service provided to Customer by Company, and any associated facilities involved in the performance of such Gas Service. Each monthly bill shall also be adjusted by an amount equivalent to the proportionate part of any increase or decrease of any tax and any other governmental imposition, rental, fee, or charge (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed subsequent to the effective date of this tariff, upon or allocated to Company's operations, by any new or amended law, ordinance, or contract.

2. Federal or State Tax Law or Rate Changes:

Applicability – All Customers in the Mid-Tex Division (“MTX”) Under the RRM Tariff

Applicable to Customers taking service under Rate R, Rate C, Rate I, and Rate T.

To ensure that gas utility customers receive the benefits or costs associated with the changes in tax rates at a federal or state level, MTX shall establish and accrue on its books and records, as of the effective date of the federal or state tax law or rate change: 1) regulatory liabilities to reflect the impact of a decrease in federal corporate income tax rates or state margin tax rates; or, 2) regulatory assets to reflect the impact of an increase in federal corporate income tax rates or state margin tax rates.

The gas utility may not change rates to give effect to a change in Federal or State Tax law or rates through the Rider TAX unless and until the city issues final authorization, an Accounting Order, or other express guidance authorizing such recovery through the RRM process.

Company may also not change rates to capture the impacts associated with the effects of Public Law 117-169, 136 STAT. 1818 of August 16, 2022 (“Tax Act 2022”) and certain other tax-related costs that will change from the amounts included in the most recent base revenue requirement established through an RRM filing unless and until the city issues a final authorization, an Accounting Order, or other express guidance authorizing such recovery.

Upon receipt of authorization from the city through an Accounting Order, final authorization or other express guidance, the calculation applicable to the aforementioned federal or state tax rate or law changes are as follows; however, to the extent there is a conflict between the calculation or methodology

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	TAX – TAX ADJUSTMENT	
APPLICABLE TO:	Entire Division as Set Forth Below	
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prescribed by an Accounting Order, final authorization, or other express guidance, and those contained in this rate schedule, the Accounting Order, final authorization, or other express guidance controls:

Calculations

1. With regard to changes in the tax rates at a federal or state level, the increase or decrease shall be calculated as follows:
 - a. A portion of the gas utility's revenue representing the difference between: 1) the cost of service as approved by the Commission or the applicable regulatory authority in the gas utility's most recent statement of intent or other rate proceeding, and 2) the cost of service that would have resulted had the rates been based on the new federal income tax rate (increase or decrease) or state margin taxes (increase or decrease), as of the effective date of the change;
 - b. If applicable, the portion of the gas utility's revenue representing the difference between: 1) each Interim Rate Adjustment surcharge approved by the regulatory authority since the gas utility's most recent statement of intent or other rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the surcharges been based on the new federal income tax rate (increase or decrease) or state margin taxes (increase or decrease), as of the effective date of the change; and
 - c. The excess or deficient deferred tax reserve, including any associated gross up in taxes, caused by the reduction or increase in the federal corporate income tax rate or state related tax increases, as of the effective date of the change.

Upon the receipt of authorization from the Commission or applicable regulatory authority, the gas utility shall separately refund to customers based on a decrease in federal or state tax rates or separately collect from customers based on an increase in federal or state tax rates within twelve (12) months or, pursuant to applicable Internal Revenue Code ("IRC") rules and regulations, as follows:

- d. The amount collected/refunded by the gas utility that reflects the difference in base rates between: 1) the cost of service approved by the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state tax rates, between the effective date of this order and the effective date of the changes.
- e. If applicable, the amount collected/refunded by the gas utility that reflects the difference between: 1) each Interim Rate Adjustment surcharge approved by the Commission or the regulatory authority since the gas utility's most recent statement of intent rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the rates been based upon the new federal or state tax rates, between the effective date of this order and the effective date of the changes.
- f. The amount collected/refunded by the gas utility that reflects the difference in the excess or deficient deferred tax reserve included in base rates between: 1) the cost of service approved by the Commission or the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state tax rates, between the effective date of this order and the effective date of the changes. These amounts shall be refunded or collected from customers based upon IRC rules and regulations if applicable.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	TAX – TAX ADJUSTMENT	
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2. With regard to the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement established through an RRM filing, any change in rates shall be calculated as follows:

- (a) The amount shall be calculated as the product of Company's grossed-up rate of return authorized in the cost of service as approved by the Commission or the applicable regulatory authority in the gas utility's most recent statement of intent or other rate proceeding times the Corporate Alternative Minimum Tax deferred tax asset ("CAMT DTA") estimated at September 30 of the fiscal year or applicable quarter-end within a fiscal year prior to the annual change in the rates pursuant to this tariff, less the income tax credits received in accordance with IRC requirements applicable to the Tax Act 2022 grossed-up for income taxes to a revenue equivalent.
- (b) The estimated CAMT DTA and the related effects on the rider revenue requirements shall be trued up to the actual effects in the following year and the over/under recovery amortized over the twelve months that each year's recalculated tariff rates are in effect. The over/under recovery shall include a grossed-up rate of return as authorized in Company's most recent statement of intent or other rate proceeding.
- (c) The methodology for computing Company's CAMT is as follows:
 - i. Confirm when Atmos Energy Corporation and its affiliates are subject to CAMT as an "applicable corporation" as defined the Tax Act 2022, then there will be MTX's CAMT DTA in the tariff.
 - ii. Calculate the Mid-Tex Division's (MTX) contribution to Adjusted Financial Statement Income ("AFSI") on a stand-alone basis. MTX's AFSI is calculated by adjusting MTX's applicable financial statement income by adjustments to depreciation, pension costs and federal income tax to arrive at AFSI. AFSI is intended to be computed consistent with applicable IRC requirements.
 - iii. Compare MTX's CAMT stand-alone amount with MTX's regular stand-alone tax liability. If the stand alone CAMT is in excess of the stand-alone regular tax, the CAMT DTA is recorded to MTX.

If the Internal Revenue Service issues new guidance related to the Tax Act 2022, Company shall have the right to make additional filings to recognize such adjustments.

Any Commission filing made to give effect to Federal or State Tax Law or Rate Changes shall be filed within 12-months following the enactment of a tax rate change with the Commission's Oversight and Safety Division or as part of a Statement of Intent.

Any city filing made to give effect to Federal or State Tax Law or Rate Changes shall be filed within 12-months following the enactment of a tax rate change and addressed to the city official at the address of record with the Mid-Tex Division.

With the exception of the authorization required from the Commission to allow the gas utility to recognize the new federal income tax rate (increase or decrease) or state taxes (increase or decrease) or the impacts associated with the effects of the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement in the last approved RRM Tariff filing, no action on the part of the regulatory authority is required to give effect to the amount to be refunded or

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	TAX – TAX ADJUSTMENT	
APPLICABLE TO:	Entire Division as Set Forth Below	
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collected from customers. However, any amount refunded or collected from customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding, and if applicable, the gas utility shall be required to reconcile any discrepancies.

Regulatory orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). Rate changes subject to the provisions of this tariff may be implemented upon the filing of an appeal to the relevant authority.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
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Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	9.61	0.1476	91.65	0.7406
Austin	8.19	0.1394	183.99	1.1581
Dallas	12.74	0.2017	193.53	1.1001
Waco	9.23	0.1277	148.26	0.7631
Wichita Falls	10.43	0.1387	122.94	0.7038

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at www.atmosenergy.com/MTXtariffs, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2024**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark -						
	Fiscal Year 2025 Willis Towers Watson Report as adjusted	\$ 572,372	\$ (649,253)	\$ 882,931	\$ (3,920,499)	\$ 65,943	
2	Allocation Factor	46.27%	46.27%	84.14%	84.14%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 264,856	\$ (300,432)	\$ 742,888	\$ (3,298,664)	\$ 65,943	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	\$ 264,856	\$ (300,432)	\$ 742,888	\$ (3,298,664)	\$ 65,943	\$ (2,525,408)
6							
7	O&M Expense Factor	76.41%	76.41%	39.54%	39.54%	10.97%	
8							
9	Summary of Costs to Approve:						
10	Total Pension Account Plan	\$ 202,374		\$ 293,727			\$ 496,101
11	Total Post-Employment Benefit Plan		\$ (229,557)		\$ (1,304,242)		(1,533,799)
12	Total Supplemental Executive Benefit Plan					\$ 7,231	7,231
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 202,374	\$ (229,557)	\$ 293,727	\$ (1,304,242)	\$ 7,231	\$ (1,030,467)

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2024

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	<u>Rate R @ 42.1 Ccf</u>							
2	Base Rates:							
3	Customer Charge		\$ 22.95	\$ 23.65	\$ 22.95	\$ 23.65	\$ 0.70	
4	Consumption Charge (Ccf)	42.1	\$ 0.58974	\$ 0.74748	24.80	31.44	6.64	
5	Total Base Rates				<u>\$ 47.75</u>	<u>\$ 55.09</u>	<u>\$ 7.34</u>	15.37%
6								
7	Gas Cost:							
8	Rider GCR Part A (Ccf)	42.1	\$ 0.20875	\$ 0.20875	\$ 8.78	\$ 8.78	\$ -	
9	Rider GCR Part B (Ccf)	42.1	\$ 0.53838	\$ 0.53838	22.64	22.64	-	
10	Total Gas Cost				<u>\$ 31.42</u>	<u>\$ 31.42</u>	<u>\$ -</u>	0.00%
11								
12	Total Base with Gas Cost				\$ 79.17	\$ 86.51	\$ 7.34	
13	Rider FF & Rider TAX		0.06725	0.06725	5.32	5.82	0.49	9.27%
14								
15	Total Residential Average Bill				<u>\$ 84.49</u>	<u>\$ 92.33</u>	<u>\$ 7.83</u>	<u>9.27%</u>
16								
17	<u>Rate C @ 367.6 Ccf</u>							
18	Base Rates:							
19	Customer Charge		\$ 81.75	\$ 94.00	\$ 81.75	\$ 94.00	\$ 12.25	
20	Consumption Charge (Ccf)	367.6	\$ 0.19033	\$ 0.22261	69.97	81.83	11.86	
21	Total Base Rates				<u>\$ 151.72</u>	<u>\$ 175.83</u>	<u>\$ 24.11</u>	15.89%
22								
23	Gas Cost:							
24	Rider GCR Part A	367.6	\$ 0.20875	\$ 0.20875	\$ 76.74	\$ 76.74	\$ -	
25	Rider GCR Part B	367.6	\$ 0.37860	\$ 0.37860	139.18	139.18	-	
26	Total Gas Cost				<u>\$ 215.92</u>	<u>\$ 215.92</u>	<u>\$ -</u>	0.00%
27								
28	Total Base with Gas Cost				\$ 367.64	\$ 391.75	\$ 24.11	
29	Rider FF & Rider TAX		0.06725	0.06725	24.72	26.35	1.62	6.56%
30								
31	Total Commercial Average Bill				<u>\$ 392.36</u>	<u>\$ 418.10</u>	<u>\$ 25.73</u>	<u>6.56%</u>
32								

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2024

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
33	<u>Rate I at 1277 MMBTU</u>							
34	Base Rates:							
35	Customer Charge		\$1,587.75	\$ 1,848.75	\$ 1,587.75	\$ 1,848.75	\$ 261.00	
36	Block 1 - Consumption Charge (MMBtu)	1,277	\$ 0.6553	\$ 0.7678	836.99	980.69	143.69	
37	Block 2 - Consumption Charge (MMBtu)	-	\$ 0.4799	\$ 0.5623	-	-	-	
38	Block 3 - Consumption Charge (MMBtu)	-	\$ 0.1029	\$ 0.1206	-	-	-	
39	Total Base Rates	<u>1,277</u>			<u>\$ 2,424.74</u>	<u>\$ 2,829.44</u>	<u>\$ 404.69</u>	16.69%
40								
41	Gas Cost:							
42	Rider GCR Part A (MMBtu)	1,277	\$ 2.07711	\$ 2.07711	\$ 2,653.03	\$ 2,653.03	\$ -	
43	Rider GCR Part B (MMBtu)	1,277	\$ 0.88986	\$ 0.88986	1,136.59	1,136.59	-	
44	Total Gas Cost				<u>\$ 3,789.63</u>	<u>\$ 3,789.63</u>	<u>\$ -</u>	0.00%
45								
46	Total Base with Gas Cost				\$ 6,214.37	\$ 6,619.07	\$ 404.69	
47	Rider FF and Rider TAX		0.06725	0.06725	417.92	445.14	27.22	6.51%
48								
49	Total Industrial Average Bill				<u>\$ 6,632.29</u>	<u>\$ 7,064.20</u>	<u>\$ 431.91</u>	<u>6.51%</u>
50								
51	<u>Rate T at 4534 MMBTU</u>							
52	Base Rates:							
53	Customer Charge		\$1,587.75	\$ 1,848.75	\$ 1,587.75	\$ 1,848.75	\$ 261.00	
54	Block 1 - Consumption Charge (MMBtu)	1,500	\$ 0.6553	\$ 0.7678	982.95	1,151.70	168.75	
55	Block 2 - Consumption Charge (MMBtu)	3,034	\$ 0.4799	\$ 0.5623	1,456.19	1,706.22	250.03	
56	Block 3 - Consumption Charge (MMBtu)	-	\$ 0.1029	\$ 0.1206	-	-	-	
57	Total Base Rates	<u>4,534</u>			<u>\$ 4,026.89</u>	<u>\$ 4,706.67</u>	<u>\$ 679.78</u>	16.88%
58								
59	Gas Cost:							
60	Rider GCR Part B (MMBtu)	4,534	\$ 0.88986	\$ 0.88986	\$ 4,034.96	\$ 4,034.96	\$ -	
61	Total Gas Cost				<u>\$ 4,034.96</u>	<u>\$ 4,034.96</u>	<u>\$ -</u>	0.00%
62								
63	Total Base with Gas Cost				\$ 8,061.85	\$ 8,741.63	\$ 679.78	
64	Rider FF and Rider TAX		0.06725	0.06725	542.17	587.88	45.72	8.43%
65								
66	Total Transportation Average Bill				<u>\$ 8,604.01</u>	<u>\$ 9,329.51</u>	<u>\$ 725.50</u>	<u>8.43%</u>

INSURANCE RECOMMENDATIONS: EMPLOYEE'S INSURANCE BENEFITS



SEPTEMBER 2, 2025
JAYNICE PORTER-BRATHWAITE
HUMAN RESOURCES DIRECTOR

Medical Insurance



Medical Insurance Company	Best and Final Quote \$ Amount	Diff. bet. Quoted Cost and Current Cost
United Healthcare	\$ 1,023,783.72	\$ -35,165.76
BlueCross BlueShield	\$ 1,048,582.32	\$ 0.00

Dental Insurance



Dental Insurance Company	Best and Final Quote \$ Amount	Diff. Bet. Quoted \$ Cost and Current Cost
MetLife	\$ 63,801.36	\$ - 2,035.08
Mutual of Omaha	\$ 67,814.88	\$ 1,978.44
Reliance	\$ 65,304.48	\$ -531.96

Fiscal Impact



Proposed Budget FY 2025 – 2026 Budgeted Annual costs:

- Medical Insurance - **\$941,068.00**
- Dental Insurance - **\$43,566.00**

Costs for Vision Insurance, Short/Long Term Disability, Accident/Critical Illness, and Flex Spending are not budgeted by the City, as they are optional benefit plans offered to employees and where the employees' bear the cost through payroll deduction.

Recommendation



Staff recommends the following Insurance Contracts:

- Medical – BlueCross BlueShield of Texas
- Dental – MetLife
- Basic Life/ AD&D – MetLife
- Short/ Long Term Disability – MetLife
- Vision - MetLife

QUESTIONS



COMMENTS



Discussion and take action to approve R-26-25, authorizing the City of Glenn Heights Employee Benefits Trust to pay the obligations of the Trust as it relates to insurance contracts that the Trust awards; authorizing any transfers of funds that may be necessary during the 2025-2026 Fiscal Year to fund the Trust's obligations relating to insurance contracts that the Trust awards; and providing for an effective date. (Jaynice Porter-Brathwaite, Human Resources Director)

[illegible]

RESOLUTION R-26-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, AUTHORIZING THE CITY OF GLENN HEIGHTS EMPLOYEE BENEFITS TRUST TO PAY THE OBLIGATIONS OF THE TRUST AS IT RELATES TO INSURANCE CONTRACTS THAT THE TRUST AWARDS; AUTHORIZING ANY TRANSFERS OF FUNDS THAT MAY BE NECESSARY DURING THE 2025-2026 FISCAL YEAR TO FUND THE TRUST'S OBLIGATIONS RELATING TO INSURANCE CONTRACTS THAT THE TRUST AWARDS; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF GLENN HEIGHTS, THAT:

SECTION 1. The City Council hereby authorizes the City of Glenn Heights Employee Benefits Trust to pay the obligations of the Trust as it relates to insurance contracts that the Trust awards, and furthermore, authorizes any transfers of funds that may be necessary during the 2025-2026 fiscal year to fund the Trust's obligations relating to insurance contracts that the Trust awards.

SECTION 2. This Resolution shall become effective immediately from and after its passage.

READ, CONSIDERED, PASSED AND ADOPTED by the City Council for the City of Glenn Heights at a meeting on the 2nd day of September 2025, at which a quorum was present, and for which due notice was given.

APPROVED:

Sonja A. Brown, Mayor

ATTEST:

Brandi Brown, City Secretary

APPROVED AS TO FORM:

David Berman, City Attorney



Discussion regarding possible amendments to Article 3.20, Rental Registration Program. (Mayor Sonja A. Brown)

[illegible]

ARTICLE 3.20

RENTAL REGISTRATION PROGRAM

§ 3.20.001. General.

The city recognizes a need for a residential rental property registration and inspection program within the city to ensure compliance with city and state life safety, health, fire, and zoning codes and to further provide a means to encourage both absentee and local landlords to correct violations and to maintain their residential rental property in a safe and habitable condition for tenants. (Ordinance O-03-16 adopted 3/1/16)

§ 3.20.002. Definitions.

For the purpose of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Building. Any structure having a roof that is built, maintained, or intended for use for the shelter or enclosure of persons, animals, or property of any kind.

Building official. The building official, or his/her designee, for the City of Glenn Heights, Texas.

City. The City of Glenn Heights, Texas, including all areas within its corporate limits.

City council. The city council of the City of Glenn Heights, Texas.

City manager. The city manager for the City of Glenn Heights, Texas, or his/her designee.

Dwelling. Any enclosed space wholly or partly used or intended to be used for human habitation, living, sleeping, cooking, eating, and sanitation and shall include any outhouse or appurtenance belonging thereto.

Dwelling unit. A room or group of rooms located within a dwelling forming a single habitable unit with facilities used or intended to be used by a single family for human occupancy such as living, sleeping, cooking, and eating purposes.

Family. One or more persons related by blood, adoption or marriage, living and cooking together as a single housekeeping unit. A number of persons, but not exceeding two, living and cooking together as a single housekeeping unit, though not related by blood, adoption or marriage, shall be deemed to constitute a family.

Landlord. Any person who leases, barters, or rents a rental unit to another.

Manufactured home. A structure, transportable in one or more sections, which in the traveling mode is 8 body feet (2438 body mm) or more in width or 40 body feet (12 192 body mm) or more in length, or, when erected on site, is 320 square feet (30 m2) or more, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning and electrical systems contained therein. This term shall include any structure that meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the secretary (HUD) for such homes. For the purpose of this article, a mobile home shall be considered a manufactured home.

Multifamily rental unit. A multifamily structure containing three or more dwelling units located

on a single lot designed to be occupied by three or more families living independently of one another, excluding hotels or motels.

Owner. Any person, agent, operator, firm or corporation having a legal or equitable interest in the property; or recorded in the official records of the state, county or municipality as holding title to the property; or otherwise having control of the property, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court.

Person. An individual, corporation, business trust, estate, trust, partnership or association, two or more persons having a joint interest, or any other legal or community entity.

Property manager. The owner or the person appointed or hired by the owner to be responsible for the daily operation of a rental unit.

Rent. The offering, holding out or actual leasing of a rental unit to a person other than the owner and generally involves the payment of an amount of money as consideration for the right to occupy the rental unit, although other forms of consideration or no consideration at all may be involved.

Rental unit. A single-family dwelling, two-family dwelling (duplex), and/or a multifamily dwelling, or portion thereof that is rented or offered for rent as a residence.

Single-family dwelling. A freestanding building or manufactured home on one lot occupied by not more than one family.

Tenant. Any person who rents or leases a rental unit for living or dwelling purposes.

Two-family dwelling (duplex). A freestanding building or manufactured home on one lot, having separate accommodations for and occupied by not more than two families, one family in each dwelling unit.

(Ordinance O-03-16 adopted 3/1/16)

§ 3.20.003. Building official, power and duties.

The building official is hereby designated as the administrator of the provisions of this article. In addition to the powers and duties otherwise prescribed for the building official, as administrator of this article, the building official shall have the authority to:

- (1) Administer and enforce all provisions of this article.
- (2) Keep records of all licenses issued.
- (3) Adopt rules and regulations, not inconsistent with the provisions of this article, with respect to the form and content of application for registration, the investigation of applicants, and other matters incidental or appropriate to his powers and duties as may be necessary for the proper administration and enforcement of the provisions of this article.
- (4) Conduct periodic inspections of residential rental properties throughout the city to ensure compliance with this article and all other city ordinances and state laws related to the purpose and/or enforcement of this article.

(Ordinance O-03-16 adopted 3/1/16)

§ 3.20.004. Registration required.

- (a) Each owner of a rental unit within the city shall register each such rental unit with the city in accordance with procedures contained in this article. A separate registration shall be required for each rental unit for each registration. Every owner of a rental unit as of the date of adoption of this article shall complete an initial registration application and pay an initial registration fee on or before May 1, 2016.
- (b) Unless otherwise provided in this section, each owner of a rental unit within the city shall make application for registration with the city and schedule an inspection of said rental unit with the building official within thirty (30) days after the date of acquiring ownership of a rental unit or within thirty (30) days after the date an owner of a dwelling unit converts the dwelling unit into a rental unit.
- (c) Application for rental registration shall be made upon a form provided by the city for such purpose, and shall include, at a minimum, the following information:
 - (1) Owner's name, address, and work and home telephone number, driver's license number, or identification card number and state of issuance of the owner;
 - (2) If owner is a partnership, the names of all partners, the principal business address, and telephone number of each partner;
 - (3) If owner is a corporation, the person registering must state whether the corporation is organized under the laws of this state or is a foreign corporation, and must show the mailing address, business location, telephone number, name of the main individual in charge of the local office of such corporation, if any, and the names of all officers and directors or trustees of such corporation, and, if a foreign corporation, the place of incorporation;
 - (4) Name, address and telephone number of the property manager or person having the authority to act on behalf of the owner;
 - (5) Street address of the rental unit; and
 - (6) Signature of the owner or owner's agent.
- (d) The city shall, within thirty (30) days after receipt of the registration application, either issue a certificate of registration or notify the owner that the application does not comply with the requirements of this article.
- (e) Unless otherwise provided in this article, a certificate of registration shall be valid for each rental unit until such time as there is a change in ownership for that unit. A change in ownership shall be deemed to have occurred upon any of the following:
 - (1) Any change in the individual ownership of the unit;
 - (2) Any change in the ownership of any entity(s) in whose name(s) the current registration for the unit is issued;
 - (3) Where the unit is managed by a property manager, upon any change in the individual

property manager and/or the property manager's ownership; or

- (4) Upon the dissolution of any entity(s) having ownership over the unit or upon said entity:
 - (A) Petitioning for reorganization under the Bankruptcy Code;
 - (B) Being adjudged bankrupt; or
 - (C) Becoming insolvent or having a receiver appointed due to the insolvency.
- (f) A nonrefundable registration fee in an amount set forth in appendix A of this code shall be paid to the city by the owner with at the same time as the registration application for each rental unit is submitted to the city.
- (g) Any registration fee required to be paid under this article shall be deemed late if received by the city after the due date established by the article and/or the building official, as the case may be, and the owner shall be required to submit a nonrefundable late registration fee in an amount set forth in appendix A of this code.
- (h) A nonrefundable inspection fee in an amount set forth in appendix A of this code shall be paid to the city by the owner for the inspection of each rental unit at the same time the registration fee is paid. A certificate of registration shall not be issued for a rental unit until the registration and inspection fees for the unit are paid in full to the city. The inspection fee shall be required under this article regardless of whether an inspection occurs and regardless of whether the owner or tenant has denied the building official access to the rental unit to complete the inspection.
- (i) No rental unit may be occupied by a tenant without first having a valid certificate of registration. It is an offense for an owner of a rental unit within the city to permit or allow a tenant to occupy any rental unit without first being issued a valid certificate of registration for the rental unit in accordance with this article. If an owner is required to register more than one rental unit, the owner's failure to register any individual rental unit shall constitute a separate offense. Each and every day that the owner continues to fail to register a rental unit within the city shall also constitute a separate offense.
- (j) It shall further be unlawful for any person to file a false rental registration application with the city.

(Ordinance O-03-16 adopted 3/1/16)

§ 3.20.005. Change of ownership registration.

- (a) A certificate of registration issued under section 3.20.004 shall remain in effect until such time as a change of ownership occurs in the manner defined in section 3.20.004(e).
- (b) Upon a change of ownership, the new owner of each rental unit shall complete a change of ownership registration application for each unit in the manner provided by this article and deliver the same together with all applicable registration and inspection fees to the building official's office within thirty (30) days of the change in ownership. A change in ownership registration application submitted after thirty (30) days following the change of ownership shall be considered a late registration and the owner shall pay to the city a nonrefundable late

registration fee in an amount set forth in appendix A of this code.

- (c) The building official shall not be required to send notice to an owner for a change of ownership registration required under this section.

(Ordinance O-03-16 adopted 3/1/16)

§ 3.20.006. Inspection required upon change in occupancy.

- (a) The owner shall provide written notice to the building official upon each and every change in occupancy. A change in occupancy shall mean a change in all tenants occupying a rental unit. The notice required by this section shall clearly indicate whether there was a change in tenant(s) or whether the rental unit was vacated by the previous tenant(s) and is presently unoccupied.
- (b) An inspection of the rental unit shall be required upon the city's receipt of written notice of a change in occupancy required to be submitted pursuant to subsection (a) above. Inspections required under this section shall be performed in the same manner as and in accordance with the applicable inspection procedures established by this article for the rental unit.

(Ordinance O-03-16 adopted 3/1/16)

§ 3.20.007. Single, two-family dwellings and manufactured home inspections.

- (a) The building official shall annually inspect the exterior of a single-family, two-family or manufactured home rental unit to determine compliance with applicable state and local laws. The building official shall provide written notice of the date and time that the exterior inspection will be conducted. Upon request and/or consent of the owner if the rental unit is vacant, or tenant(s) if the rental unit is occupied, the building official may conduct an inspection of the interior of a rental unit.
- (b) If the owner or tenant fails to make the exterior of the rental unit available for inspection, the building official may conduct the inspection from the public right-of-way. If the owner or tenant does not provide consent for the inspection and the building official must enter onto the property to conduct the inspection, the building official shall be required to obtain a warrant in the manner provided by subsection (c) below prior to entry on the property.
- (c) The building official or his agent shall enforce the provisions of this article upon presentation of proper identification to the owner or tenant in charge of any rental unit and with the owner or tenant's permission, may inspect the rental unit in accordance with this section between the hours of 8:00 a.m. and 6:00 p.m. The building official's authority to conduct both exterior and interior inspections is subject to all limitations provided in state and federal law. If entry is refused by the owner or any occupant or if consent to enter the rental unit could not be obtained, the building official is authorized to seek a warrant permitting the building official's entry pursuant to Vernon's Ann. Texas C.C.P. art. 18.05, as the same may be amended from time to time. Any warrant issued will constitute authority for the building official to enter upon and inspect the premises described therein.

(Ordinance O-03-16 adopted 3/1/16)

§ 3.20.008. Multifamily inspections.

- (a) The building official shall inspect all building exteriors, all exterior and interior common areas of multifamily rental units to determine compliance with applicable state and local laws on an annual basis and at any other time(s) necessary to ensure compliance with this article. Upon request and/or consent of the owner if the rental unit is vacant, or tenant(s) if the rental unit is occupied, the building official may conduct an inspection of the interior of a rental unit.
- (b) Within thirty (30) days after the annual registration of a multifamily rental unit, the owner of the unit shall request the building official to conduct an inspection and shall make the unit available for inspection by the building official as provided in subsection (a) above. The owner and the building official shall agree on a reasonable date and time for the required inspection. Upon each inspection by the building official, all building exteriors, all exterior common areas, interior common areas and all other inspected premises of the multifamily rental unit shall be in compliance with all applicable state laws and local ordinances.
- (c) The building official or his agent shall enforce the provisions of this article upon presentation of proper identification to the owner or tenant in charge of any rental unit and with the owner or tenant's permission, may inspect the rental unit in accordance with this section between the hours of 8:00 a.m. and 6:00 p.m. The building official's authority to conduct interior inspections is subject to all limitations provided in state and federal law. If entry is refused by the owner or any occupant or if consent to enter the rental unit could not be obtained, the building official is authorized to seek a warrant permitting the building official's entry pursuant to Vernon's Ann. Texas C.C.P. art. 18.05, as the same may be amended from time to time. Any warrant issued will constitute authority for the building official to enter upon and inspect the premises described therein.

(Ordinance O-03-16 adopted 3/1/16)

§ 3.20.009. Penalty.

- (a) It shall be unlawful for any person to be in violation of any provisions of this article.
- (b) Any person, who shall violate a provision of this article, or fail to comply therewith, or with any of the requirements thereof, shall be prosecuted within the limits provided by law and, upon conviction, shall be punished by a fine not to exceed five hundred dollars (\$500.00) for each offense. Each day that a violation continues shall constitute a separate offense.
- (c) Unless otherwise specified in this article, no culpable mental state is required for the commission of an offense under this article.

(Ordinance O-03-16 adopted 3/1/16)

§ 3.20.010. Enforcement.

- (a) Nothing in this article shall prohibit the city from enforcing any administrative, civil and/or criminal enforcement remedies concurrently herewith or availing itself of any other remedy allowed by law in connection with the administration or enforcement of this article.
- (b) The city may refuse to provide city utility service and/or approve an application for city utility service for a multifamily rental unit that is vacant at the time a registration application is required to be submitted for the unit until such time as the application is approved by the

city and all applicable fees are paid.

- (c) The city may initiate termination of city utility services, or place a hold on reconnecting or reinstituting utility services that have been terminated, as the case may be, to or for a dwelling unit that is substandard, or unfit for human habitation by certifying, in writing, that the dwelling unit or property is substandard or unfit for human habitation. Upon initiating a utility termination or hold, the city shall promptly notify the owner by written notice. The owner may appeal the request by serving the building official with a written notice of appeal within 5 days from the date the notice was mailed. Upon receipt of a timely appeal, the building official shall promptly review the owner's written notice of appeal for sufficiency and shall provide the owner with written information describing the appeal process. The city's determination upon appeal shall be in all things final and the owner shall not be entitled to further appeal under this subsection.

(Ordinance O-03-16 adopted 3/1/16)

ARTICLE 3.20
RENTAL REGISTRATION PROGRAM

§ 3.20.001. General.

The city recognizes a need for a residential rental property registration and inspection program within the city to ensure compliance with city and state life safety, health, fire, and zoning codes and to further provide a means to encourage both absentee and local landlords to correct violations and to maintain their residential rental property in a safe and habitable condition for tenants.

- (a) A Residential Rental Certificate of Occupancy (RRCO) is Required. In addition to annual registration, it shall be unlawful for any person to own, operate, manage, or maintain a residential rental unit or portion thereof, or to offer for occupancy thereof, without a current and valid RRCO having been issued for said property by the City, or to violate any other requirement of this Article. Any person owning, operating, managing, or maintaining a residential rental unit(s) shall obtain an RRCO for each separate unit prior to offering that unit for rent.
- (b) RRCO Issuance, Renewal, and Expiration. An RRCO shall be required for each residential rental property offered under lease and/or occupancy upon the effective date of this Article and shall be in full compliance on or before .For residential rental properties, offered leased or occupied for rent after the effective date, an RRCO shall be obtained prior to occupancy.
 - (1) All RRCO's shall expire with the change of tenant.
 - (2) An applicant for an RRCO shall file a written application with the City upon a form provided for that purpose. The application shall be signed by the owner or his/her designated and authorized representative. Should an applicant own more than one residential rental property at more than one location, a separate application shall be filed for each rental unit. The following information shall be required in the application:
 - (A) Address of property
 - (B) Name of tenant and all other residents of the rental property;
 - (C) Acknowledgment by property owner (or property manager) and tenant of receipt of copy of this "Residential Rental Property Ordinance" as a condition to receiving and maintaining an RRCO.
 - (3) The Administrator, or designee, may, at any time, require additional relevant information of the owner or property manager to clarify items on the application and to assure compliance with this Section.
 - (4) Upon a change of tenant of residential property, a new RRCO shall be obtained before the new tenant may occupy the property. An RRCO Fee shall be charged for the issuance of an RRCO.
- (c) RRCO Fees. The fee for an RRCO, reinstatement of an RRCO, or renewal and other fees provided for in this ordinance shall be \$_____.
- (d) Replacement and Transferability. A replacement RRCO may be issued for one lost, destroyed, or mutilated upon application on a form provided by the City. A replacement RRCO shall have

the word "Replacement" stamped across its face and shall bear the same number as the one it replaces.

- (1) A residential rental property RRCO is not assignable or transferable.
 - (2) The form of the RRCO shall be prepared by the Administrator.
 - (3) The RRCO shall be held by the owner, and a second copy shall be kept on the premises.
- (e) **Standards of Maintenance.** In addition to the requirements set forth in this Article, all exterior and interior residential rental properties, whether occupied or vacant, shall be maintained as set forth in subsection (g) hereof.
- (f) **Maintenance Responsibility.**
 - (1) The owner of any property in the City, whether vacant or occupied, shall be responsible for the maintenance of all structures, equipment, appliances, and accessories to the property in compliance with all applicable ordinances and permit requirements in force in the City.
 - (2) No owner shall permit the occupancy of property that is not in a safe and sanitary condition, or that does not comply with all ordinances and permit requirements in force in the City.
 - (3) The owner shall be responsible for paying all abatement fees, taxes, and liens assessed on the property.
 - (4) The owner shall notify the City of any eviction notice issued to a tenant. Furthermore, the owner shall provide, to the city, a plan for the clean-up and removal of personal items from the property 24 hours after the eviction and shall be responsible for such clean-up and removal.
 - (5) Tenants of any property shall be responsible for keeping the interior and exterior of the property in a clean, orderly, and sanitary condition as provided in this Article and other applicable city ordinances and adopted codes.
 - (6) No tenant or owner shall willfully or wantonly, or by neglect or negligence, damage, deface, or destroy any part of the property or cause or allow to exist any condition detrimental to safety or sanitation or in violation of any ordinance.
 - (7) In the event of any dispute between owner and tenant, or when the tenant is absent, unwilling, or unable to correct the violations, the property owner shall be held responsible for compliance with all ordinances that affect the property.
 - (8) All exterior areas of residential rental units and the interior of every structure shall be kept clean and free from any accumulation of rubbish, trash, debris, filth, or garbage.
- (g) **Inspections During Occupancy.** Upon the request of a tenant, the Administrator may inspect a property for structural, electrical, mechanical, or plumbing problems, ceiling leaks, smoke detector checks, and insect or rodent infestation. The owner or landlord has thirty (30) days to correct or repair any inspection failures or deficiencies.

§ 3.20.002. Definitions.

For the purpose of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Administrator means the department(s) or division(s) of the City designated by the City Manager to administer and enforce the provisions of this Ordinance and any person or persons designated by such a department or division to represent the department or division for said purpose.

Building. Any structure having a roof that is built, maintained, or intended for use for the shelter or enclosure of persons, animals, or property of any kind.

Building official. The building official, or his/her designee, for the City of Glenn Heights, Texas.

~~City. The City of Glenn Heights, Texas, including all areas within its corporate limits.~~

~~City council. The city council of the City of Glenn Heights, Texas.~~

~~City manager. The city manager for the City of Glenn Heights, Texas, or his/her designee.~~

Dwelling. Any enclosed space wholly or partly used or intended to be used for human habitation, living, sleeping, cooking, eating, and sanitation and shall include any outhouse or appurtenance belonging thereto.

Dwelling unit. A room or group of rooms located within a dwelling forming a single habitable unit with facilities used or intended to be used by a single family for human occupancy such as living, sleeping, cooking, and eating purposes.

~~Family. One or more persons related by blood, adoption or marriage, living and cooking together as a single housekeeping unit. A number of persons, but not exceeding two, living and cooking together as a single housekeeping unit, though not related by blood, adoption or marriage, shall be deemed to constitute a family.~~

Landlord. Any person who leases, barter, or rents a rental unit to another.

~~Manufactured home. A structure, transportable in one or more sections, which in the traveling mode is 8 body feet (2438 body mm) or more in width or 40 body feet (12 192 body mm) or more in length, or, when erected on site, is 320 square feet (30 m2) or more, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning and electrical systems contained therein. This term shall include any structure that meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the secretary (HUD) for such homes. For the purpose of this article, a mobile home shall be considered a manufactured home.~~

~~Multifamily rental unit. A multifamily structure containing three or more dwelling units located on a single lot designed to be occupied by three or more families living independently of one another, excluding hotels or motels.~~

Owner. Any person, agent, operator, firm or corporation having a legal or equitable interest in the property; or recorded in the official records of the state, county or municipality as holding title to the property; or otherwise having control of the property, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court.

Person. An individual, corporation, business trust, estate, trust, partnership or association, two or

more persons having a joint interest, or any other legal or community entity.

Property manager. The owner or the person appointed or hired by the owner to be responsible for the daily operation of a rental unit.

Rent. The offering, holding out or actual leasing of a rental unit to a person other than the owner and generally involves the payment of an amount of money as consideration for the right to occupy the rental unit, although other forms of consideration or no consideration at all may be involved.

~~Rental unit. A single-family dwelling, two-family dwelling (duplex), and/or a multifamily dwelling, or portion thereof that is rented or offered for rent as a residence.~~

Residential Rental unit means a single-family dwelling, two-family dwelling (duplex) or townhouse, or any portion thereof, that is rented or offered for rent for periods of 30 days or more.

Single-family dwelling. A freestanding building or manufactured home on one lot occupied by not more than one family.

Tenant. Any person who rents or leases a rental unit for living or dwelling purposes.

Townhouse means a single-family unit constructed in a group of three or more attached units separated by property lines in which each unit extends from foundation to roof and with a yard or public way on at least two sides.

Two-family dwelling (duplex). A freestanding building or manufactured home on one lot, having separate accommodations for and occupied by not more than two families, one family in each dwelling unit.

(Ordinance O-03-16 adopted 3/1/16)

§ 3.20.003. Building official, power and duties.

The building official is hereby designated as the administrator of the provisions of this article. In addition to the powers and duties otherwise prescribed for the building official, as administrator of this article, the building official shall have the authority to:

- (1) Administer and enforce all provisions of this article.
- (2) Keep records of all licenses issued.
- (3) Adopt rules and regulations, not inconsistent with the provisions of this article, with respect to the form and content of application for registration, the investigation of applicants, and other matters incidental or appropriate to his powers and duties as may be necessary for the proper administration and enforcement of the provisions of this article.
- (4) Conduct periodic inspections of residential rental properties throughout the city to ensure compliance with this article and all other city ordinances and state laws related to the purpose and/or enforcement of this article.

§ 3.20.004. Registration required.

- (a) Each owner of a rental unit within the city shall register each such rental unit with the city in accordance with procedures contained in this article. A separate registration shall be required for each rental unit for each registration. Every owner of a rental unit as of the date of adoption of this article shall complete an initial registration application and pay an initial registration fee on or before May 1, 2016.

- (b) Unless otherwise provided in this section, each owner of a rental unit within the city shall make application for registration with the city and schedule an inspection of said rental unit with the building official within thirty (30) days after the date of acquiring ownership of a rental unit or within thirty (30) days after the date an owner of a dwelling unit converts the dwelling unit into a rental unit.
- (c) Application for rental registration shall be made upon a form provided by the city for such purpose, and shall include, at a minimum, the following information:
 - (1) Owner's name, address, and work and home telephone number, driver's license number, or identification card number and state of issuance of the owner;
 - (2) If owner is a partnership, the names of all partners, the principal business address, and telephone number of each partner;
 - (3) If owner is a corporation, the person registering must state whether the corporation is organized under the laws of this state or is a foreign corporation, and must show the mailing address, business location, telephone number, name of the main individual in charge of the local office of such corporation, if any, and the names of all officers and directors or trustees of such corporation, and, if a foreign corporation, the place of incorporation;
 - (4) Name, address and telephone number of the property manager or person having the authority to act on behalf of the owner;
 - (5) Name, address, and telephone number of mortgagee (if there is a mortgage against property);
 - (6) Street address of the rental unit; and
 - (7) Maximum number of persons that the unit is designed to occupy as determined by the current adopted International Residential Code and current adopted International Property Maintenance Code, as amended; and
 - (8) Signature of the owner or owner's agent.
- (d) The city shall, within thirty (30) days after receipt of the registration application, either issue a certificate of registration or notify the owner that the application does not comply with the requirements of this article.
- (e) Unless otherwise provided in this article, a certificate of registration shall be valid for each rental unit until such time as there is a change in ownership for that unit. A change in ownership shall be deemed to have occurred upon any of the following:
 - (1) Any change in the individual ownership of the unit;
 - (2) Any change in the ownership of any entity(s) in whose name(s) the current registration for the unit is issued;
 - (3) Where the residential rental unit is managed by a property manager, upon any change in the individual property manager and/or the property manager's ownership; or
 - (4) Upon the dissolution of any entity(s) having ownership over the unit or upon said entity:
 - (A) Petitioning for reorganization under the Bankruptcy Code;

(B) Being adjudged bankrupt; or

(C) Becoming insolvent or having a receiver appointed due to the insolvency.

~~(f) A nonrefundable registration fee in an amount set forth in appendix A of this code shall be paid to the city by the owner with at the same time as the registration application for each rental unit is submitted to the city.~~

The initial, nonrefundable Registration Fee for all registration applications made on or prior to _____, \$_____ for each residential unit and paid to the City at the same time as the application is filed. The initial, nonrefundable Registration Fee for all registration applications made after _____, shall be \$_____ for each residential unit and paid to the City at the same time as the application is filed. Registration applications must be renewed annually. The annual renewal Registration Fee shall be \$_____.

(g) Any registration fee required to be paid under this article shall be deemed late if received by the city after the due date established by the article and/or the building official, as the case may be, and the owner shall be required to submit a nonrefundable late registration fee in an amount set forth in appendix A of this code.

~~(h) A nonrefundable inspection fee in an amount set forth in appendix A of this code shall be paid to the city by the owner for the inspection of each rental unit at the same time the registration fee is paid. A certificate of registration shall not be issued for a rental unit until the registration and inspection fees for the unit are paid in full to the city. The inspection fee shall be required under this article regardless of whether an inspection occurs and regardless of whether the owner or tenant has denied the building official access to the rental unit to complete the inspection.~~

(i) No rental unit may be occupied by a tenant without first having a valid certificate of registration. It is an offense for an owner of a rental unit within the city to permit or allow a tenant to occupy any rental unit without first being issued a valid certificate of registration for the rental unit in accordance with this article. If an owner is required to register more than one rental unit, the owner's failure to register any individual rental unit shall constitute a separate offense. Each and every day that the owner continues to fail to register a rental unit within the city shall also constitute a separate offense.

(j) It shall further be unlawful for any person to file a false rental registration application with the city.

§ 3.20.005. Change of ownership registration.

~~(a) A certificate of registration issued under section 3.20.004 shall remain in effect until such time as a change of ownership occurs in the manner defined in section 3.20.004(e).~~

(a) An RRCO issued under Section _____ shall remain in effect until such time as:

(1) a change of ownership occurs in any manner defined in Section _____ (e)

(2) the RRCO is revoked for non-payment of fees as explained in Section _____(c) of this ordinance;

(3) the RRCO is revoked for violation of this Ordinance as explained in Section _____ of this Ordinance; or _____ of this Ordinance; or

- (4) the expiration of one year from issuance if items I, 2, or 3 above do not apply.
- ~~(b) Upon a change of ownership, the new owner of each rental unit shall complete a change of ownership registration application for each unit in the manner provided by this article and deliver the same together with all applicable registration and inspection fees to the building official's office within thirty (30) days of the change in ownership. A change in ownership registration application submitted after thirty (30) days following the change of ownership shall be considered a late registration and the owner shall pay to the city a nonrefundable late registration fee in an amount set forth in appendix A of this code.~~
- ~~(c) The building official shall not be required to send notice to an owner for a change of ownership registration required under this section.~~

The Administrator shall not be required to send notice to an owner for a change of ownership registration required under this Section ----

- (d) No person shall make connections from a utility, source of energy, power, or water to any rental unit regulated by this code and requiring a Certificate of Registration until they are in compliance with this Article.
- (e) This Article does not apply to:
- (5) Owner-occupied residential rental units; or
- (6) Rental units regulated by another ordinance or zoning code of the City.

§ 3.20.006. Inspection required upon change in occupancy.

- (a) The owner shall provide written notice to the building official upon each and every change in occupancy. A change in occupancy shall mean a change in all tenants occupying a rental unit. The notice required by this section shall clearly indicate whether there was a change in tenant(s) or whether the rental unit was vacated by the previous tenant(s) and is presently unoccupied.
- (b) An inspection of the rental unit shall be required upon the city's receipt of written notice of a change in occupancy required to be submitted pursuant to subsection (a) above. Inspections required under this section shall be performed in the same manner as and in accordance with the applicable inspection procedures established by this article for the rental unit.

§ 3.20.007. Single, two-family (Duplex) dwellings and Townhouse Inspections ~~manufactured home inspections.~~

- (a) The Administrator, in addition to any other applicable requirement of this Article, may inspect the interior and exterior of a residential rental unit to determine compliance with applicable state and local laws including, but not limited to, the current adopted International Residential Code and the current adopted International Property Maintenance Code, as amended. The Administrator or agent may provide written notice of the date and time that the inspection will be conducted. Upon request and/or consent of the owner if the residential rental unit is vacant, or tenant(s) if the unit is occupied, the Administrator may conduct an inspection of the interior of a residential rental unit.

~~The building official shall annually inspect the exterior of a single family, two family or manufactured home rental unit to determine compliance with applicable state and local laws.~~

~~The building official shall provide written notice of the date and time that the exterior inspection will be conducted. Upon request and/or consent of the owner if the rental unit is vacant, or tenant(s) if the rental unit is occupied, the building official may conduct an inspection of the interior of a rental unit.~~

- (b) The Administrator or designee shall enforce the provisions of this Article upon presentation of proper identification to the owner or tenant in charge of any residential rental unit and, with the owner or tenant in charge of any residential unit and, with the owner or tenant's permission, may inspect the rental unit in accordance with this Section between the hours of 8:00 am and 5:00 pm. The Administrator's authority to conduct both exterior and interior inspections is subject to all limitations provided in state and federal law. If entry is refused by the owner or any occupant, or if consent to enter the rental unit could not be obtained, the Administrator is authorized to seek a warrant permitting the Administrator's entry pursuant to Vernon's Ann. Texas C.C.P. Art. 18.05, as the same may be amended from time to time. Any warrant issued will constitute authority for the Administrator to enter upon and inspect the premises described therein.

~~If the owner or tenant fails to make the exterior of the rental unit available for inspection, the building official may conduct the inspection from the public right-of-way. If the owner or tenant does not provide consent for the inspection and the building official must enter onto the property to conduct the inspection, the building official shall be required to obtain a warrant in the manner provided by subsection (c) below prior to entry on the property.~~

- ~~(c) The building official or his agent shall enforce the provisions of this article upon presentation of proper identification to the owner or tenant in charge of any rental unit and with the owner or tenant's permission, may inspect the rental unit in accordance with this section between the hours of 8:00 a.m. and 6:00 p.m. The building official's authority to conduct both exterior and interior inspections is subject to all limitations provided in state and federal law. If entry is refused by the owner or any occupant or if consent to enter the rental unit could not be obtained, the building official is authorized to seek a warrant permitting the building official's entry pursuant to Vernon's Ann. Texas C.C.P. art. 18.05, as the same may be amended from time to time. Any warrant issued will constitute authority for the building official to enter upon and inspect the premises described therein.~~

~~§ 3.20.008. Multifamily inspections.~~

- ~~(a) The building official shall inspect all building exteriors, all exterior and interior common areas of multifamily rental units to determine compliance with applicable state and local laws on an annual basis and at any other time(s) necessary to ensure compliance with this article. Upon request and/or consent of the owner if the rental unit is vacant, or tenant(s) if the rental unit is occupied, the building official may conduct an inspection of the interior of a rental unit.~~
- ~~(b) Within thirty (30) days after the annual registration of a multifamily rental unit, the owner of the unit shall request the building official to conduct an inspection and shall make the unit available for inspection by the building official as provided in subsection (a) above. The owner and the building official shall agree on a reasonable date and time for the required inspection. Upon each inspection by the building official, all building exteriors, all exterior common areas, interior common areas and all other inspected premises of the multifamily rental unit shall be in compliance with all applicable state laws and local ordinances.~~
- ~~(c) The building official or his agent shall enforce the provisions of this article upon presentation of proper identification to the owner or tenant in charge of any rental unit and with the owner~~

~~or tenant's permission, may inspect the rental unit in accordance with this section between the hours of 8:00 a.m. and 6:00 p.m. The building official's authority to conduct interior inspections is subject to all limitations provided in state and federal law. If entry is refused by the owner or any occupant or if consent to enter the rental unit could not be obtained, the building official is authorized to seek a warrant permitting the building official's entry pursuant to Vernon's Ann. Texas C.C.P. art. 18.05, as the same may be amended from time to time. Any warrant issued will constitute authority for the building official to enter upon and inspect the premises described therein.~~

Sec. ____ : Enforcement; Violations and Penalties.

- (a) Any person who violates any provision of this ordinance is guilty of a misdemeanor which, upon conviction, shall be punishable by a fine not to exceed five hundred dollars (\$500.00). However, a fine for the violation of a provision of this chapter that governs safety, zoning, or public health and sanitation shall be punishable by a fine not to exceed two thousand dollars (\$2,000.00). Each day that an unmitigated violation of this ordinance is committed, continued, or permitted shall constitute a separate, punishable offense. Property owners found to be guilty of a misdemeanor violation as described above may have their RRCO revoked for the unit(s) affected until all violations are resolved to the satisfaction of the Administrator.
- (b) Nothing in this Article shall preclude the City's pursuit of any and all other remedies allowed under civil and criminal statutes, and in equity, to address situations and conditions which are treated in this Article, under the theory of public nuisance or public health and safety. Neither shall the city be required, nor prohibited, to issue criminal citations before, after, or during any proceeding prescribed in this Article. Specifically, in addition to provisions of this article, the City asserts full authority to exercise its right to remedies under all provisions of the Texas Local Government Code, including, but not limited to, Chapter 54, Subchapter B, Municipal Health and Safety Ordinances, in prosecution of civil suits for enforcement, injunctive relief, and civil penalties to remedy conditions of public concern described in this article.

~~§ 3.20.009. Penalty.~~

- ~~(a) It shall be unlawful for any person to be in violation of any provisions of this article.~~
- ~~(b) Any person, who shall violate a provision of this article, or fail to comply therewith, or with any of the requirements thereof, shall be prosecuted within the limits provided by law and, upon conviction, shall be punished by a fine not to exceed five hundred dollars (\$500.00) for each offense. Each day that a violation continues shall constitute a separate offense.~~
- ~~(c) Unless otherwise specified in this article, no culpable mental state is required for the commission of an offense under this article.~~

~~§ 3.20.010. Enforcement.~~

- ~~(a) Nothing in this article shall prohibit the city from enforcing any administrative, civil and/or criminal enforcement remedies concurrently herewith or availing itself of any other remedy allowed by law in connection with the administration or enforcement of this article.~~

- ~~(b) The city may refuse to provide city utility service and/or approve an application for city utility service for a multifamily rental unit that is vacant at the time a registration application is required to be submitted for the unit until such time as the application is approved by the city and all applicable fees are paid.~~
- ~~(c) The city may initiate termination of city utility services, or place a hold on reconnecting or reinstituting utility services that have been terminated, as the case may be, to or for a dwelling unit that is substandard, or unfit for human habitation by certifying, in writing, that the dwelling unit or property is substandard or unfit for human habitation. Upon initiating a utility termination or hold, the city shall promptly notify the owner by written notice. The owner may appeal the request by serving the building official with a written notice of appeal within 5 days from the date the notice was mailed. Upon receipt of a timely appeal, the building official shall promptly review the owner's written notice of appeal for sufficiency and shall provide the owner with written information describing the appeal process. The city's determination upon appeal shall be in all things final and the owner shall not be entitled to further appeal under this subsection.~~

Sec. ____: Joint and several liability for violations.

The owner, agent, lessee, and any other person in control of a residential rental unit shall be jointly and severally liable for a violation of this Article.

Sec. ____: Appeals.

An owner, tenant, or other person or entity affected by the enforcement of this Article may appeal the enforcement decision of the Administrator, including but not limited to the denial of a residential rental registration application or certificate of occupancy, to the Building Appeals and Advisory Board. Any such appeal must be made in writing and within fifteen (15) calendar days following the date of the enforcement action or decision of the Administrator. The decision of the Building Appeals and Advisory Board shall be final.

Sec. ____ to ____: Reserved for expansion.



Discussion, first reading and public hearing for Ordinance O-14-25, adopting the Budget for the Fiscal Year beginning October 1, 2025, and ending September 30, 2026. (Clifford Blackwell, City Manager)

[illegible]

ORDINANCE O-14-25

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, ADOPTING THE BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS OF THE CITY; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an annual budget for the fiscal year beginning October 1, 2025, and ending September 30, 2026, has been duly created by the financial office of the City of Glenn Heights, Texas, in accordance with Chapter 102.002 of the Local Government Code; and

WHEREAS, as required by Section 7.02 of the City Charter, the City Manager has prepared and submitted to the City Council a proposed budget of expenditures and revenues of the City for the fiscal year beginning October 1, 2025, and ending September 30, 2026; and

WHEREAS, the financial office for the City of Glenn Heights has filed the proposed budget in the office of the City Secretary and the proposed budget was made available for public inspection in accordance with Chapter 102.005 of the Local Government Code; and

WHEREAS, public hearing as required by Chapter 102.006 of the Local Government Code was held following due publication of notice thereof, at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed budget; and

WHEREAS, after full and final consideration, it is the opinion of the Glenn Heights City Council that the 2025-2026 fiscal year budget as hereinafter set forth should be adopted.

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

SECTION 1. That the proposed budget of the revenue and expenditures necessary for conducting the affairs of the City of Glenn Heights, Texas, said budget being in the amount of \$44,403,906, including nonoperating transfers, providing a complete financial plan for the fiscal year beginning October 1, 2025 and ending September 30, 2026 as submitted to the City Council by the City Manager, a copy

of which is attached hereto and incorporated herein by this reference as Exhibit A” and which is also on file in the City Secretary’s Office, be and the same is hereby adopted and approved as the budget of the City of Glenn Heights, Texas for the fiscal year beginning October 1, 2025 and ending September 30, 2026.

SECTION 2. That the sum of \$44,403,906 is hereby appropriated for the payment of the expenditures established in the approved budget for the fiscal year beginning October 1, 2025 and ending September 30, 2026.

SECTION 3. That the expenditures during the fiscal year beginning October 1, 2025 and ending September 30, 2026 shall be made in accordance with the budget approved by this ordinance unless otherwise authorized by a duly enacted ordinance of the City of Glenn Heights, Texas.

SECTION 4. That all budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2025-2026 are hereby ratified, and the budget Ordinance for fiscal year 2025–2026, heretofore enacted by the City Council, be and the same is hereby amended to the extent of such transfers and amendments for all purposes.

SECTION 5. That specific authority is given to the City Manager to take and/or make the following actions:

1. Transfer of appropriations budgeted from one account classification to another account classification within the same department.
2. Transfer of appropriations from designated appropriation from one department or activity to another department or activity within the same fund.
3. Invest idle funds, whether operating funds or bond funds, in accordance with the City’s Investment Policy as prescribed by the Public Funds Investment Act.

SECTION 6. All ordinances of the City of Glenn Heights, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 7. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 8. This Ordinance shall take effect from and after its passage.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Sonja A. Brown, Mayor		
Sherron Mosley, Council Member – Place 1		
Harry A. Garrett, Council Member– Place 2		
Travis Bruton, Council Member – Place 3		
Stephanne Hale, Council Member – Place 4		
Laymon M. Lightfoot, Council Member – Place 5		
Cornel Benford II, Mayor Pro Tem – Place 6		

WITH ___ VOTING “AYE” AND ___ VOTING “NAY”, THIS ORDINANCE IS DULY PASSED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, ON THE 9TH DAY OF SEPTEMBER 2025.

APPROVED

Sonja A. Brown, Mayor

ATTEST:

Brandi Brown, City Secretary

APPROVED AS TO FORM:

David Berman

EXHIBIT A
[Budget FY 2025]



City of Glenn Heights
Proposed Budget - Revenues & Expenses
Fiscal Year 2025-26

ALL OPERATING FUNDS

	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual	2025-26 Operating Budget	2025-26 C.I.P. Budget
REVENUES						
PROPERTY TAXES	8,923,656	9,380,298	10,184,200	10,368,656	10,719,011	
SALES TAXES	1,131,746	1,274,335	1,300,000	948,823	1,300,000	
FRANCHISE TAXES	717,362	682,153	630,000	552,574	665,000	
PERMITS AND LICENSES	1,232,541	663,681	598,250	662,172	626,800	
CHARGE FOR SERVICES	10,686,688	13,097,647	12,340,850	9,017,604	12,828,795	
RECREATION	266,995	195,905	170,700	205,408	273,700	
GRANTS & CONTRIBUTIONS	91,124	733,792	-	817,741	5,261,253	2,000,000
COURT FINES	245,231	245,555	257,500	167,867	257,200	
INTEREST	364,872	664,878	353,850	854,312	456,000	15,000
MISCELLANEOUS	182,776	124,221	99,200	144,946	32,200	1,050,000
OTHER FINANCING RESOURCES	-	2,905	-	10	-	674,000
TRANSFERS IN/(OUT)	125,775	1,129,686	125,775	94,331	1,846,859	
MAJOR DONATION	52,813	192,842	150,000	218,618	125,000	
TOTAL REVENUES	24,021,579	28,387,898	26,210,325	24,053,062	34,391,818	3,739,000

	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual	2025-26 Budget	2025-26 Budget
EXPENSES						
Salaries	6,319,011	7,220,757	8,226,163	5,711,909	8,596,427	
Benefits	1,675,783	2,182,141	2,223,976	1,751,197	1,912,675	
Supplies	496,349	540,540	1,010,429	535,108	950,075	
Repairs and Maintenance	277,645	748,903	849,500	791,198	1,106,000	
Utilities	403,338	410,991	405,470	360,171	453,484	
Operating	1,143,067	1,688,630	1,155,355	853,382	1,177,790	
Contractual Services	8,999,155	8,612,002	10,066,090	6,803,673	10,416,869	500,000
Events	52,077	188,021	243,299	101,523	200,400	
Debt	1,628,851	1,604,386	1,826,102	1,616,750	1,668,372	
Transfers	1,107,955	814,781	69,000	97,009	259,775	1,587,084
Grants	1,650	19,234	10,000	1,225,669	3,710,000	
Capital Outlay	742,507	1,072,300	35,000	691,104	3,629,587	8,235,368
TOTAL EXPENSES	22,847,388	25,102,686	26,120,384	20,538,693	34,081,454	10,322,452

Revenues Less Expenses	1,174,191	3,285,212	89,941	3,514,369	310,364	(6,583,452)
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AGENDA SUMMARY SHEET

September 2, 2025

AGENDA, ITEM 4

Discussion, first reading and public hearing for Ordinance O-15-25, adopting and levying ad valorem taxes for the year 2025 (Fiscal Year 2025-2026) at a rate of \$0.562795 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Glenn Heights, Texas. (Clifford Blackwell, City Manager)

Motion	
Second	
For	Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot
Against	Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot
Abstain	
Approve/ Deny/ Table	

[illegible]



CITY OF GLENN HEIGHTS CITY COUNCIL REPORT

Date: September 2, 2025

SUBJECT

Discussion regarding Ordinance O-15-25, an Ordinance of the City Council of the City of Glenn Heights, Texas, adopting and levying ad valorem taxes for the tax year 2025 (Fiscal Year 2025-2026) at a rate of \$0.562795 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Glenn Heights as of January 1, 2025, to provide revenue for the payment of current expenses; providing for an interest and sinking fund for all outstanding debt of the City of Glenn Heights; providing for due and delinquent dates together with penalties and interest; approving the 2025 tax roll certified by the Chief Appraisers for Dallas and Ellis Counties; providing a severability clause; providing a repealing clause; and providing an effective date.

DISCUSSION / BACKGROUND

City Council will consider the Proposed Tax Rate of \$0.562795 per One Hundred Dollars (\$100) Assessed Valuation. For the purpose of defraying the current expenditures (Maintenance and Operations) of the municipal government of the City of Glenn Heights, a tax of \$0.495670 on each and every One Hundred Dollars (\$100) assessed value on all taxable property; and for the purpose of creating an interest and sinking fund (Interest and Sinking Fund) to pay the interest and principal maturities of all outstanding debt of the City of Glenn Heights not otherwise provided for, a tax of \$0.067125 on each One Hundred Dollars (\$100) assessed value of taxable property within the City of Glenn Heights, and shall be applied to the payment of interest and maturities of all such outstanding debt of the City.

This tax rate will raise more taxes for maintenance and operations than last year's rate.

The overall tax rate will be lowered by 1.68 percent, going from the previous rate of \$0.565015 per \$100 assessed valuation(AV) to the proposed rate of \$0.562795 per

\$100 AV. The maintenance & operations tax rate exceeds the no-new-revenue maintenance and operations tax rate, and it will increase taxes for maintenance and operations on a \$100,000 home by approximately \$8.17.

PRIOR COUNCIL OR BOARD ACTION

Not applicable.

PUBLIC CONTACT

Public Notices related to the Fiscal Year 2025–2026 Tax Rate have been given by posting on the City Council’s official bulletin board, on the City of Glenn Heights’ website, and in the local newspaper.

FINANCIAL IMPACT

Adoption of this Ordinance will raise \$10,620,265 in property tax revenue for Fiscal Year 2025-2026.

RECOMMENDATION / ALTERNATIVES

Staff recommends adoption of Ordinance O-??-25 on September 9, 2025.

ATTACHMENTS

1. Ordinance O-15-25
2. Notice of Tax Rates

PREPARED BY

Clifford Blackwell, City Manager

REVIEWED BY

Brandi Brown, City Secretary

ORDINANCE O-15-25

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, ADOPTING AND LEVYING AD VALOREM TAXES FOR THE TAX YEAR 2025 (FISCAL YEAR 2025 - 2026) AT A RATE OF \$0.562795 PER ONE HUNDRED DOLLARS (\$100) ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF GLENN HEIGHTS AS OF JANUARY 1, 2025, TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES; PROVIDING FOR AN INTEREST AND SINKING FUND FOR ALL OUTSTANDING DEBT OF THE CITY OF GLENN HEIGHTS; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; APPROVING THE ESTIMATED 2025 TAX ROLL PROVIDED BY THE CHIEF APPRAISERS FOR DALLAS AND ELLIS COUNTIES AS ALLOWED BY LAW; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, following public notices duly posted and published in all things as required by law, public hearings were held by and before the City Council of the City of Glenn Heights, the subject of which was the proposed tax rate for the City of Glenn Heights for Fiscal Year 2025-2026, submitted by the City Manager in accordance with provisions of the City Charter and state statutes; and

WHEREAS, the City Council, upon full consideration of the matter, is of the opinion that the tax rate hereinafter set forth is proper and should be approved and adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, THAT:

SECTION 1. There is hereby approved, adopted and levied for the tax year 2025 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Glenn Heights, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of **\$0.562795** on each One Hundred Dollars (\$100) assessed valuation of taxable property, which consists of two components each one of which is separately approved by the Council as follows:

- (a) **\$0.067125** per One Hundred Dollars (\$100) of taxable value, the rate that, if applied to the total taxable value, will impose the total amount published under Section 26.04(e)(3)(C) of the Texas Property Tax Code (Tax Code), less any amount of additional sales and use tax revenue that will be used to pay debt service; and
- (b) **\$0.495670** per One Hundred Dollars (\$100) taxable value, the rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operation expenditures of the City for the coming year.

SECTION 2. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 1.68 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$8.17.

SECTION 3. All ad valorem taxes shall become due and payable on October 1, 2025, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2026. There shall be no discount for payment of taxes prior to February 1, 2026. A delinquent tax shall incur all penalty and interest authorized by law, to wit:

- (a) A penalty of six percent (6%) on the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.
- (b) Provided, however, a tax delinquent on July 1, 2026, incurs a total penalty of twelve percent (12%) of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes for the year 2025 and taxes for all future years that become delinquent on or after February 1 but not later than May 1, that remain delinquent on July 1 of the year in which they become delinquent, incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and 33.07, as amended. Taxes assessed against tangible personal property for the year 2024 and for all future years that become delinquent on or after February 1 of a year incur an additional penalty on the later of the date the personal property taxes become subject to the delinquent tax attorney's contract, or 60 days after the date the taxes become delinquent, such penalty to be in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 33.11. Taxes for the year 2025 and taxes for all future years that remain delinquent on or after June 1 under Texas Property Tax Code Sections 26.07(f), 26.15(e), 31.03, 31.031, 31.032 or 31.04 incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and Section 33.08, as amended.

SECTION 3. The Dallas and Ellis County Tax Assessors/Collectors are hereby authorized to assess and collect the taxes of the City of Glenn Heights, Texas.

SECTION 4. The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 5. The tax rolls as presented to the City Council, together with any supplements thereto, be and the same are hereby approved.

SECTION 6. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 7. All ordinances of the City of Glenn Heights, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 8. This ordinance shall take effect immediately from and after its passage, as the law and charter in such cases provide.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Sonja A. Brown, Mayor		
Sherron Mosley, Council Member – Place 1		
Harry Garrett, Council Member – Place 2		
Travis Bruton, Council Member – Place 3		
Stephanne Hale, Council Member – Place 4		
Laymon M. Lightfoot, Council Member – Place 5		
Cornel Benford II, Mayor Pro Tem – Place 6		

WITH__ VOTING “AYE” AND__ VOTING “NAY”, AND AT LEAST 60% OF THE MEMBERS OF THE GOVERNING BODY VOTING IN FAVOR OF THE ORDINANCE, THIS ORDINANCE IS DULY PASSED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, ON THE 9TH DAY OF SEPTEMBER 2025.

APPROVED:

Sonja A. Brown, Mayor

ATTEST:

Brandi Brown, City Secretary

APPROVED AS TO FORM:

David Berman, City Attorney

Notice About 2025 Tax Rates

Property tax rates in City of Glenn Heights.

This notice concerns the 2025 property tax rates for City of Glenn Heights. This notice provides information about two tax rates used in adopting the current tax year's tax rate. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per \$100 of property value.

This year's no-new-revenue tax rate	\$0.551438/\$100
This year's voter-approval tax rate	\$0.562795/\$100

To see the full calculations, please visit <https://www.glennheightstx.gov/> for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balance

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
General Fund	11,548,090
Debt Fund	97,506

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues (*or additional sales tax revenues, if applicable*).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2025 Debt	941,234	329,439	5,500	1,276,173

Total required for 2025 debt service	\$1,276,173
- Amount (if any) paid from funds listed in unencumbered funds	\$0
- Amount (if any) paid from other resources	\$0
- Excess collections last year	\$9,470
= Total to be paid from taxes in 2025	\$1,266,703
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2025	\$0
= Total debt levy	\$1,266,703

This notice contains a summary of actual no-new-revenue and voter-approval calculations as certified by John R. Ames, PCC, CTA, Tax Assessor/Collector on 08/04/2025 .

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.



Discussion and take action to postpone vote on approval of the Proposed Property Tax Rate for Fiscal Year 2025 until the September 9, 2025, City Council Meeting, to be held at City Hall, City Council Chambers, 1938-C S Hampton Road, Glenn Heights, Texas 75154, at 7:00 P.M. (Clifford Blackwell, City Manager)

[illegible]

AGENDA SUMMARY SHEET

September 2, 2025

AGENDA, ITEM 6

Discussion and take action to approve Resolution R-25-25, approving an Agreement with Vail & Park, PC., to serve as Auditors for the City, to conduct Annual Audits and prepare Financial Statements for the City; and authorizing the City Manager to execute an Engagement Letter.
(Sherry Roberts, Finance Director)

Motion	
Second	
For	Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot
Against	Brown, Benford, Mosley, Garrett, Bruton, Hale, and Lightfoot
Abstain	
Approve/ Deny/ Table	

[illegible]

INDEPENDENT AUDIT SERVICES CONTRACT AWARD



SHERRY ROBERTS, FINANCE DIRECTOR

SEPTEMBER 2, 2025

RESOLUTION R 25-25



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, APPROVING AN AGREEMENT WITH VAIL & PARK, PC., TO SERVE AS AUDITORS FOR THE CITY, TO CONDUCT ANNUAL AUDITS AND PREPARE FINANCIAL STATEMENTS FOR THE CITY; AUTHORIZING THE CITY MANAGER TO EXECUTE AN ENGAGEMENT LETTER PURSUANT TO THIS APPROVAL; AND, PROVIDING AN EFFECTIVE DATE.

BACKGROUND



- In August 2020, Council approved the Audit Agreement with Patillo, Brown, & Hill for one (1) year beginning September 30, 2020 and an optional four (4) additional one-year terms for a maximum total of five (5) years, which means the current audit (FY 2024) is our last audit with the current firm.
- It is recommended best practice by the Government Finance Officers Association (GFOA) to conduct a full competitive procurement for audit services every five years to ensure auditor independence and a continuous review of financial procedures.

REQUEST FOR QUALIFICATIONS (RFQ)



- A Request for Qualifications (RFQ) was issued in August 2025.
- The normal process of advertising in the Ellis County Press and on PublicPurchase.com was followed.
- Only one response to the RFQ was received which was from Vail & Park.
- Patillo, Brown, & Hill did not respond to the RFQ because of client cutbacks internally.
- Fewer students are pursuing accounting degrees due to many factors, including perceptions of accounting, CPA certification challenges, and increasing competition from other business disciplines.



FINANCIAL IMPACT

Year 1 (24/25)

- ❖ \$40,000 (\$35,000 for the audit and \$5,000 for the beginning balance testing as of October 1, 2024.
- ❖ \$15,000 for the Single Audit (related to the CDBG grant)
- ❖ \$8,000 for non-attest services (GASB 87, 96, & 101)

YEAR 1 TOTAL: \$63,000

Year 2 (25/26)

- ❖ \$36,750 (audit)
- ❖ \$13,000 (single audit if required)
- ❖ \$ 8,000 (non-attest services)

YEAR 2 TOTAL: \$57,750

Year 3 (26/27)

- ❖ \$38,500 (audit)
- ❖ \$13,500 (single audit, if required)
- ❖ \$ 8,000 (non-attest services)

YEAR 3 TOTAL: \$60,000

Year 4 (27/28)

- \$40,500 (audit)
- \$14,000 (single audit, if required)
- \$ 8,000 (non-attest services)

YEAR 4 TOTAL: \$62,500

Year 5 (28/29)

- \$42,500 (audit)
- \$14,500 (single audit, if required)
- \$ 8,000 (non-attest services)

YEAR 5 TOTAL: \$65,000

RECOMMENDATION



- ❑ Staff recommends the **APPROVAL** of Resolution #R25-25 Approving an agreement with Vail & Park, P.C. to serve as auditors for the City, to conduct annual audits and prepare financial statements for the City; Authorizing the City Manager to execute an engagement letter pursuant to this approval; and, providing an effective date.

QUESTIONS



COMMENTS



Introduction to Vail & Park, P.C.

Council Meeting for City of Glenn Heights, TX

Presented by Mike Vail, CPA

Tung Pham, CPA

The background of the slide features a close-up, angled view of a financial document. It includes a spreadsheet with various numerical entries, some of which are bolded. Below the spreadsheet, there is a 3D bar chart with several bars of varying heights. A silver pen is visible in the lower-left corner, resting on the document. The overall color scheme is blue and white.

Agenda

- ◆ Firm Overview
- ◆ Audit Team
- ◆ Audit Technology
- ◆ Scope of Audit
- ◆ Proposed Timeline

Firm Overview

- ◆ Vail & Park, P.C. is a local public accounting firm formed in 2005 and currently has ***three office locations*** in Texas: Frisco, Dallas, and Tom Bean. This audit will be conducted from VP's head office location in ***Frisco***.
- ◆ VP is a member of the following organizations:
 - ◆ American Institute of Public Accountants (AICPA)
 - ◆ Governmental Audit Quality Center (GAQC)
 - ◆ Government Finance Officers Association of Texas (GFOAT)
 - ◆ Employee Benefit Plan Audit Quality Center (EBPAQC)
 - ◆ Private Companies Practice Section (PCPS)
 - ◆ Texas Society of CPAs (TXCPA)
 - ◆ Public Company Accounting Oversight Board (PCAOB)

Firm Overview (contd.)

- ◆ With over 50 years of combined experience and 100+ 5-star  Google reviews, VP specializes in performing various audits of governmental, for-profit, and not-for-profit organizations. The Firm has been in operation for over 20 years and has extensive experience performing audits with similar requirements to the City.
- ◆ VP has helped clients with initial applications as well as consistent achievement of the **GFOA Certificate of Achievement for Excellence in Financial Reporting**.
- ◆ Furthermore, VP is proud to serve as a **Gold Sponsor** for upcoming Government Finance Officers Association of Texas (GFOAT) events, reflecting our ongoing commitment to fostering professional development and collaboration within the public sector.

Audit Team: Leadership



Mike Vail, CPA - Managing Shareholder

- ◆ Mike is the Founder of Vail & Park, P.C. His talent in identifying technical accounting issues and attention to detail has provided clients with strong assurance of the soundness of financial reporting to their stakeholders. He has worked with over 500 clients and provides leadership for the group of talented professionals that constitute VP.



Tung Pham, CPA - Shareholder [Engagement Partner]

- ◆ A CPA since 2015, Tung has led numerous audits for clients in not-for-profit, governmental, and for-profit entities in various industries including manufacturing, distributing, real estate, financial institutions, and constructions. He specializes in serving governmental and not-for-profit clients including counties and local municipalities.

Audit Team Members

◆ Jeffrey Woods, CPA - Audit Manager

Jeff has several years of accounting and auditing experience working with clients in various industries, including technology, distribution, and SEC Public Company audits. Formerly an Experienced Audit Senior at BDO USA, Jeff got his CPA license in 2019. He is well-experienced in leading teams to complete high-quality audits efficiently.

◆ Lance Green, CPA - Experienced Audit Staff

Lance has obtained a bachelor's degree in accounting and a master's degree in accounting from Texas A&M University-Commerce. He has a year of experience in auditing governmental and non-profit entities and has obtained his CPA certification. He is experienced with different audit areas and has worked on several reports.

Audit Team: Team Members (contd.)

◆ Hailey Nguyen - Audit Intern

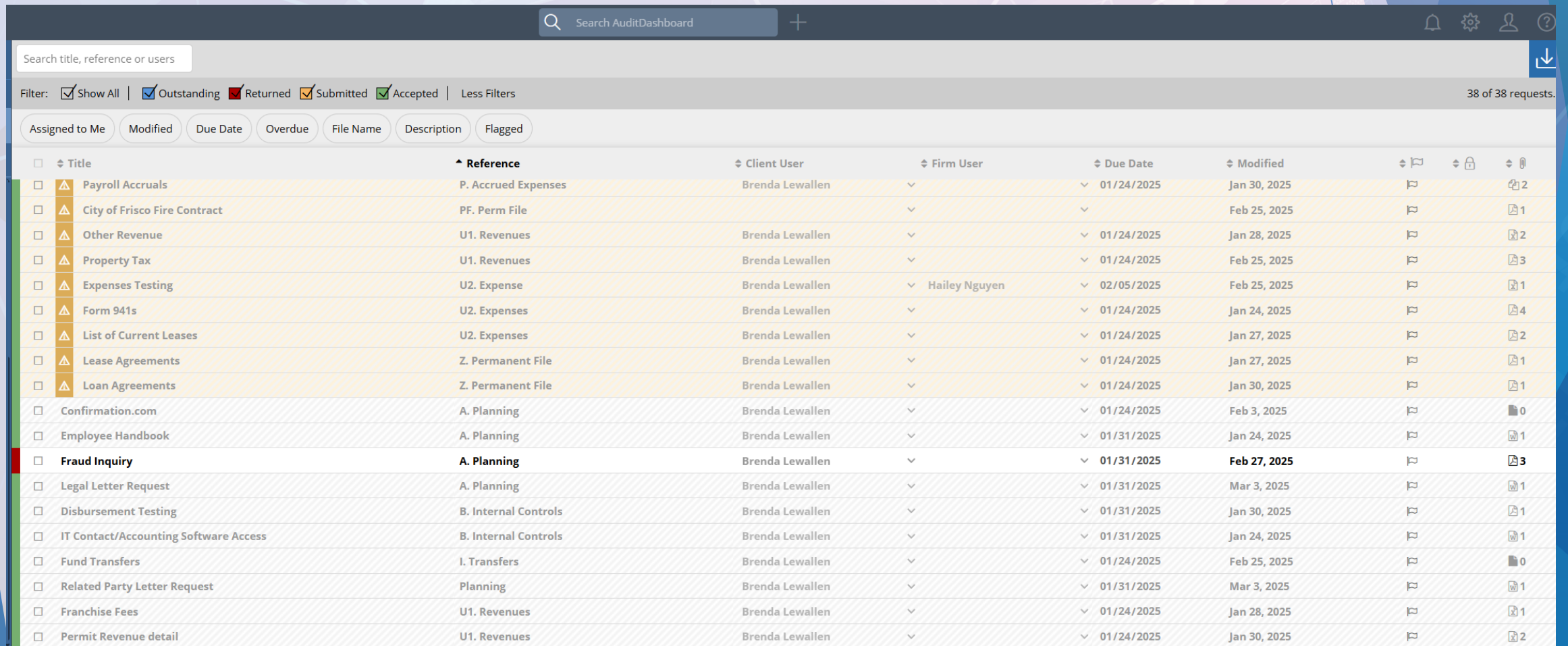
Hailey is currently pursuing a bachelor's degree in accounting from the University of Texas at Dallas. She will graduate in December 2025, at which point she will be eligible to sit for the CPA exam. Hailey has recently joined the firm and is a quick learner, gaining experience in various audit areas.

All team members are confirmed to be **independent** of the City as defined by generally accepted auditing standards of the United States, **licensed** to practice in the State of Texas, and have **no conflicts of interest** with regard to the City's key decision makers or any other work performed by the Firm for the City.

The Firm also has **no history of being subject to any disciplinary action** with state regulatory bodies or professional organizations.

Audit Technology: AuditDashboard

Secure, cloud-based platform that facilitates collaboration with VP and its clients, enabling seamless management of tasks such as document requests, file sharing, and tracking outstanding items.



The screenshot displays the AuditDashboard interface. At the top, there is a search bar labeled 'Search AuditDashboard' and a plus icon. Below this is a filter section with a search input 'Search title, reference or users' and a download icon. The filter section includes checkboxes for 'Show All', 'Outstanding', 'Returned', 'Submitted', and 'Accepted', along with a 'Less Filters' link. The main table lists audit tasks with columns for Title, Reference, Client User, Firm User, Due Date, Modified, and icons for flags, locks, and attachments. The 'Fraud Inquiry' row is highlighted in red.

☐ Title	Reference	Client User	Firm User	Due Date	Modified	Flags	Locks	Attachments
☐ Payroll Accruals	P. Accrued Expenses	Brenda Lewallen		01/24/2025	Jan 30, 2025	1		2
☐ City of Frisco Fire Contract	PF. Perm File				Feb 25, 2025	1		1
☐ Other Revenue	U1. Revenues	Brenda Lewallen		01/24/2025	Jan 28, 2025	1		2
☐ Property Tax	U1. Revenues	Brenda Lewallen		01/24/2025	Feb 25, 2025	1		3
☐ Expenses Testing	U2. Expense	Brenda Lewallen	Hailey Nguyen	02/05/2025	Feb 25, 2025	1		1
☐ Form 941s	U2. Expenses	Brenda Lewallen		01/24/2025	Jan 24, 2025	1		4
☐ List of Current Leases	U2. Expenses	Brenda Lewallen		01/24/2025	Jan 27, 2025	1		2
☐ Lease Agreements	Z. Permanent File	Brenda Lewallen		01/24/2025	Jan 27, 2025	1		1
☐ Loan Agreements	Z. Permanent File	Brenda Lewallen		01/24/2025	Jan 30, 2025	1		1
☐ Confirmation.com	A. Planning	Brenda Lewallen		01/24/2025	Feb 3, 2025	1		0
☐ Employee Handbook	A. Planning	Brenda Lewallen		01/31/2025	Jan 24, 2025	1		1
☐ Fraud Inquiry	A. Planning	Brenda Lewallen		01/31/2025	Feb 27, 2025	1		3
☐ Legal Letter Request	A. Planning	Brenda Lewallen		01/31/2025	Mar 3, 2025	1		1
☐ Disbursement Testing	B. Internal Controls	Brenda Lewallen		01/31/2025	Jan 30, 2025	1		1
☐ IT Contact/Accounting Software Access	B. Internal Controls	Brenda Lewallen		01/31/2025	Jan 24, 2025	1		1
☐ Fund Transfers	I. Transfers	Brenda Lewallen		01/24/2025	Feb 25, 2025	1		0
☐ Related Party Letter Request	Planning	Brenda Lewallen		01/31/2025	Mar 3, 2025	1		1
☐ Franchise Fees	U1. Revenues	Brenda Lewallen		01/24/2025	Jan 28, 2025	1		1
☐ Permit Revenue detail	U1. Revenues	Brenda Lewallen		01/24/2025	Jan 30, 2025	1		2

Audit Technology: DataSnippet

VP leverages DataSnippet's dynamic Excel integration, intelligent document linking, and rapid data extraction tools like Table Snip and Form Extraction to streamline procedures, eliminate manual errors, and turn traditional audits into powerful, tech-driven insights.

DataSnippet - Financial Statement Suite (v.25.0.0.0)

Adyen-Annual-Report-2021... Adyen-Annual-Report-2021 (CY) V2.pdf

Version 2 05/09/2025 04:15 PM

Overview

Created: 09 May 2025

Current year: Adyen-Annual-Report-2021 (CY) V2.pdf

Prior year: Adyen-Annual-Report-2020 (PY) pdf

Tests and Results 100%

Mathematical Accuracy 464 14 100%

Internal Consistency IC 45 IC 18 100%

Spell Check SP 0 100%

Prior Year Consistency PY 444 PY 52 100%

Version Compare 0 Tickmarks Left 100%

		2021	2020	
Intangible assets	13	9,841K13	9,830	
Plant and equipment	14	72,861K14	35,746	
Right-of-use assets	17	128,063K15	124,328	
Other financial assets at FVPL	11	22,244K16	20,883	PY
Contract assets	22	79,341K17	124,113	
Deferred tax assets	7	127,762K18	106,337	
Total non-current assets		440,512	421,377	
Inventories	3	22,138K19	19,548	
Receivables from merchants and financial institutions	25	633,240K20	883,939	
Trade and other receivables	35	16,812K21	75,049	
Current income tax receivables	7	6,761K22	8,794	PY
Other financial assets at amortized cost	11	-K23	12,238	
Cash and cash equivalents	30	4,636,094K24	2,737,486	
Total current assets		5,326,884	3,797,884	
Total assets		5,775,666	4,158,462	
Share capital	8	310K25	364	
Share premium	8	135,725K26	194,688	PY
Other reserves		157,457	149,801	
Retained earnings		1,336,822	873,295	
Total equity attributable to owners of Adyen N.V.		1,839,414	1,218,134	
Derivative liabilities	11	81,700K26	68,480	
Deferred tax liabilities	7	24,401K27	23,824	
Lease liability	17	119,968K28	118,051	PY
Cash-settled share-based payment plan	43	5,661K49	-	
Total non-current liabilities		221,670	210,375	
Payables to merchants and financial institutions	36	3,608,531K29	2,588,843	
Trade and other payables	36	100,116K30	111,547	
Lease liability	17	22,868K31	13,434	PY
Current income tax payables	7	9,870K32	35,188	
Total current liabilities		3,741,522	2,729,852	
Total liabilities and equity		5,775,666	4,158,462	

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

Scope of Services

- ◆ Financial statement audit in accordance with GAAS and *Government Auditing Standards*
- ◆ Single Audit in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
- ◆ Non-audit services:
 - ◆ Financial statements and related notes
 - ◆ Schedule of expenditures of federal awards
 - ◆ Data Collection Form to Federal Audit Clearinghouse
 - ◆ GASB 87 (leases) determination and adjustment
 - ◆ GASB 96 (SBITA) determination and adjustment
 - ◆ GASB 101 (compensated absences) determination and adjustment

Proposed Timeline

- ◆ Planning: September 8, 2025
- ◆ Interim fieldwork: October 1, 2025
- ◆ Fieldwork: December 1, 2025
- ◆ Draft report to the City: January 19, 2026
- ◆ Report issuance and Council presentation: February 27, 2026

The upcoming fiscal year audit will be the first year that the Texas Senate Bill 1851 (SB 1851) is in effect. This bill introduces stricter enforcement of the existing deadline for municipalities to complete and file their annual financial audits. As such, the City must file the audit for the year ended September 30, 2025, by March 31, 2026. VP strives to be proactive and educate our clients to ensure a smooth and efficient audit process.



**Thank you for the opportunity to be of
service to you!**

Any questions?

Contact information:

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972-853-7289

RESOLUTION NO. R-25-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, APPROVING AN AGREEMENT WITH VAIL & PARK, PC., TO SERVE AS AUDITORS FOR THE CITY, TO CONDUCT ANNUAL AUDITS AND PREPARE FINANCIAL STATEMENTS FOR THE CITY; AUTHORIZING THE CITY MANAGER TO EXECUTE AN ENGAGEMENT LETTER PURSUANT TO THIS APPROVAL; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Glenn Heights ,Texas, finds and determines that it is necessary to retain the services of an independent auditor to provide annual audits and financial statements for the City as required by law; and

WHEREAS, City staff has completed a Request for Qualifications selection process in accordance with the Professional Services Procurement Act, Chapter 2254, Texas Government Code, and recommends retaining Vail & Park, PC, a qualified professional accounting firm, presented as the most qualified based on the RFQ selection process; and

WHEREAS, the City Council of the City of Glenn Heights, Texas desires to accept the letter of engagement approved herein and to authorize the city manager to execute the letter of engagement on the City's behalf; and the Council finds and determines that this procurement satisfies the requirements of law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS:

SECTION 1: That the City Council of the City of Glenn Heights does hereby approve and accept the Letter of Engagement from Vail & Park, PC, and approves an agreement with said firm for the conduct and preparation of annual audits and financial statements for the City per the Letter of Engagement attached hereto as Exhibit "A."

SECTION 2: That the City Council does hereby authorize the City Manager or his designee to execute the Letter of Engagement and any appropriate documents to conform to this resolution.

SECTION 3: That this resolution shall become effective immediately upon its passage.

DULY PASSED by the City Council of the City of Glenn Heights, Texas this 2nd day of September, 2025.

APPROVED:

Sonja A. Brown, Mayor

ATTEST:

Brandi Brown, City Secretary

APPROVED AS TO FORM:

David Berman, City Attorney

Letter of Engagement attached hereto as
Exhibit A

August 21, 2025

To the Honorable Mayor and Members of the City Council
City of Glenn Heights, Texas
P.O. Box 1725
519 E. Broadway Avenue
Glenn Heights, TX 75647

We are pleased to confirm our understanding of the services we are to provide for City of Glenn Heights, Texas (the "City") for the year ended September 30, 2025.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the City as of and for the year ended September 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's 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. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
- 3) Schedule of Changes in Net Pension Liability and Related Ratios
- 4) Schedule of Contributions
- 5) Schedule of Changes in Total OPEB Liability and Related Ratios – TMRS – Supplemental Death Benefit Fund
- 6) Schedule of Contributions – OPEB – Supplemental Death Benefit Fund

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

- 1) Schedule of Expenditures of Federal Awards
- 2) Combining and Individual Fund Statements and Schedules
 - a) Combining Balance Sheet – Nonmajor Governmental Funds
 - b) Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
 - c) Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:

- i) Debt Service
- ii) 911 Wireless

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. This will include but is not limited to:

- 1) Introductory Section
 - a. Letter of Transmittal
 - b. List of Elected and Appointed Officials
 - c. Organizational Chart
- 2) Statistical Section
 - a. Net Position by Component
 - b. Changes in Net Position
 - c. Fund Balances of Governmental Funds
 - d. Changes in Fund Balances of Governmental Funds
 - e. Assessed Value and Estimated Actual Value of Taxable Property
 - f. Direct and Overlapping Property Tax Rates
 - g. Principal Property Taxpayers
 - h. Property Tax Levies and Collections
 - i. Ratios of Outstanding Debt by Type
 - j. Ratios of Net General Bonded Debt Outstanding
 - k. Computation of Direct and Overlapping Debt
 - l. Tax Rate Information
 - m. Demographic and Economic Statistics
 - n. Tax Rate Information
 - o. Demographic and Economic Statistics
 - p. Principal Employers
 - q. Employees by Function/Program
 - r. Operating Indicators by Function/Program
 - s. Capital Asset Statistics by Function/Program

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure

confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the

preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on September 1, 2025.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on,

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

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

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, related notes, GASB 87 (leases) determination and adjustment, GASB 96 (SBITA) determination and adjustment, and GASB 101 (compensated absences) determination and adjustment for the City in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. Additionally, we will assist you with completing required sections of the Data Collection Form ("DCF") to be submitted through the Federal Audit Clearinghouse. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the services previously defined above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, related notes, GASB 87, GASB 96, GASB 101, DCF, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, related notes, GASB 87, GASB 96, GASB 101, and DCF, and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, related notes, GASB 87, GASB 96, GASB 101, and DCF prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; to evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

As an attest client, Vail & Park, P.C. cannot retain your documents on your behalf. This is in accordance with the [ET 1.295.143](#) of the *AICPA Code of Professional Conduct*. The City is responsible for maintaining its own data and records.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your

personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

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

We will request documentation required for the engagement through AuditDashboard, and you will be required to upload this documentation electronically to AuditDashboard. We will only begin fieldwork on the engagement after at least eighty percent of the requested items have been uploaded and the retainer fee has been paid according to the Tentative Audit and Fee Schedule in Exhibit 1 (attached). If the requested items are not received by the deadline specified within AuditDashboard, the Tentative Audit and Fee Schedule in Exhibit 1 (attached) will be subject to change based on the engagement team's availability. This could also result in an increase in fees over our original fee estimate and/or a delay of the issuance of the report.

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

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal and/or state agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Tung Pham, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. To ensure that Vail & Park, P.C.'s independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel. We expect to begin our audit on approximately September 1, 2025. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fee for these services will be at our standard hourly rates. We estimate that our fees for the audit will be \$40,000 (\$35,000 for the audit and \$5,000 for the beginning balance testing as of October 1, 2024), \$8,000 for the non-attest services, and at least \$15,000 for the Single Audit (\$10,000 for the Single Audit, a one-time fee of \$2,500 for an initial Single Audit, and \$2,500 for each major program included in the scope of the Single Audit). You will also be billed separately for out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.). If any non-attest services are required other than previously defined in this letter, they will be billed on an hourly basis at our standard rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered according to the Tentative Audit and Fee Schedule in Exhibit 1 (attached) and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during

the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and Members of the City Council of the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue reports, or withdrawing from the engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2024 peer review report accompanies this letter.

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

Sincerely,



RESPONSE:

This letter correctly sets forth the understanding of City of Glenn Heights, Texas.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Exhibit 1

City of Glenn Heights, Texas
Tentative Audit and Fee Schedule
For the year ended September 30, 2025

<u>Phase</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>	<u>Associated Fee</u>
Retainer			\$31,500
1 – Planning and preliminary analytical review procedures <i>1.1 Single Audit – Review federal grant programs summary detailing fund #, fund name, CFDA #, total expenditure, Type A or B programs, Major or Non-Major programs</i>	Monday September 1, 2025	Friday September 5, 2025	-
2 – Internal control documentation, walkthroughs, and sample selection for internal control testing <i>2.1 Single Audit – Compliance description documenting compliance requirements (A) – (N)</i>	Monday September 8, 2025	Tuesday September 9, 2025	-
3 – Internal control testing and risk assessment procedures <i>3.1 Single Audit – Test Major Program disbursements and perform noncompliance risk assessment procedures</i>	Wednesday September 10, 2025	Friday September 12, 2025	-
4 – Confirmation selection and mailing	Monday September 15, 2025	Monday September 15, 2025	-
5 – Interim fieldwork	Wednesday October 1, 2025	Friday October 3, 2025	-
6 – Deadline to upload at least 80% of the requested documentation to AuditDashboard	Friday November 14, 2025	Friday November 14, 2025	-

Exhibit 1 (contd.)

City of Glenn Heights, Texas
Tentative Audit and Fee Schedule
For the year ended September 30, 2025

<u>Phase</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>	<u>Associated Fee</u>
7 – Preliminary analytical review (final TB uploaded to AuditDashboard)	Friday November 21, 2025	Friday November 21, 2025	-
8 – Audit fieldwork (including Single Audit) and Closing Meeting	Monday December 1, 2025	Friday December 12, 2025	-
9 – ACFR preparation and tie-out, GAAP Disclosure Checklist, and draft ACFR to the Finance/Audit Committee <i>9.1 Single Audit – Schedule of expenditures of federal awards</i>	Monday January 19, 2026	Friday January 30, 2026	-
10 – ACFR issuance and Exit Conference <i>10.1 Single Audit – Data Collection Form</i>	Friday February 13, 2026	Friday February 13, 2026	\$31,500*
11 – Presentation of audit results to City Council	Friday February 27, 2026	Friday February 27, 2026	-

* Subject to change – current final billing is based on Single Audit having one major program only



Report on the Firm's System of Quality Control

April 30, 2024

To the Partners of Vail & Park, P.C. and the
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vail & Park, P.C. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended September 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act, audits of employee benefit plans, and an examination of a service organizations (SOC 1® engagements).

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Vail & Park, P.C. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended September 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Vail & Park, P.C. has received a peer review rating of pass.

RW Group, LLC



AUDIT TAX ADVISORY



City of Glenn Heights, Texas

Audit Proposal for the Fiscal Year Ending
September 30, 2025

Request for Qualifications RFQ #2025-05: Independent Audit Services

VAIL & PARK, P.C.

Frisco, TX location:

11500 State Hwy 121, Suite 410
Frisco, TX 75035

Dallas, TX location:

9330 LBJ Freeway, Suite 280
Dallas, TX 75243

Tom Bean, TX location:

118 W Cotton Belt Road
Tom Bean, TX 75489



Mike Vail, CPA



(972) 234-3333



mike.vail@vailcpas.com



www.vailcpas.com

Certification:

I, Mike Vail, certify that the person signing the proposal is entitled to represent Vail & Park, P.C., empowered to submit the proposal, answer technical / price / contract questions, and authorized to sign a contract with the City of Glenn Heights, Texas.

Mike Vail, CPA

STATEMENT OF QUALIFICATIONS

Vail & Park, P.C. (“VP” or the “Firm”) has written this proposal in response to the **Request for Qualifications RFQ #2025-05: Independent Audit Services** issued by City of Glenn Heights, Texas (the “City”). The contract period for independent audit services shall be for the fiscal year ending September 30, 2025, with the option to audit the City for each of the four subsequent fiscal years. This proposal has been written specifically for the City and will expire ninety (90) days after the closing date of August 7, 2025.

The Firm has extensive experience in performing audits of governmental entities including cities, towns, counties, and special purpose districts. Having recently acquired several audit firms including LaFollett & Company, PLLC in Tom Bean, TX in 2023 and Huber Prater & Henson PC in Dallas, TX in 2025, the Firm has experienced continuous growth for several years and a proven record of completing high quality audits for clients similar to the City. As such, VP confirms that it meets the requirements of the RFP, with no reservations or exceptions, even exceeding the following requirements:

1. *Have relevant experience:* VP is not only a member of the Governmental Audit Quality Center (GAQC) but also conducts peer review of other accounting firms who have audits of governmental entities, which speaks to the extensive experience of the team related to such audits. VP has also worked with governmental entities similar in size to the City, assisting with preparation of financial statements, Annual Comprehensive Financial Reports, and Single Audit Reports. VP has also helped clients consistently achieve the GFOA Certificate of Achievement for Excellence in Financial Reporting. Training is also provided by the engagement team to the Finance Department of such entities to ensure they understand the important and complicated aspects of the newly implemented GASB standards.
2. *Have a satisfactory record of performance:* VP has an exemplary track record demonstrating its capability to complete governmental audits in a timely and efficient manner. The Firm has no history of contracts for services that have been cancelled or terminated for unsatisfactory performance in any respect. The Firm has also not been involved in legal proceedings related to any client.
3. *Be able to comply with the required delivery schedule:* VP has sufficient resources in terms of schedule availability, manpower, and finances to ensure that the audit of the City and any associated activities are completed in a timely manner, which is detailed in *Section G: Proposed Schedule of Activities*. Our Frisco office is conveniently located proximal to the City, allowing for engagement team members from that office to be on-site promptly for any support the City might require.
4. *Have a satisfactory record of integrity and ethics:* VP is not restricted by the terms of a public or private reprimand by the Texas State Board of Public Accountancy, licensing boards of other states, or any other agency. The Firm also has no history of being subject to any disciplinary action with state regulatory bodies or professional organizations. Moreover, the Firm is independent, licensed to practice in the State of Texas, and has no conflicts of interest with regard to the City’s key decision makers or any other work performed by the Firm for the City.
5. *Be otherwise qualified and eligible to receive an award:* The Firm’s peer review was performed under the direction of the AICPA. The Firm receives an internal monitoring review annually and an external system Peer Review every three years. In 2024, the Firm received the AICPA’s highest opinion of “Pass” on its latest completed peer review.

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AUDIT TAX ADVISORY

Michael G. Vail, CPA
Charlie S. Park, CPA
Matt P. Chen, CPA
Tung V. Pham, CPA

Charles T. Gregg, CPA
Don E. Graves, CPA
Susan K. LaFollett, CPA
Steven R. Huber, CPA
Leslie L. Henson, CPA

Memberships:

American Institute of CPAs (AICPA)
AICPA Governmental Audit Quality Center (GAQC)
AICPA Employee Benefit Plan Audit Quality Center (EBPAQC)
AICPA Private Companies Practice Section (PCPS)
Texas Society of CPAs (TXCPA)
Public Company Accounting Oversight Board (PCAOB)

August 6, 2025

To the Finance Director
City of Glenn Heights, Texas
P.O. Box 1725
519 E. Broadway Avenue
Glenn Heights, TX 75647

Thank you for the Request for Proposals for Independent Audit Services issued by you, the City of Glenn Heights, Texas (the "City"). The statement of qualifications and audit proposal has been written specifically by Vail & Park, P.C. ("VP" or the "Firm") for the fiscal year ending September 30, 2025, with the option to audit the City for each of the four subsequent fiscal years. The enclosed proposal represents a firm and irrevocable offer for ninety (90) days after the closing date of August 7, 2025.

The proposal for the financial audit services for the City will be performed in accordance with (1) generally accepted auditing standards, (2) the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards, (3) the provisions of the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), (4) Audits of States, Local Governments and Non-Profit Organizations, State of Texas Single Audit Circular, as well as the requirements of (5) Texas Government Code, Title 10, § 2256.023 (d); and (6) Accounting Standards Board Statement on Standards for Attestation Services AT-C section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting*, and any other standards or requirements established during the term of the contract by any of these organizations that relate to the funds being audited under the contract. These audits are requested pursuant to Texas Local Government Code Section 115.045 and other applicable State and Federal Laws.

VP transcends being merely an audit firm. The Firm's priority is fostering strong client relationships, so the Firm is committed to collaborating closely with the City to ensure the City's financial statements adhere to both management's standards and regulatory requirements. VP acknowledges and confirms the scope of work, ensuring adequate allocation of resources—including schedule availability, manpower, and financial means—to guarantee timely completion of the City's audit and associated tasks, as outlined in *Section G: Proposed Schedule of Activities*. The objective of this audit is to express an opinion on the fair presentation of the City's basic financial statements in conformity with generally accepted accounting principles. We will also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. Additionally, a Single Audit will be performed in accordance with federal government requirements. We will also conduct an examination of the financial statements of all accounts and funds for the City in accordance with generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants and the laws of the State of Texas.

Frisco, TX (main office):

11500 State Highway 121, Suite 410, Frisco, TX 75035
Office: 972-234-3333 Fax: 972-234-3331

Dallas, TX:

9330 Lyndon B Johnson Freeway, Suite 280, Dallas, TX 75243
Office: 972-840-1516 Fax: 972-271-6778

Tom Bean, TX:

118 W Cotton Belt Road, Tom Bean, TX 75489
Office: 903-546-6975 Fax: 903-546-6017

www.vailcpas.com

VP has an exemplary track record demonstrating its capability to complete audits of governmental and not-for-profit organizations in a timely and efficient manner, even helping clients consistently achieve the GFOA Certificate of Achievement for Excellence in Financial Reporting. The Firm has no history of contracts for services that have been cancelled or terminated for unsatisfactory performance in any respect. The Firm has also not been involved in legal proceedings related to any client.

The Firm is also not restricted by the terms of a public or private reprimand by the Texas State Board of Public Accountancy, licensing boards of other states, or any other agency. The Firm also has no history of being subject to any disciplinary action with state regulatory bodies or professional organizations. Moreover, the Firm is independent, licensed to practice in the State of Texas, and has no conflicts of interest with regard to the City's key decision makers or any other work performed by the Firm for the City.

The Firm's peer review was performed under the direction of the AICPA. The Firm receives an internal monitoring review annually and an external system Peer Review every three years. In 2024, the Firm received the AICPA's highest opinion of "Pass" on its latest completed peer review. A copy of this peer review report has been attached as Exhibit A.

Mike Vail, CPA is the Founder and Managing Shareholder of Vail & Park, P.C. His talent in identifying technical accounting issues and attention to detail has provided clients with strong assurance of the soundness of financial reporting to their stakeholders. He began his career as an auditor with Ernst & Young based in Dallas and worked on a rotation in the United Kingdom for one year. Mike has worked with over 200 clients and provides audit leadership for the group of talented professionals that constitute Vail & Park, P.C. The Firm's professionals have performed over 250 governmental audits. As a result of this previous experience completing audits of complex governmental and non-profit organizations, the Firm has demonstrated its capability to complete the audit of the City in a timely and efficient manner and therefore believes it is best qualified to perform the upcoming audits of the City.

Sincerely,

Vail & Park, P.C.

FIRM BACKGROUND, PRINCIPAL OFFICER, AND PRIOR EXPERIENCE

History of the Firm and Overview

Vail & Park, P.C. is a local public accounting firm formed in 2005 and currently has three office locations in Texas: Frisco, Dallas, and Tom Bean. *This audit will be conducted from VP's head office location in Frisco.*

Over the years, the Firm has grown organically and through mergers: Hart & Company in 2007, Gregg & Company CPAs in 2009, Hendricks Graves & Associates in 2012, LaFollett & Company PLLC in 2023, and Huber Prater & Henson, P.C. in 2025. With 45 employees, the Firm is primarily comprised of three departments – Audit, Tax and SOC/Cybersecurity. The audit department provides external auditing services for clients in a wide range of industries including governments, municipalities, independent school districts, real estate and construction, manufacturing, technology, and non-profit organizations. The tax department is a team of dedicated professionals, each specializing in different areas. Together, they provide tax services for businesses and individuals, regarding business tax, state tax, local tax, and sales tax. The Firm's SOC/Cybersecurity department provides Service Organization Control (SOC 1, SOC 2, SOC for Cybersecurity) examinations and supports organizations in not only bettering their internal controls but also improving their overall cybersecurity posture.

Mike Vail, CPA is the Founder of Vail & Park, P.C. His talent in identifying technical accounting issues and attention to detail has provided clients with strong assurance of the soundness of financial reporting to their stakeholders. He began his career as an auditor with Ernst & Young based in Dallas and worked on a rotation in the United Kingdom for one year. Mike has worked with over 200 clients and provides audit leadership for the group of talented professionals that constitute Vail & Park, P.C.

Firm Qualifications and Experience

VP is a member of the American Institute of Public Accountants (AICPA), Governmental Audit Quality Center (GAQC), Employee Benefit Plan Audit Quality Center (EBPAQC), Private Companies Practice Section (PCPS), Texas Society of CPAs (TXCPA), and the Public Company Accounting Oversight Board (PCAOB).

Formed in 2005 but with over 50 years of combined experience, the Firm specializes in performing various audits of governmental, for-profit, and not-for-profit organizations. The Firm has been in operation for over 20 years and has extensive experience performing audits with similar requirements to the City, which are to be in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) *Government Auditing Standards (latest revision)*, the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 100 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*, Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), requirements of the State of Texas Audit Circular

FIRM BACKGROUND, PRINCIPAL OFFICER, AND PRIOR EXPERIENCE

(State Single Audit) in accordance with *Uniform Grants Management Standards* of the State of Texas, as well as *Texas Government Code, Title 10, §2256.023 (d)* and compliance with Government Accounting Standards Board (GASB) statements and applicable Implementation Guides.

Of the Firm's forty-five (45) personnel, nineteen (19) are CPAs and two are CISAs. There are twenty-two (22) other professional staff. The audit team consists of a total of twenty-five (25) employees, of which fifteen (15) work on municipal governmental audits. The Firm's professionals have performed over 250 governmental audits. As a result of this previous experience, the Firm has demonstrated its capability to complete the audit of the City in a timely and efficient manner. We will not delegate or subcontract any responsibilities under an agreement with the City without the express prior written permission.

The Firm's peer review was performed under the direction of the AICPA. The Firm receives an internal monitoring review annually and an external system Peer Review every three years. In 2024, the Firm received the AICPA's highest opinion (pass) on its latest completed peer review (see Exhibit A).

The Firm has no history of contracts for services that have been cancelled or terminated for unsatisfactory performance in any respect. The Firm has also not been involved in legal proceedings related to any client. The Firm has regular desk reviews by various Federal and State agencies that relate to audits performed under Uniform Guidance. None of the desk reviews have resulted in any findings that require corrective action during the past three (3) years. As such, the Firm has no record of substandard audit work. A copy of the Firm's valid license has been provided below:



Texas State Board of Public Accountancy
William Treacy, Executive Director

Office - VAIL & PARK, P.C.

[Search Help](#) | [Status Values](#) | [Terms of Use](#)

Firm License ID
C09539

Firm name
VAIL & PARK, P.C.

Resident manager
Mr. VAIL

Location
11500 STATE HWY 121 STE 410
FRISCO TX 75035

Date registered
10/03/2016

License expiration date
11/30/2025

Status
Issued (Current)

[History of disciplinary actions](#)

Key Project Personnel

The engagement team that will be assigned to the City will consist of five members on a full-time basis: the Engagement Partner, Audit Manager, Audit Senior, Experienced Audit Staff, and Audit Intern. The Engagement Partner is responsible for the overall supervision to be exercised over the audit team and will

FIRM BACKGROUND, PRINCIPAL OFFICER, AND PRIOR EXPERIENCE

have daily check-in meetings for the duration of the engagement to assess whether progress is being made as expected and if more resources are required. In addition to regular communication, the Engagement Partner and/or the Audit Manager will promptly notify the Finance Director of any changes in key personnel. The Continuing Professional Education (CPE) records of the engagement team have been provided in Exhibit E of the Appendix.

Tung Pham, CPA – Shareholder (Engagement Partner)

Tung holds a Bachelor's degree in Accounting from University of Houston-Clear Lake and a Master's degree in Accounting from University of Texas at Dallas. He has been a Certified Public Accountant (CPA) since 2015. With over 10 years of experience in auditing, Tung has led numerous audits for clients in not-for-profit, governmental, and for-profit entities in various industries including manufacturing, distributing, real estate, financial institutions, and constructions. He specializes in serving governmental and not-for-profit clients including local municipalities, counties, other special purpose districts, school districts, and charter schools. Tung has taken over 80 CPE credit hours including 24 CPE yellow book hours over two years. A copy of Tung's valid CPA license has been provided below:



Texas State Board of Public Accountancy

William Treacy, Executive Director

Individual Licensee - PHAM,TUNG V

[Search Help](#) | [Status Values](#) | [Terms of Use](#)

Certificate last name

PHAM

Location

ALLEN, TEXAS

Date certified/registered

09/17/2015

License expiration date

07/31/2025

Status

Issued (Current)

Employment areas most recently reported

Full time

EMPLOYEE

Part time

EMPLOYEE

Firms in which the individual is a partner, shareholder, owner, officer, director, or resident manager

Association with the firm VAIL & PARK, P.C. (License ID = C09539) began on 09/01/2016.

History of Board actions

NO DISCIPLINARY HISTORY

Jeffrey Woods, CPA – Audit Manager

Jeff holds a Bachelor's degree in Accounting from Florida Southern College and a Master's in Accounting from the University of Virginia. Jeffrey has several years of accounting and auditing experience working with clients in various industries, including technology, distribution, and SEC Public Company audits. Formerly an Experienced Audit Senior at BDO USA, Jeffrey got his CPA license in 2019. He is well-experienced in leading teams to complete high-quality audits efficiently. Jeffrey has taken over 80 CPE credit hours, including 24 CPE yellow book hours over two years.

FIRM BACKGROUND, PRINCIPAL OFFICER, AND PRIOR EXPERIENCE

Kristal Pate, CPA – Audit Senior

Kristal has over 20 years of accounting and audit experience while working in public accounting. Kristal graduated from the University of Texas at Arlington in 1994 with a Bachelor of Business Administration Degree in Accounting and received her CPA license in 1997. She has experience with various types of audits including governmental, not-for-profit, HUD, Single Audits, and yellow book audits. Kristal has taken over 80 CPE credit hours including 24 CPE yellow book hours over two years.

Lance Green, CPA – Experienced Audit Staff

Lance Green has obtained a bachelor's degree in accounting and a master's degree in accounting from Texas A&M University-Commerce. He has a year of experience in auditing governmental and non-profit entities and has obtained his CPA certification. He is experienced with different audit areas and has worked on several reports.

Hailey Nguyen – Audit Intern

Hailey is currently pursuing a bachelor's degree in accounting from the University of Texas at Dallas. She will graduate in December 2025, at which point she will be eligible to sit for the CPA exam. Hailey has recently joined the firm and is a quick learner, gaining experience in various audit areas.

All employees are instructed on and in compliance with the quality control policies, procedures, and other guidelines set forth in the Firm's Quality Control Document. Quality of the staff over the term of the District's audit will be assured by Firm's leadership constant oversight of the audit as well as continuing professional education opportunities that will be made available to the staff. Furthermore, in accordance with the Firm's system of quality control, an Engagement Quality Control Review (EQCR) will be performed for any initial engagement to ensure that the engagement has been performed to the highest quality standards. Performing an EQCR includes the following procedures:

- Having a discussion with the engagement partner about significant findings and issues.
- Reading the financial statements or other subject matter information and the proposed report.
- Reviewing selected engagement documentation relating to the significant judgments of the engagement team and the conclusions reached.
- Performing an evaluation of the conclusions reached in formulating the report and considering whether the proposed report is appropriate.
- Reviewing for appropriateness the resolution and conclusions reached regarding differences of opinion and matters requiring consultation.
- Considering the engagement team's evaluation of the Firm's independence in relation to the specific engagement.

FIRM BACKGROUND, PRINCIPAL OFFICER, AND PRIOR EXPERIENCE

Susan LaFollett, CPA – Audit Principal (Engagement Quality Control Reviewer)

Susan LaFollett has more than 25 years of audit experience directing audits of not-for-profit organizations and governmental entities, including audits based on Governmental Auditing Standards and the Uniform Guidance. Susan has worked for several other firms as well as a “big four” public accounting firm: Coopers & Lybrand. Susan has taken the following governmental CPE courses in the past three years:

CPE Course	Date Taken	Credits
2023 Governmental and Not-for-Profit Training Program	10/20/2023	24
Single Audits of Governmental and Nonprofit Entities	12/06/2023	8
Internal Control and Fraud in Governmental and Nonprofit Entities	12/05/2023	11
2022 Governmental and Not-for-Profit Training	10/26/2022	24
2021 Governmental and Not-for-Profit Training	10/26/2021	24

Similar Engagements with Other Government Entities

VP has worked on multiple audit engagements similar to the City’s audit, and we have listed below five significant and current engagements performed by the Firm in the past five (5) years. These engagements are similar to the City in terms of audit scope and/or location.

Name of Entity	Location	Contact Person	Contact Information
City of Sulphur Springs and EDC, Texas	125 S. Davis Street Sulphur Springs, TX	Lesa Smith, Finance Director	lsmith@sulphurspringstx.org
City of Lucas, Texas	665 Country Club Road Lucas, TX 75002	Liz Exum, Finance Director	lexum@lucastexas.us
City of Alvord, Texas	215 West Elm Street Alvord, TX 76225	Troy Gregg, City Administrator	tgregg@cityofalvord.gov
City of Haslet, Texas	101 Main Street Haslet, TX 76052	Marcy Lamb, Finance Director	mlamb@haslet.org
City of Ferris, Texas	114 S Central St Ferris, TX 75125	Bobby LaBorde, CFO	bobbylaborde@ferristexas.gov

Experience with GFOA Certificate of Achievement Program

The Firm is significantly experienced at helping clients achieve the GFOA Certificate of Achievement for Excellence in Financial Reporting. The engagement team is very familiar with the process of submitting the ACFR to GFOA for review as part of this program, and has successfully achieved this goal with the current clients below in the past three (3) years:

FIRM BACKGROUND, PRINCIPAL OFFICER, AND PRIOR EXPERIENCE

Name of Entity	Location	Contact Person	Contact Information
City of Lucas, Texas	665 Country Club Road Lucas, TX 75002	Liz Exum, Finance Director	lexum@lucastexas.us
City of Bridgeport, Texas	900 Thompson Street Bridgeport, TX 76426	Mike Murray, City Manager	mmurray@cityofbridgeport.net

VP also assists clients with their initial application of the GFOA Certificate of Achievement for Excellence in Financial Reporting, when needed. The Firm is currently working with the following clients to achieve this goal:

Name of Entity	Location	Contact Person	Contact Information
City of Sulphur Springs, Texas	125 S. Davis Street Sulphur Springs, TX 75482	Marc Maxwell, Finance Director	mmaxwell@sulphurspringstx.org

In addition to the references above, the Firm's current state and local government audit list is provided below:

- City of Bells, TX
- City of Collinsville, TX
- City of Ferris, TX
- City of Forest Hill, TX
- City of Hackberry, TX
- City of Haslet, TX
- City of Howe, TX
- City of Kemp, TX
- City of Lawn, TX
- City of Lucas, TX
- City of Nolanville, TX
- City of Oak Point, TX
- City of Ovilla, TX
- City of Pottsboro, TX
- City of Seven Points, TX
- City of Tom Bean, TX
- City of Van Alstyne, TX
- City of Whitewright, TX
- City of Willis, TX
- Town of Argyle, TX
- Town of Oakridge, TX
- Town of New Hope, TX
- Town of Providence Village, TX
- Town of St. Paul, TX

FIRM BACKGROUND, PRINCIPAL OFFICER, AND PRIOR EXPERIENCE

Independence

The second general standard for governmental auditing states that the auditor should maintain an attitude of independence in both fact and appearance. The Firm has no direct or indirect financial interest in the City or other interest that could affect its independence. VP is independent of the City as defined by generally accepted auditing standards of the United States. No member of the Firm has any professional relationship involving the City and none have any relationships that constitute a conflict of interest relative to performing the proposed audit in accordance with Vernon's Texas Codes Annotated, Local Government Code Title 5. Subtitle C, Chapter 171.

Auditing standards require our firm to more closely identify nonaudit services, evaluate the related threats to independence posed by performing these nonaudit services for the City, and have safeguards in place to ensure our independence is not impaired. The preparation of the Data Collection Form (DCF), if applicable, is a non-audit service that the City would require the Firm to perform. Threats posed by this service potentially include self-review and management decisions. As a result, the Firm has implemented safeguards to overcome these identified threats to independence as they relate to the nonaudit service in order to be independent and thus able to perform your audit.

The City is required to assume all management responsibilities; oversee the nonaudit service by designating an official, preferably within senior management, who possesses suitable skill, knowledge, or experience to evaluate the adequacy and results of the services performed; and accept responsibility for the results of the service by reviewing and approving the DCF, if applicable, before issuance.

License to Practice in Texas

The Firm and key professional staff assigned to this engagement are all properly licensed to practice in the State of Texas. The Firm is not restricted by the terms of a public or private reprimand by the Texas State Board of Public Accountancy, licensing boards of other states, or any other agency. The Firm also has no history of being subject to any disciplinary action with state regulatory bodies or professional organizations.

Testimonies

"Vail & Park just completed our, City of Willis TX, annual audit. This was their second year working with the City, but it was my first year working with the Vail & Park team. Jeff and Matthew were the boots on the ground for Vail, and it was a pleasure to work with them and the rest of the Vail team. They were very responsive to questions, and communication during the entire audit process was top notch."

- Harrison Nicholson, Finance Director at City of Willis

FIRM BACKGROUND, PRINCIPAL OFFICER, AND PRIOR EXPERIENCE

"The City of Lucas has continued to receive exceptional service from Vail & Park, P.C. The fiscal year audit went very smooth, and the audit team keeps the city well informed of all the new GASB pronouncements in addition to helping the city maintain the GFOA Certificate of Achievement for Excellence in Financial Reporting for our ACFR (13 years in a row). The audit work was completed ahead of time for the second straight year. It is always a joy to work with a reliable, dedicated audit team. Special thanks to Susan LaFollett, Sophie Packard, and staff. Looking forward to working with you next year!"

- Liz Exum, Finance Director at City of Lucas

"Our city is going into our 3rd year audit using Vail & Park, P.C. V & P has a stellar staff that is professional. Tung has been amazing assisting us through the audit and meeting our city deadline to present the audit to the City Council. Thank you so much!"

- Leslie Dyer, City Assistant Administrator at City of Hackberry

"Another smooth and timely audit from Mike Vail, Tung Pham, and their amazing professional team. CCAD highly recommends Vail & Park to any public entity or private company. Their expertise and customer service is stellar!"

- Toni Bryan, Director of Business Operations and Finance at Collin Central Appraisal District

"A really excellent company. The staff is experienced and knowledgeable. They are all very personable and willing to answer questions and offer assistance if needed. I especially like the audit dashboard. I found it easy to use, intuitive, and it makes the entire process run smoothly. This will be the third year our Town has used Vail & Park as our auditors and I highly recommend them."

- Carol King, Treasurer at Town of New Hope

"Mike and his team have been a pleasure to work with. They conduct their work in a very thorough, professional manner and consistently meet, or exceed, our expectations. I highly recommend Vail & Park, PC for any of your accounting needs."

- Corey Fischer, Vice President of Finance at ResponsiveEd Texas

The references above are a few examples that have been reposted from the Firm's Google listing. Additional references can be provided upon request.

Insurance

The Firm has provided its professional liability and insurance policy below. VP strives to uphold professionalism as one of its core values and, as such, the City will be listed as an additional insured on the policy upon the contract being awarded to VP. If any cancellation or material change in coverage is required, the City will be given notice thirty (30) days in advance by Certified Mail.

FIRM BACKGROUND, PRINCIPAL OFFICER, AND PRIOR EXPERIENCE

Furthermore, as required, we are willing and able to obtain an errors and omission insurance policy providing a prudent amount of coverage for the wilful or negligent acts, or omissions of any officers, employee or agencies thereof. We will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City.

ACORD®		CERTIFICATE OF PROPERTY INSURANCE		DATE (MM/DD/YYYY) 05/08/2025		
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.						
If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.						
PRODUCER FORREST T. JONES & COMPANY, INC. 8117 Preston Rd Suite 300 Dallas, TX 75225		CONTACT NAME: Joseph M. Barnard PHONE (A/C, No, Ext): 214-593-9150 FAX (A/C, No): 214-593-9157 E-MAIL ADDRESS: jlbarnard@ftj.com PRODUCER CUSTOMER ID:				
INSURED Vail & Park, P.C 11500 State Hwy 121, Suite 410 Frisco, TX 75035		INSURER(S) AFFORDING COVERAGE		NAIC #		
		INSURER A: Berkley Insurance Company		32603		
		INSURER B:				
		INSURER C:				
		INSURER D:				
		INSURER E:				
		INSURER F:				
COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:		
LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)						
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
	PROPERTY				BUILDING	\$
	CAUSES OF LOSS				PERSONAL PROPERTY	\$
	BASIC				BUSINESS INCOME	\$
	BROAD				EXTRA EXPENSE	\$
	SPECIAL				RENTAL VALUE	\$
	EARTHQUAKE				BLANKET BUILDING	\$
	WIND				BLANKET PERS PROP	\$
	FLOOD				BLANKET BLDG & PP	\$
						\$
						\$
	INLAND MARINE	TYPE OF POLICY				\$
	CAUSES OF LOSS					\$
	NAMED PERILS	POLICY NUMBER				\$
						\$
	CRIME					\$
	TYPE OF POLICY					\$
						\$
	BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$
X	Professional Liability	PAP-2188132-P2	04/01/2025	04/01/2026	Per Claim	\$ 1,000,000
					Aggregate	\$ 2,000,000
SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)						
RETROACTIVE DATE: January 1, 2023						
CERTIFICATE HOLDER			CANCELLATION			
Vail & Park, P.C 11500 State Hwy 121, Suite 410 Frisco, TX 75035 Office (972) 234-3333 ext 121 Direct (972) 853-7280			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Richard F. Jones Jr.</i>			

SCOPE AND SPECIFIC AUDIT APPROACH

Our audit philosophy is to provide the highest quality audit possible in the most efficient manner with minimal interference in the day-to-day operations of the City. Experience has shown that frequent and open conversation between our Firm's management and the City's staff is the best way to accomplish this objective.

Our goal is to begin the planning and internal control work in September of each year. We will provide a detailed Audit Proposal and list of schedules to be prepared by the City for year-end procedures no later than **November 28, 2025**.

Phases of Audit Work

Phase I – Planning (50 hours)

We will begin our planning on **Monday, September 1, 2025**, by holding an Entrance Conference with Finance Director and City Manager during which the Firm will conduct a preliminary analytical review. This includes:

- a. Obtaining and review necessary background information relative to the audit, including prior audit problems and interim work to be performed.
- b. Having all members of the audit team review the AICPA Auditing Standards and latest GAAP for governmental entities.
- c. Performing analytical procedures using comparisons of prior year actual and current year-to-date actual of revenues, expenditures, by fund, and compare budget year comparisons. We will review the relationships of the variances between revenue and expenditures for unusual and unexpected variations. From these analytical procedures, we will develop a customized audit program.

Phase II – Internal Control Documentation (30 hours)

We will begin our internal control documentation on-site work on **Monday, September 8, 2025**, which will entail the following procedures:

- a. Reviewing the City's internal policies and procedures for data entry and reporting for financial, accounting, permitting, and payroll in the City's accounting software.
- b. Requesting the City's department heads to document internal control procedures of selected areas of operations. We will request an internal control questionnaire to be completed with a
- c. Examining comprehensive list of typical internal policies and procedures to determine if the City is utilizing "best practices" of similar governmental entities.
- d. Performing test of key controls for cash receipts, disbursements, and payroll.

Upon completion of this phase, a Progress Conference will be held with the Finance Department to summarize the results of the preliminary review and identify key controls or other matters to be tested.

SCOPE AND SPECIFIC AUDIT APPROACH

Phase III – Confirmation Procedures (7 hours)

We will confirm Fiscal Year-End bank account balances, accounts receivable balances, and investment balances starting **Monday, September 15, 2025**.

Phase IV – Interim and Year-End Fieldwork (80 hours)

The interim fieldwork will start on **Monday, October 1, 2025**, and year-end fieldwork will be a combination of on-site and remote and will begin on **Monday, December 1, 2025**. We will perform substantive testing of significant audit areas, including but not limited to cash, revenues, capital assets, pension, and expenses. The amount of audit testing that our auditors need to perform is directly affected by their financial statement and Single Audit risk assessments (if applicable).

Our purpose of assessing the control risk is not designed to detect errors, irregularities, fraud, or abuse. However, we use a system for assessing the control risk that is a significant advance over traditional prevention and detection of material errors and irregularities. It is applied in considering each significant class of transactions and related assets involved in the audit. Our approach consists of the following steps:

- Considering the types of errors and irregularities that can occur.
- Determining the accounting control procedures that should prevent or detect such errors and irregularities.
- Determining whether the necessary control procedures are being followed satisfactorily.
- Evaluating any weaknesses and determining the nature, timing, and extent of audit procedures.

This approach allows our auditors to pinpoint areas containing weak controls and extend testing only to those areas. In this way, the evaluation of weaknesses in internal control is more exact, and the testing of the accounting records becomes more effective and efficient. Any material weaknesses noted during our study and evaluation of internal accounting and administrative controls will be included in our report.

Audit Sampling Plan: Our audit sampling plan is a method of obtaining efficient, mathematically valid samples from accounting records. The objectives are to obtain statistically reliable tests of accounting records and to reduce the amount of time required for detail testing. Having used the plan extensively and successfully in large non-profit and municipal audits, we believe that it is the most valid method available for sampling accounting records as well as the easiest and most practical to apply.

In applying the audit-sampling plan to accounting records, the auditor considers the detailed evaluations of internal controls to determine the extent of tests. Documents and related records supporting the individual items selected by the sampling plan are examined using traditional auditing methods.

Deficiencies of both monetary and procedural importance are then statistically computed and evaluated. This approach allows the auditor to determine the appropriate testing required for each area and to select a small, statistically valid sample from the accounting records to quantitatively evaluate the results. During

SCOPE AND SPECIFIC AUDIT APPROACH

this phase of the audit, an Entrance Conference will be conducted with the Finance Director prior to fieldwork confirming that requested documentation has been uploaded by the stipulated deadline.

We will review and test identified significant audit areas, perform additional analytical procedures, and perform substantive testing of the accounting records. We will test and review the accounting records and various documents to ensure that the accounting system produces appropriate results. We will evaluate internal controls, control risk, and fraud risk in accordance with professional standards. During the audit, we will discuss any audit findings and instances of noncompliance where appropriate with the Finance Department to avoid any surprises at the exit conference or in the draft audit report.

Additionally, we will perform certain limited procedures involving required supplementary information as mandated by generally accepted auditing standards. These limited procedures will consist of management inquiries 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. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
- 3) Schedule of Changes in Net Pension Liability and Related Ratios
- 4) Schedule of Contributions
- 5) Schedule of Changes in Total OPEB Liability and Related Ratios – TMRS – Supplemental Death Benefit Fund
- 6) Schedule of Contributions – OPEB – Supplemental Death Benefit Fund

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

- 1) Combining and Individual Fund Statements and Schedules
 - a. Combining Balance Sheet – Nonmajor Governmental Funds

SCOPE AND SPECIFIC AUDIT APPROACH

- b. Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
- c. Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
 - i. Debt Service
 - ii. 911 Wireless

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. This will include but is not limited to:

1) Introductory Section

- a. Letter of Transmittal
- b. List of Elected and Appointed Officials
- c. Organizational Chart

2) Statistical Section

- a. Net Position by Component
- b. Changes in Net Position
- c. Fund Balances of Governmental Funds
- d. Changes in Fund Balances of Governmental Funds
- e. Assessed Value and Estimated Actual Value of Taxable Property
- f. Direct and Overlapping Property Tax Rates
- g. Principal Property Taxpayers
- h. Property Tax Levies and Collections
- i. Ratios of Outstanding Debt by Type
- j. Ratios of Net General Bonded Debt Outstanding
- k. Computation of Direct and Overlapping Debt
- l. Tax Rate Information
- m. Demographic and Economic Statistics
- n. Tax Rate Information
- o. Demographic and Economic Statistics
- p. Principal Employers

SCOPE AND SPECIFIC AUDIT APPROACH

- q. Employees by Function/Program
- r. Operating Indicators by Function/Program
- s. Capital Asset Statistics by Function/Program

Phase V – Annual Comprehensive Financial Report (ACFR) Preparation and Assistance with GFOA Certificate of Achievement for Excellence in Financial Reporting Program (60 hours)

In this phase, we will ask the City to consider posting the proposed audit adjusting journal entries, which will be provided in writing and in Microsoft Excel format along with sufficient written explanation and support. Next, we will proceed with preparing the draft ACFR with the City's assistance. We will compile and prepare all financial statements and schedules to be included in the financial section of the Annual Comprehensive Financial Report (ACFR). The introductory and statistical sections as well as the notes to the basic financial statements will be prepared by us with assistance from City staff.

We will have audited the information contained in the schedule of federal financial assistance and the schedule of state assistance subject to the auditing procedures applied in the audit of the financial statements and in accordance to Governmental Auditing Standards, the Single Audit Act, and U.S. Office of Management and Budget's (OMB) Uniform Grant Guidance, Subpart F. Separate reports will be prepared for the schedule of federal and state financial assistance and related independent auditor's report/opinion, as well as the reports on the internal control structure and compliance.

The Firm will be responsible for formatting the report then printing and binding twelve (12) copies of the ACFR along with an electronic copy and a print-ready version of the ACFR in Portable Document Format (PDF) to facilitate the printing of any additional copies and for posting the ACFR on the City's website. The draft ACFR will be sent to the City for review and edits no later than **Friday, January 30, 2026**. We will prepare several copies of the management recommendation letter as required, if applicable. An exit conference will be scheduled with the Finance Director and City Manager.

Phase VI – Exit Conference and Report Issuance (20 hours)

At the completion of the engagement, we will conduct an Exit Conference with the Finance Department in February 2026 to be on track for final report issuance by **February 13, 2026**. The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings. We will then perform a final review of all working papers, which is to be performed in our office.

Additionally, an Engagement Quality Control Review will be conducted as specified in *Section E: Firm Background, Principal Officer, and Prior Experience*. This overriding review is performed to ensure that the final product of our engagement adheres to the highest quality standards.

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The following reports will then be issued:

1. A report on the fair presentation of the financial statements, as well as the fair presentation of the financial statements of individual funds and account groups in relation to the general-purpose financial statements taken as a whole in conformity with generally accepted accounting principles (GAAP).
2. A report on compliance with applicable laws and regulations, including those related to major and non-major federal and state financial assistance programs.
3. Reports required by OMB Circular A-133, such as a Single Audit Report under state law or based on application of the risk-based approach and criteria outlined in 2 CFR § 200.518 and 519.

The schedule of federal financial assistance and related firm's report, as well as the reports on the internal control structure and compliance will not be included in the ACFR but issued separately.

Phase VII – Presentation to City Council (3 hours)

After receiving the comments of annual financial statements from the Finance Department, we will address any concerns raised. Within five (5) working days, we will submit twelve (12) final copies of the City's reports as stated above and a Management Letter with recommendations and upcoming GASB Pronouncements along with one (1) electronic copy of each document to the City. We will address to the City Council members at a regularly scheduled City Council meeting in February 2026, with required communication that includes:

1. Auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

We will furnish requested copies of selected working papers that the City requests. The workpapers will also be available for review upon the request of the appropriate federal or state agencies, for a minimum of three (3) years unless the Firm is notified in writing by the City of the need to extend the retention

SCOPE AND SPECIFIC AUDIT APPROACH

period. We will also make working papers available, upon request, to the Finance Director and/or the City Manager of the City, Federal Grant Agencies or other Federal Agencies, and auditors of entities of which the City of Glenn Heights is a sub-recipient of grant funds. In addition, the Firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing financial significance. The engagement team will also remain available to the City to provide special assistance required to support the City when the ACFR is sent to GFOA for review in their Certificate of Achievement for Excellence in Financial Reporting program.

Technology and the Use of Computer Audit Tools

One of VP's core values references embracing cutting-edge technology to drive growth. The Firm uses the following software in its technology-driven audits to increase efficiency and accuracy:

1. *AuditDashboard*: This secure, cloud-based platform facilitates collaboration with VP and its clients, enabling seamless management of tasks such as document requests, file sharing, and tracking outstanding items.
2. *DataSnipper*: VP leverages DataSnipper's dynamic Excel integration, intelligent document linking, and rapid data extraction tools like Table Snip and Form Extraction to streamline procedures, eliminate manual errors, and turn traditional audits into powerful, tech-driven insights.
3. *Engagement Manager and Guided Assurance by Thomson Reuters*: With cloud-native collaboration, automated risk assessments, and real-time diagnostics, this allows VP to deliver smarter engagements backed by expert-authored methodology and seamless workflow precision.
4. *Microsoft Office (Excel, Word, and PowerPoint)*
5. *Adobe PDF*

Anticipated Audit Problems

At least one member of the engagement team will always be available to answer any questions to facilitate the continual professional development of the City's staff, especially regarding GAAP and GASB updates.

VP will inform the City if any additional non-attest services such as preparation of depreciation schedule and GASB 87 implementation lease schedule, preparation of inter-fund activities, etc. are required. We will be available to assist in implementing new GASB and FASB statements at the earliest possible date, even if prior to the required effective date.

We shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize,

SCOPE AND SPECIFIC AUDIT APPROACH

and report financial data consistent with the assertions of management in the financial statements. In addition, the following conditions shall be considered reportable:

- The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.
- Irregularities and illegal acts: Firm shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of to the City Manager.

You may request that we perform additional out-of-scope services or other types of services not initially specified in the proposal or the engagement letter for a certain year. If this occurs, we will send you a proposal for the services and the estimated fees. We may also choose to bill any out-of-scope work by the hour at our standard hourly rates. Examples of such services will include, if requested by the City's fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters". We will also issue a separate engagement letter for the special projects, which will need to be signed prior to performing any additional services.

VP will request documentation required for the engagement through AuditDashboard, and the City will be required to upload this documentation electronically to AuditDashboard. VP will only begin fieldwork on the engagement after at least eighty percent of the requested items have been uploaded and the retainer fee has been paid according to the Tentative Audit Schedule in *Section G: Proposed Schedule of Activities*. If the requested items are not received by the deadlines specified within AuditDashboard, the Tentative Audit Schedule will be subject to change based on the engagement team's availability. This could also result in an increase in fees over our original fee estimate and/or a delay of the issuance of the report.

The upcoming fiscal year audit will be the first year that the Texas Senate Bill 1851 (SB 1851) is in effect. This bill introduces stricter enforcement of the existing deadline for municipalities to complete and file their annual financial audits. As such, the City must file the audit for the year ended September 30, 2025, by March 31, 2026, to be in compliance and avoid penalties. As a firm, we are committed to delivering high-quality services and providing deliverables in a timely manner. To help achieve this, we strive to be proactive and educate our clients to ensure a smooth and efficient audit process. This serves to reinforce the importance of the timeline outlined in the Tentative Audit Schedule in *Section G: Proposed Schedule of Activities*.

PROPOSED SCHEDULE OF ACTIVITIES

Tentative Audit Schedule For the year ended September 30, 2025

<u>Phase</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>
1 – Planning and preliminary analytical review procedures <i>1.1 Single Audit – Review federal grant programs summary detailing fund #, fund name, CFDA #, total expenditure, Type A or B programs, Major or Non-Major programs</i>	Monday September 1, 2025	Friday September 5, 2025
2 – Internal control documentation, walkthroughs, and sample selection for internal control testing <i>2.1 Single Audit – Compliance description documenting compliance requirements (A) – (N)</i>	Monday September 8, 2025	Tuesday September 9, 2025
3 – Internal control testing and risk assessment procedures <i>3.1 Single Audit – Test Major Program disbursements and perform noncompliance risk assessment procedures</i>	Wednesday September 10, 2025	Friday September 12, 2025
4 – Confirmation selection and mailing	Monday September 15, 2025	Monday September 15, 2025
5 – Interim fieldwork	Wednesday October 1, 2025	Friday October 3, 2025
6 – Deadline to upload at least 80% of the requested documentation to AuditDashboard	Friday November 14, 2025	Friday November 14, 2025
7 – Preliminary analytical review procedures (final TB uploaded into AuditDashboard)	Friday November 21, 2025	Friday November 21, 2025

** italicized procedures are only applicable for the Single Audit*

PROPOSED SCHEDULE OF ACTIVITIES

Tentative Audit Schedule For the year ended September 30, 2025

<u>Phase</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>
8 – Audit fieldwork and Closing meeting <i>8.1 Single Audit fieldwork</i>	Monday December 1, 2025	Friday December 12, 2025
9 – ACFR preparation and tie-out, GAAP Disclosure Checklist, and draft ACFR to the Finance/Audit Committee <i>9.1 Single Audit – Schedule of expenditures of federal awards</i>	Monday January 19, 2026	Friday January 30, 2026
10 – ACFR issuance and Exit Conference <i>10.1 Single Audit – Data Collection Form</i>	Friday February 13, 2026	Friday February 13, 2026
11 – Presentation of audit results to City Council	Friday February 27, 2026	Friday February 27, 2026

* italicized procedures are only applicable for the Single Audit

COST PROPOSAL

Total All-Inclusive Maximum Price

Fiscal Year Ended	Audit Fees	Single Audit: Base Fee	Single Audit: Fee per Major Program	Total Fees
September 30, 2025	\$35,000 + \$5,000*	\$10,000 + \$2,500**	\$2,500	\$55,000
<i>*One-time fee for opening balance sheet and review of predecessor workpapers as of October 1, 2024</i>				
<i>** One-time fee for initial Single Audit</i>				
<i>Only one major program is assumed in the total fee.</i>				

Optional extension:

Fiscal Year Ended	Audit Fees	Single Audit: Base Fee	Single Audit: Fee per Major Program	Total Fees
September 30, 2026	\$36,750	\$10,500	\$2,500	\$49,750
September 30, 2027	\$38,500	\$11,000	\$2,500	\$52,000
September 30, 2028	\$40,500	\$11,500	\$2,500	\$54,500
September 30, 2029	\$42,500	\$12,000	\$2,500	\$57,000
<i>Only one major program is assumed in the total fee.</i>				

Please note that the audit fees provided above only include the financial statement audit of the City of Glenn Heights, TX, preparation of all financial statements and notes to the financial statements of the City with the assistance of the Finance Director/ Finance Staff as well as preparation of the numbers in the Introductory, Statistical, and Continuing Disclosure sections of the report, tied directly to the financial statements.

If the City undergoes any significant change from the details provided in the Request for Qualifications RFQ #2025-05: Independent Audit Services, the above Cost Qualifications may be revised.

Standard manner of payment:

- A retainer invoice for 50% of the total fee for each fiscal year will be issued upon receipt of the signed engagement letter for each fiscal year, prior to beginning any work on the engagement as per the Tentative Audit Schedule. The retainer invoice must be paid in full in order for the engagement team to proceed with the planning phase of the audit in accordance with the Tentative Audit Schedule.

COST PROPOSAL

- An invoice for the remainder of the total fee for each fiscal year will be issued when the draft report is sent across to the Finance Director for review. This invoice must be paid in full for the engagement team to proceed with report issuance according to the Tentative Audit Schedule.

If the City would like to discuss an alternative payment schedule, the Firm is open to adjust the payment schedule in accordance the City's requirements.

Additional Services

If any additional non-attest services are to be provided for the City outside the scope of the engagement letter for the specified audit period, an addendum to the engagement letter will be prepared and the City will be billed at our standard hourly rates as outlined below. These services could include but are not limited to:

- Certain closing adjustments and procedures
- Update of depreciation schedule
- Implementation of new GASB pronouncements (GASB 101 Accrued Compensated Absences)

If significant additional time is required by the City for any guidance in financial matters, the Firm will discuss if an addendum to the engagement letter is to be drafted outlining the scope of consultation services which will be billed at our standard hourly rates as outlined below.

If any special projects are requested by the City, an addendum to the engagement letter will be prepared and the City will be billed at our standard hourly rates as outlined in below.

Standard Hourly Rates by Experience Level

Experience Level	Rate
Partner	\$350
Manager	\$300
Senior	\$250
Experienced Staff	\$200
Staff / Intern	\$150

Latest Peer Review Report



Report on the Firm's System of Quality Control

April 30, 2024

To the Partners of Vail & Park, P.C. and the
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vail & Park, P.C. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended September 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act, audits of employee benefit plans, and an examination of a service organizations (SOC 1® engagements).

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Vail & Park, P.C. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended September 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Vail & Park, P.C. has received a peer review rating of pass.

RW Group, LLC

August 6, 2025

To the Honorable Mayor and Members of the City Council
City of Glenn Heights, Texas
P.O. Box 1725
519 E. Broadway Avenue
Glenn Heights, TX 75647

We are pleased to confirm our understanding of the services we are to provide for City of Glenn Heights, Texas (the "City") for the year ended September 30, 2025.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the City as of and for the year ended September 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's 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. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
- 3) Schedule of Changes in Net Pension Liability and Related Ratios
- 4) Schedule of Contributions
- 5) Schedule of Changes in Total OPEB Liability and Related Ratios – TMRS – Supplemental Death Benefit Fund
- 6) Schedule of Contributions – OPEB – Supplemental Death Benefit Fund

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

- 1) Schedule of Expenditures of Federal Awards
- 2) Combining and Individual Fund Statements and Schedules
 - a) Combining Balance Sheet – Nonmajor Governmental Funds
 - b) Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
 - c) Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:

- i) Debt Service
- ii) 911 Wireless

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. This will include but is not limited to:

- 1) Introductory Section
 - a. Letter of Transmittal
 - b. List of Elected and Appointed Officials
 - c. Organizational Chart
- 2) Statistical Section
 - a. Net Position by Component
 - b. Changes in Net Position
 - c. Fund Balances of Governmental Funds
 - d. Changes in Fund Balances of Governmental Funds
 - e. Assessed Value and Estimated Actual Value of Taxable Property
 - f. Direct and Overlapping Property Tax Rates
 - g. Principal Property Taxpayers
 - h. Property Tax Levies and Collections
 - i. Ratios of Outstanding Debt by Type
 - j. Ratios of Net General Bonded Debt Outstanding
 - k. Computation of Direct and Overlapping Debt
 - l. Tax Rate Information
 - m. Demographic and Economic Statistics
 - n. Tax Rate Information
 - o. Demographic and Economic Statistics
 - p. Principal Employers
 - q. Employees by Function/Program
 - r. Operating Indicators by Function/Program
 - s. Capital Asset Statistics by Function/Program

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure

confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the

preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on September 1, 2025.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on,

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

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

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. Additionally, we will assist you with completing required sections of the Data Collection Form ("DCF") to be submitted through the Federal Audit Clearinghouse. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the services previously defined above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

As an attest client, Vail & Park, P.C. cannot retain your documents on your behalf. This is in accordance with the [ET 1.295.143](#) of the *AICPA Code of Professional Conduct*. The City is responsible for maintaining its own data and records.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

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

We will request documentation required for the engagement through AuditDashboard, and you will be required to upload this documentation electronically to AuditDashboard. We will only begin fieldwork on the engagement after at least eighty percent of the requested items have been uploaded and the retainer fee has been paid according to the Tentative Audit and Fee Schedule in Exhibit 1 (attached). If the requested items are not received by the deadline specified within AuditDashboard, the Tentative Audit and Fee Schedule in Exhibit 1 (attached) will be subject to change based on the engagement team's availability. This could also result in an increase in fees over our original fee estimate and/or a delay of the issuance of the report.

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

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal and/or state agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Mike Vail, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. To ensure that Vail & Park, P.C.'s independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel. We expect to begin our audit on approximately September 1, 2025. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fee for these services will be at our standard hourly rates. We estimate that our fees for the audit will be \$40,000 (\$35,000 for the audit and \$5,000 for the beginning balance testing as of October 1, 2024) and at least \$15,000 for the Single Audit (\$10,000 for the Single Audit, a one-time fee of \$2,500 for an initial Single Audit, and \$2,500 for each major program included in the scope of the Single Audit). You will also be billed separately for out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.). If any non-attest services are required other than previously defined in this letter, they will be billed on an hourly basis at our standard rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered according to the Tentative Audit and Fee Schedule in Exhibit 1 (attached) and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and Members of the City Council of the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue reports, or withdrawing from the engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2024 peer review report accompanies this letter.

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

Sincerely,

Vail + Park, P.C.

RESPONSE:

This letter correctly sets forth the understanding of City of Glenn Heights, Texas.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Exhibit 1

City of Glenn Heights, Texas
Tentative Audit and Fee Schedule
For the year ended September 30, 2025

<u>Phase</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>	<u>Associated Fee</u>
Retainer			\$27,500
1 – Planning and preliminary analytical review procedures <i>1.1 Single Audit – Review federal grant programs summary detailing fund #, fund name, CFDA #, total expenditure, Type A or B programs, Major or Non-Major programs</i>	Monday September 1, 2025	Friday September 5, 2025	-
2 – Internal control documentation, walkthroughs, and sample selection for internal control testing <i>2.1 Single Audit – Compliance description documenting compliance requirements (A) – (N)</i>	Monday September 8, 2025	Tuesday September 9, 2025	-
3 – Internal control testing and risk assessment procedures <i>3.1 Single Audit – Test Major Program disbursements and perform noncompliance risk assessment procedures</i>	Wednesday September 10, 2025	Friday September 12, 2025	-
4 – Confirmation selection and mailing	Monday September 15, 2025	Monday September 15, 2025	-
5 – Interim fieldwork	Wednesday October 1, 2025	Friday October 3, 2025	-
6 – Deadline to upload at least 80% of the requested documentation to AuditDashboard	Friday November 14, 2025	Friday November 14, 2025	-

Exhibit 1 (contd.)

City of Glenn Heights, Texas
Tentative Audit and Fee Schedule
For the year ended September 30, 2025

<u>Phase</u>	<u>Estimated Start Date</u>	<u>Estimated Completion Date</u>	<u>Associated Fee</u>
7 – Preliminary analytical review (final TB uploaded to AuditDashboard)	Friday November 21, 2025	Friday November 21, 2025	-
8 – Audit fieldwork (including Single Audit) and Closing Meeting	Monday December 1, 2025	Friday December 12, 2025	-
9 – ACFR preparation and tie-out, GAAP Disclosure Checklist, and draft ACFR to the Finance/Audit Committee <i>9.1 Single Audit – Schedule of expenditures of federal awards</i>	Monday January 19, 2026	Friday January 30, 2026	-
10 – ACFR issuance and Exit Conference <i>10.1 Single Audit – Data Collection Form</i>	Friday February 13, 2026	Friday February 13, 2026	\$27,500
11 – Presentation of audit results to City Council	Friday February 27, 2026	Friday February 27, 2026	-

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Vail & Park, P.C.
Frisco, TX United States

Certificate Number:
2025-1346673

Date Filed:
08/06/2025

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Glenn Heights, Texas

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

RFQ #2025-05
Independent Audit Services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.



6 UNSWORN DECLARATION

My name is Deepak Kumar, and my date of birth is August 21, 1991.

My address is 11500 State Highway 121, Suite 410, Frisco, TX, 75035, USA.
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Collin County, State of Texas, on the 6 day of August, 2025.
(month) (year)

Deepak Kumar

Signature of authorized agent of contracting business entity
(Declarant)

HB 89, 793 & SB 252 COMPLIANCE

Effective: September 1, 2017 & June 12, 2019

Verification

I, being over the age of eighteen years and in my official capacity representing an entity that is a party to this contract with the City of Glenn Heights, hereby swear and verify under oath that:

- 1) Entity does not boycott Israel; and
- 2) Entity will not boycott Israel during the term of this contract – by providing that:
 - (1) “company” does not include a sole proprietorship; and
 - (2) the law applies only to a contract that:
 - a) is between a government entity and a company with 10 or more full-time employees; and
 - b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the government entity.

Vail & Park, P.C.

Company/ Entity

Deepak Kumar

Signature of Representative

8.6.2025

Date

**Request for Taxpayer
Identification Number and Certification**

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the
requester. Do not
send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) Vall & Park, P.C.	
	2 Business name/disregarded entity name, if different from above.	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor ☐ C corporation ☒ S corporation ☐ Partnership ☐ Trust/estate ☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. ☐ Other (see instructions)	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) 5 Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) (Applies to accounts maintained outside the United States.)
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions ☐	
5 Address (number, street, and apt. or suite no.). See instructions. 11500 State Hwy 121, Suite 410	Requester's name and address (optional)	
6 City, state, and ZIP code Frisco, Texas 75035		
7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Social security number										
			-				-			
or										
Employer identification number										
8	1	-	3	0	0	2	1	6	4	

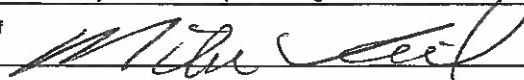
Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person 	Date 03/14/2024
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they



Texas State Board of Public Accountancy

William Treacy, Executive Director

PHAM,TUNG VU - Individual Licensee Review CPE Courses Previously Reported

Your license fees have been paid and your license has been issued.

[Licensee Menu](#) [Logout](#) [Contact the Board](#) | [Terms of Use](#)

CPE Courses Previously Reported

The following courses that were reported in a prior business day have been used to calculate the CPE requirement for your next unissued license period. The courses are listed in date order for each interval.

License Period	Accrual Period	Type	Date Taken	Credits	Method	Sponsor ID	Sponsor	Course ID	CPE Course
AUG 2022 - JUL 2023	AUG 2021 - JUL 2022	Tech	08/11/2021	1.00	A	004283	RSM US LLP	42073	Auditor Reporting - GAAS
		Tech	08/11/2021	1.00	A		RSM US LLP	42074	Key Audit Matters- GAAS
		Tech	08/12/2021	1.00	A	004283	RSM US LLP	41457	Debt Classification under U.S. GAAP
		Tech	08/24/2021	10.50	A	004283	RSM US LLP	63028	FI- Intermediate FI
		Tech	09/01/2021	3.00	A	004283	RSM US LLP	65512	FI Update - 2021
		Tech	09/02/2021	2.00	A	004283	RSM US LLP	48328	Understanding and Assessing the IT Environment an ITGCs
		Tech	09/09/2021	2.00	A	004283	RSM US LLP	63024	Compliance Audit Update- 2021
		Tech	09/14/2021	2.00	A	004283	RSM US LLP	44015	Common Practice Issues in Business Combination Accounting un
		Tech	11/05/2021	4.00	A		AHA SERVICES, INC DBA AHACPA	4	Multifamily Update - Part 1
		Tech	11/08/2021	4.00	A		AHA SERVICES, INC DBA AHACPA		Lender Update - Part 1
		Tech	11/16/2021	4.00	A	010365	AHA SERVICES, INC DBA AHACPA		Lender Update - Part 2
		Tech	01/13/2022	2.30	A	004283	RSM US LLP	45467	Lessee Accounting under ASC 842, Leases
		Tech	04/28/2022	2.40	A	004283	RSM US LLP	67109	EBP: Impact of Compliance Errors
		Tech	05/02/2022	2.40	A	004283	RSM US LLP	60145	Reviewing Employee Benefit Plans
		Ethics	05/02/2022	4.00	A	001615	Checkpoint Learning		Personal/Prof Ethics for Texas CPAs
		Tech	05/11/2022	2.00	A	004283	RSM US LLP	67138	EBP Regulatory Update
		TOTAL		47.60					
AUG 2023 - JUL 2024	AUG 2022 - JUL 2023	Tech	07/21/2023	2.50	A	000215	AMERICAN INSTITUTE OF CPAS		Foundation, General Requirements , Ethics , Independence, an
		Tech	07/21/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Performing Review Engagements
		Tech	07/21/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Performing an Engagement to Prepare Financial Statements ;Pe
		Tech	07/21/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Government-wide Statements , Financial Reporting, Special-pu
		Tech	07/21/2023	1.00	A	000215	AMERICAN INSTITUTE OF CPAS		Engagement Adminis tration Is sues
		Tech	07/21/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Determining Major Programs , Us ing the Compliance Supplemen
		Tech	07/21/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Current Accounting and Reporting Is sues
		Tech	07/21/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Compilation and Review Reporting Is sues ; Special Purpos e
		Tech	07/21/2023	4.00	A	000215	AMERICAN INSTITUTE OF CPAS		Breaking Down the New Auditor s Report forERISA Engagement
		Tech	07/21/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Applying Uniform Guidance:Tes ting Compliance;Compliance Aud
		Tech	07/21/2023	.50	A	000215	AMERICAN INSTITUTE OF CPAS		Advanced Topics in a Single Audit: Internal Control OverComp
		Tech	07/21/2023	2.00	A	000215	AMERICAN INSTITUTE OF CPAS		Advanced Topics in a Single Audit:Audit Sampling in a Unifor
		Tech	07/22/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Auditing ERISA Plan Inves tments
		Tech	07/22/2023	2.50	A	000215	AMERICAN INSTITUTE OF CPAS		Cas es 3 Pledges &Contributions , 4 Overtime Fraud, an
		Tech	07/22/2023	2.50	A	000215	AMERICAN INSTITUTE OF CPAS		Management Override; Procurement Cards; Cyber Fraud
		Tech	07/22/2023	2.50	A	000215	AMERICAN INSTITUTE OF CPAS		Presentation, Disclosures , Transition Requirements ;Context

		Tech	07/22/2023	2.00	A	000215	AMERICAN INSTITUTE OF CPAS		Engagement-Wide Considerations Under a Remote Audit
		Tech	07/24/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Applying Uniform Guidance:Determining Major ProgramsInternal
		Tech	07/24/2023	2.00	A	000215	AMERICAN INSTITUTE OF CPAS		Risk Assessment During the Recovery
		Tech	07/24/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Competencies and Skills Required by Virtual CFOs
		Non tech	07/24/2023	2.50	A	000215	AMERICAN INSTITUTE OF CPAS		Emotional intelligence
		Tech	07/24/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		The Control Environment Component of Internal Control
		Tech	07/24/2023	2.00	A	000215	AMERICAN INSTITUTE OF CPAS		Planning an ERISA Plan Audit & Auditing the Statements of Net
		Tech	07/24/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Understanding Other ERISA Plan Audit Considerations
		Tech	07/24/2023	1.50	A	000215	AMERICAN INSTITUTE OF CPAS		Fair Value Accounting: Working With a Valuation Specialist
		Tech	07/24/2023	2.00	A	000215	AMERICAN INSTITUTE OF CPAS		Lease Modifications ; Sale and Leaseback Transactions
		TOTAL		47.50					
AUG 2024 - JUL 2025	AUG 2023 - JUL 2024	Tech	07/26/2024	24.00	A	010092	SEQUOIA CPE	2115E	Government Accounting
		Ethics	07/26/2024	4.00	A	010092	Sequoia CPE		A CPA's Guidebook to Ethical Behavior
		TOTAL		28.00					

Course methods are: A-Participant, B-Instructor, C-Author, D-Correspondence, E-Nano Program, F-Blended Program.


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Certified Public Accountant #AC56858

Logged in as **Woods, Jeffrey**[Introduction](#)[Contact Details](#)**[Continuing Education Reported](#)**[File Attachments](#)[Application Summary](#)**Report Continuing Education - Continuing Education Reported - Information**

Please enter the course details for any continuing education taken during the current period. Course materials and receipts will not be accepted as proof of completion.

Press "Add" to add a new record.

Press the "Edit" link to edit an existing record.

Press the "Remove" link to remove an existing record.

Press "Previous" to return to the previous section.

Press "Next" after appropriate details have been entered.

Press "Cancel" to cancel this application and return to the main menu.

Case Number Date: /dd/yyyy)	Name of the course:	Ethics course code:	AA Hours:	Technical Hours:	Behavioral Hours:	Ethics Hours:	Credit Type
	Accounting for Business Combinations-CPAFBC		6	0	0	0	Participant Edit Remove
	Risk Assessment - Planning of a Financial Statement Audit		6	6	0	0	Participant Edit Remove
	Ethics and professional conduct for CPAs in Florida	0020313	0	0	0	4	Instructor Edit Remove
	Accountants and Malpractice (Course number ET1109)		0	0	0	2	Participant Edit Remove
	Accounting for Share-Based Compensation		4	0	0	0	Participant Edit Remove
	Credit Losses Under ASC 326		2	0	0	0	Participant Edit Remove
	Fundamentals of Governmental Accounting and Reporting		12	0	0	0	Participant Edit Remove
	Yellow Book: Staying Compliant with Government Auditing Standards		11.5	0	0	0	Participant Edit Remove
	Fair Value Measurement: Valuation Approaches		6	0	0	0	Participant Edit Remove
	Leases : Mastering the New FASB Requirements		10	0	0	0	Participant Edit Remove
	Revenue Recognition: Mastering the New FASB Requirements		10	0	0	0	Participant Edit Remove
	Internal Control and COSO Essentials for Financial Managers, Accountants and Auditors		6	0	0	0	Participant Edit Remove
	Risk Assessment - Planning of a Financial Statement Audit		5.5	0	0	0	Instructor Edit Remove

[Add](#) [Previous](#) [Next](#) [Cancel](#)



Texas State Board of Public Accountancy

William Treacy, Executive Director

PATE, KRISTAL DIANE - Individual Licensee
CPE Reporting

License Period: APR 2024 - MAR 2025
Accrual Period: APR 2023 - MAR 2024

Your license fees are due and CAN BE PAID ONLINE.

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Before entering a course a licensee should determine whether the course is classified as technical or non-technical, based on the benefit of the course to the licensee's current area of employment. A licensee can not claim more than 50% of the total CPE credits required as non-technical in a three year reporting period.

[Print](#)

CPE credits submitted	Technical	Non-Technical	Ethics	Total
Total	36.00	0.00	4.00	40.00

Report Technical or Non-Technical CPE

Report Ethics CPE

Course Details Submitted Online:

License Period	Accrual Period	Type	Date Taken	Credits	Meth	Sponsor ID	Sponsor	Course ID	CPE Course		
APR 2024 - MAR 2025	APR 2023 - MAR 2024	Tech	10/28/2023	1.00	A	001615	CHECKPOINT LEARNING	CLMPGA	Materiality in Planning a Governmental Audit	Edit	Delete
		Ethics	10/28/2023	4.00	A	001615	Checkpoint Learning		Personal/Prof Ethics for Texas CPAs	Edit	Delete
		Tech	10/30/2023	1.00	A	001615	CHECKPOINT LEARNING	CLGB87	GASB 87 Leases	Edit	Delete
		Tech	11/18/2023	4.00	A	001615	CHECKPOINT LEARNING	CPAGOV	Accounting for Governmental Assets and Liabilities	Edit	Delete
		Tech	12/24/2023	7.00	A	001615	CHECKPOINT LEARNING	CLGOV3	Governmental Accounting for Revenue	Edit	Delete
		Tech	01/01/2024	1.00	A	001615	CHECKPOINT LEARNING	CLADWR	Audit Documentation and Workpaper Review	Edit	Delete
		Tech	02/07/2024	9.00	A	001615	CHECKPOINT LEARNING	CPPENO	GASB Pension Standards Overview	Edit	Delete
		Tech	02/18/2024	3.00	A	001615	CHECKPOINT LEARNING	CLGARB	GASB STMT No. 54 - Fund Balance Reporting and Governmental	Edit	Delete
		Tech	03/03/2024	3.00	A	001615	CHECKPOINT LEARNING	CLGOV2	Governmental Fund Accounting and Interfund Activity	Edit	Delete
		Tech	03/10/2024	3.00	A	001615	CHECKPOINT LEARNING	CPSAGO	Specialized Accounting of Governmental Entities	Edit	Delete
		Tech	03/23/2024	4.00	A	001615	CHECKPOINT LEARNING	CLGOVT	Introduction to Government Entities and Fund Accounting	Edit	Delete

Course methods are: A-Participant, B-Instructor, C-Author, D-Correspondence, E-Nano Program, F-Blended Program.



Discussion and first reading of Ordinance O-16-25, appointing a Presiding Municipal Judge and an Alternate Municipal Judge of the Municipal Court of the City of Glenn Heights; setting qualifications and terms of office; approving contracts for each Judge and authorizing the City Manager to execute Agreements on behalf of the City. (Clifford Blackwell, City Manager)

[illegible]

ORDINANCE NO. O-16-25

AN ORDINANCE OF THE CITY OF GLENN HEIGHTS, TEXAS, APPOINTING A PRESIDING MUNICIPAL JUDGE AND AN ALTERNATE MUNICIPAL JUDGE OF THE MUNICIPAL COURT OF THE CITY OF GLENN HEIGHTS; SETTING QUALIFICATIONS AND TERMS OF OFFICE; APPROVING CONTRACTS FOR EACH JUDGE AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS ON BEHALF OF THE CITY; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Glenn Heights, Texas, has created the Municipal Court of the City of Glenn Heights, which has and exercises jurisdiction over Class C misdemeanor offenses and such other cases and matters as may be authorized by state law; and

WHEREAS, the terms of office of the existing Presiding Judge and Alternate Judge are expiring and the Council finds and determines that it is in the best interest of the public health, safety and welfare to reappoint the existing judges, who the Council finds to be qualified persons to serve as judges for the Court. Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS:

SECTION 1. That the following named persons shall be and are hereby appointed/reappointed as the presiding judge and alternate judge of the Municipal Court of the City of Glenn Heights:

Presiding Judge: Cass Robert Calloway

Alternate Judge: Angela Downes

SECTION 2. That the judges appointed herein shall serve for two-year terms of office commencing on September 2, 2025 and ending on September 2, 2027 and shall have and exercise authority over all matters within the jurisdiction of the Municipal Court.

SECTION 3. That the alternate municipal judge appointed herein shall sit for the presiding municipal judge when the presiding judge is temporarily unable to act. When sitting for the presiding judge, the alternate judge shall have all powers and duties of the office of presiding municipal judge.

SECTION 4. That the Council approves the proposed contracts with each Judge and authorizes the City Manager to execute the contracts, and any amendments as the City Manager deems reasonable, necessary, in the public interest, in compliance with applicable law and City policy, and, in the case of an increase in contract price, subject to the availability of funds.

SECTION 5. That it is declared to be the intent of the City Council that the phrases, clauses, sentences, paragraphs, and section of this ordinance are severable, and if any phrase,

clause, sentence, paragraph, or section of this ordinance is declared invalid by the judgment or decree of a court of competent jurisdiction, the invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance since the City Council would have enacted them without the invalid portion.

SECTION 6. That this ordinance shall take effect immediately from and upon its final passage, as the law and charter in such cases provides.

APPROVED:

Sonja A. Brown, mayor

ATTEST:

Brandi Brown, City Secretary

APPROVED AS TO FORM:

David Berman, City Attorney

STATE OF TEXAS

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**AGREEMENT FOR MUNICIPAL COURT
PRESIDING JUDGE**

COUNTY OF DALLAS

This agreement (“Agreement”) is made by and between the City of Glenn Heights, Texas (“City”) and Cass Robert Callaway (“Judge”) (individually as the “Party” or collectively as “Parties”), acting by and through their authorized representatives.

RECITALS:

WHEREAS, City desires to engage the services of the Judge as an independent contractor and not as an employee in accordance with the terms and conditions set forth in this Agreement;

WHEREAS, Judge desires to render judicial and magistrate services as the Presiding Judge of the Glenn Heights Municipal Court, in accordance with the terms and conditions set forth in this Agreement;

WHEREAS, in exchange for the mutual covenants set forth herein and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I. Term.

1.1 The Term of this Agreement shall be a two-year term effective on September 2, 2025 (the “Effective Date”) and ending on September 2, 2027.

ARTICLE II. Scope of Services.

2.1 Judge shall preside over municipal court proceedings for and on behalf of the City as its Presiding Judge; and, to conduct services as may be required from time-to-time, including but not limited to, issues of warrants (search, blood, arrest, alias, administrative and/or capias pro fine), junk vehicle hearings, dangerous dog hearings, contempt hearings, and such administrative duties and responsibilities as are necessary and incidental to the office of Presiding Judge of the City’s Municipal Court.

2.2 Judge shall maintain eligibility and the appropriate licenses as may be required under State law to serve in the capacity as the Presiding Judge of the City’s Municipal Court for the Term of this Agreement. City shall compensate Judge up to one-hundred and fifty dollars \$150.00 per year in registration fees for required Texas Municipal Courts Education Center (“TMCEC”) judicial trainings. Judge shall be solely responsible for all other training fees and costs, license and fees and occupation taxes, if assessed.

2.3 Judge shall perform all services in accordance with the Code of Judicial Conduct applicable to judges of courts in the State of Texas as well as the City's Charter and agrees to conduct himself in a judicial demeanor at all times in representing the City.

2.4 Judge is not precluded from performing such legal services in maintaining his private law practice of law, and nothing construed herein shall preclude him from maintaining his private legal practice. Judge is also not precluded from serving other municipalities as their municipal court judge as long as that duty does not conflict with Judge's ability to perform the duties and responsibilities of this Agreement.

2.5 Judge hereby agrees not to knowingly undertake any legal matter that would compromise or conflict with his duties and responsibilities as the Municipal Court Judge or otherwise knowingly undertake to represent a client on a legal matter against the City.

2.6 Judge agrees to perform the duties of a Texas magistrate (arraigning jailed individuals, providing magistrate warnings, reviewing probable cause affidavits, 16.22 mental health determinations, etc.) within twenty-four (24) hours of a call and request from the Police Department or Communications Division for such services. Judge shall also endeavor to implement policies and practices that minimize the time any jailed person is in detention at the Desoto, TX Tri-Cities Jail and to promote the transfer of inmates whenever practicable to other agencies and Dallas County.

2.7 Judge agrees to respond via telephone to after hours search warrants within fifteen (15) minutes or as reasonably practicable thereafter of call and request from the Police Department or Communications Division.

2.8 Judge agrees to evaluate and sign or reject other arrest warrants and affidavits when Judge is on-site performing magistrate's warnings.

2.9 Judge is also responsible for the development and maintenance of all court docket procedures, standing orders, and other directives that promote the effective administration of the court.

2.10 From time to time, Judge is also highly encouraged to attend public events – National Night Out, city festivals, city council meetings, citizens police academy, holiday events, etc.; serving as a representative of the judiciary and the Glenn Heights Municipal Court to the community.

ARTICLE III. Municipal Court Docket.

3.1 Judge agrees to preside over the City's Municipal Court at a minimum of twenty (20) days annually, and not to exceed twenty-four (24) days annually, as scheduled by the City.

ARTICLE IV. Compensation and Reporting.

4.1 City shall compensate Judge in the amount of thirty-six thousand (\$36,000.00) dollars per year which shall be paid monthly – three thousand (\$3,000.00) dollars per month for services provided under this Agreement.

4.2 Judge agrees to prepare and submit to the City on a monthly basis an invoice for payment inclusive of a report in a form currently accepted by the City detailing the services provided under this Agreement, including the following:

a. A description of all services rendered under this Agreement, including court dockets attended, signing paperwork, reviewing court documents and all other services performed under this Agreement together with the aggregate time for each entry and date of service provided to the City. The following information is required to be included in the invoice description:

- 1) Number of days court dockets were held each month;
- 2) Number of juvenile dockets held each month;
- 3) Number of trips to the jail; and
- 4) Amount of time spent on arraignment and signing warrants or other documents.

4.3 The monthly invoice report required under Section 4.2 shall be prepared and delivered to the Court Administrator not later than the fifteenth (15th) day of the month following the month in which services were rendered. Payment will be made within thirty (30) days of the City's receipt of the invoice. Payment by direct deposit (electronic payment) is preferred. Judge shall file with the City a W9 and update it if contact information or classifications change over time.

ARTICLE V. Removal of Judge/Performance Review

5.1 Judge shall serve as Presiding Judge of the Municipal Court commencing on the Effective Date for a two (2) year term but may be removed for cause at any time in accordance with the provisions of this Agreement, the City Charter and state law. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate the services of Judge or to remove Judge from the position of Presiding Judge of the Municipal Court in accordance with the City Charter and state law.

5.2 Furthermore, either Party may terminate this Agreement with or without cause by giving thirty (30) days prior written notice to the other party. In the event of such termination, the Judge shall be entitled to compensation for any services completed to the reasonable satisfaction of City in accordance with this Agreement prior to such termination.

5.3 The City Manager, at the direction of the City Council, may be designated to supervise the day-to-day administrative duties of the position; however, nothing constrained herein shall be

construed so as to be interpreted as to interfere with the judicial functions of the position. The City Council, or designee, may conduct an annual review of the performance of the Judge.

ARTICLE VI. Miscellaneous.

6.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the parties with respect to this subject matter.

6.2 Assignment. Judge may not assign this Agreement in whole or in part without the prior written consent of the City. In the event of an assignment by the Judge to which City has consented, the assignee shall agree in writing with City to personally assume, perform, and be bound by all the covenants, and obligations contained in this Agreement.

6.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of both Parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

6.4 Governing Law. The laws of State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.5 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

6.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not effect any other provisions, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

6.7 Independent Contractors. It is understood and agreed by and between the Parties that the Judge, in satisfying the conditions of this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by the Judge pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of the City.

6.8 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by email to the address specified below, or to such other party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein.

If intended for City:

City of Glenn Heights
Attn: City Manager
1938 South Hampton Road
Glenn Heights, Texas 75154

With a copy to:

Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
Attn: David Berman
1800 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201

If intended for Judge:

Law Office of Cass Callaway
8737 King George Drive, Suite 110
Dallas, Texas 75235-2214
cass.callaway@gmail.com

6.9 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

6.10 Exhibits. The exhibits hereto are incorporated herein and made a part hereof for all purposes.

6.11 Audits and Records. Judge agrees that during the term hereof, City and its representatives may, during normal business hours and as often as deemed necessary, inspect, audit, examine and reproduce any and all of the Judge's records relating to the services provided pursuant to this Agreement for a period of one (1) year following the date of completion of services as determined by City or date of termination if sooner.

6.12 Conflicts of Interests. Judge represents that no official or employee of City has any direct or indirect pecuniary interest in this Agreement.

EXECUTED this _____ day of September 2025.

City of Glenn Heights, Texas

Clifford Blackwell – City Manager

Approved as to form:

David Berman – City Attorney

EXECUTED this _____ day of September 2025.

Cass Robert Callaway – Municipal Judge

STATE OF TEXAS

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AGREEMENT FOR MUNICIPAL
COURT ALTERNATE JUDGE

COUNTY OF DALLAS

This agreement ("Agreement") is made by and between the City of Glenn Heights, Texas ("City") and Angela Downes ("Judge"), (individually as the "Party" or collectively as the "Parties"), acting by and through their authorized representatives.

Recitals:

WHEREAS, City desires to engage the services of the Judge as an independent contractor and not as an employee in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, Judge desires to render services as the Alternate Judge of the Glenn Heights Municipal Court, in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in exchange for the mutual covenants set forth herein and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

Article I
Term

The Term of this Agreement shall be a two-year term effective on September 2, 2025 (the "Effective Date") and ending on September 2, 2027.

Article II
Scope of Services

2.1 Judge shall preside over municipal court proceedings for and on behalf of the City as its Alternate Judge; and, to conduct services as may be required from time-to-time, including but not limited to, issuance of search, arrest and/or capias warrants, and such administrative duties and responsibilities as are necessary and incidental to the office of Alternate Judge of the City's Municipal Court.

2.2 Judge shall maintain eligibility and the appropriate licenses as may be required under State law to serve in the capacity as the Alternate Judge of the City's Municipal Court for the Term of this Agreement.

2.3 Judge shall perform all services in accordance with the Code of Judicial Conduct applicable to judges of courts in the State of Texas as well as the City's Charter and agrees to conduct herself in a judicial demeanor at all times in representing the City.

2.4 Judge is not precluded from performing such legal services in maintaining her private practice of law, and nothing construed herein shall preclude her from maintaining her private legal practice.

2.5 Judge hereby agrees not to knowingly undertake any legal matter that would compromise or conflict with her duties and responsibilities as the Municipal Court Judge or otherwise knowingly undertake to represent a client on a legal matter against the City.

Article III Municipal Court Docket

Judge understands that the City's Municipal Court docket days generally occur between one and three times per month. Judge agrees to be available on an as-needed basis for any and all dockets of the court as well as be available on an as-needed basis to carry out all other functions of judge including, without limitation, juvenile proceedings, jail trips including arraignments, and signing of warrants and other court papers.

Article IV Compensation and Reporting

4.1 City shall compensate Judge in accordance with the following payment schedule:

- a) \$625 for each court appearance to handle dockets;
- b) \$250 for each juvenile docket;
- c) \$50 for each arraignment; and
- d) \$10 for each prisoner and/or warrant signed.

4.2 Judge agrees to prepare and submit to the City on a monthly basis an invoice for payment inclusive of a report in a form acceptable to the City detailing the services provided under this Agreement, including the following:

- a) Number of regular court dockets attended including time spent for each;
- b) Number of juvenile court dockets attended including time spent for each;
- c) Number of trips to the jail including total time spent per trip;
- d) Number of arraignments conducted including time spent per trip;
- e) Number of warrants signed; and
- f) A description of all other services rendered under this Agreement, including signing paperwork, reviewing court documents and all other services performed not otherwise identified in this Section 4.2, including time spent for each.

4.3 The monthly invoice report required under Section 4.2 shall be prepared and delivered to the Court Administrator not later than the fifteenth (15th) day of the month following the month in which services were rendered. Payment will be made within 30 days of the City's receipt of the invoice.

Article V

Removal of Judge/Performance Review

5.1 Judge shall serve as Alternate Judge of the Municipal Court commencing on the Effective Date for a two (2) year term but may be removed for cause at any time in accordance with the provisions of this Agreement, the City Charter and State law. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate the services of Judge or to remove Judge from the position of Alternate Judge of the Municipal Court in accordance with the City Charter and State law.

5.2 Furthermore, either Party may terminate this Agreement with or without cause by giving thirty (30) days prior written notice to the other party. In the event of such termination, the Judge shall be entitled to compensation for any services completed to the reasonable satisfaction of City in accordance with this Agreement prior to such termination.

5.3 The City Manager, at the direction of the City Council, may be the designated to supervise the day-to-day administrative duties of the position; however, nothing contained herein shall be construed so as to be interpreted as to interfere with the judicial functions of the position. The City Council, or designee, may conduct an annual review of the performance of the Judge.

Article VI

Miscellaneous

6.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings written or oral agreements between the parties with respect to this subject matter.

6.2 Assignment. Judge may not assign this Agreement in whole or in part without the prior written consent of City. In the event of an assignment by the Judge to which City has consented, the assignee shall agree in writing with City to personally assume, perform, and be bound by all the covenants, and obligations contained in this Agreement.

6.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

6.4 Governing Law. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.5 Amendments. This Agreement may be amended by the mutual written agreement of the parties.

6.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such

invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

6.7 Independent Contractor. It is understood and agreed by and between the Parties that the Judge, in satisfying the conditions of this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by the Judge pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of City.

6.8 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other party or address as either party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for City:

Attn: City Manager
City of Glenn Heights
1938 S. Hampton Road
Glenn Heights, Texas 75154

With Copy to:

David Berman
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
1800 Lincoln Plaza
500 North Akard
Dallas, Texas 75201

If intended for Judge:

Angela Downes
2161 Kimbrough Drive
Irving, Texas 75038

6.9 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all but together signed by all of the parties hereto.

6.10 Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

6.11 Audits and Records. Judge agrees that during the term hereof, City and its representatives may, during normal business hours and as often as deemed necessary, inspect, audit, examine and reproduce any and all of the Judge's records relating to the services provided pursuant to this Agreement for a period of one year following the date of completion of services as determined by City or date of termination if sooner.

6.12 Conflicts of Interests. Judge represents that no official or employee of City has any direct or indirect pecuniary interest in this Agreement.

EXECUTED this ____ day of September, 2025.

City of Glenn Heights, Texas

By: _____
Clifford Blackwell, City Manager

Attest:

Brandi Brown, City Secretary

Approved as to form:

David Berman, City Attorney

EXECUTED this ____ day of September, 2025.

Municipal Judge

By: _____
Angela Downes, Judge



Discussion and take action to approve Resolution R-29-25, authorizing the City Manager to enter into the Ballot for voting to accept or reject the Thirteenth Amended Joint Chapter 11 Plan of reorganization of Purdue Pharma L.P. and its affiliated debtors and authorizing the submission of an e-ballot to accept or reject the Thirteenth Amended Joint Chapter 11 Plan of reorganization of Purdue Pharma L.P. and its affiliated debtors; and providing an effective date. (David Berman, City Attorney)

[illegible]



500 N. Akard Street, Suite 1800
Dallas, Texas 75201
Main: 214-965-9900
Fax: 214-965-0010
Web: www.nicholsjackson.com

David M. Berman
Email: dberman@nicholsjackson.com

August 14, 2025

By Email Transmission

Brandi.brown@glennheightstx.gov

Brandi Brown, City Secretary
1938-C S. Hampton Road
Glenn Heights, Texas 75154

Re: ***Purdue Bankruptcy – ballots to approve or reject the bankruptcy plan of reorganization.***

Dear Brandi:

Attached with this correspondence is a Resolution and Ballot to Accept or Reject the Thirteenth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma, L.P., and its Affiliated Debtors. You may also have received emails from the Texas Attorney General regarding submission of participation forms for a direct settlement related to Purdue Pharma and the Sackler Family.

The proposed Purdue/Sackler settlement is **two settlements** being implemented in connection with Purdue's bankruptcy proceedings. It consists of settlement of Purdue's claims against the Sacklers (the "Estate Settlement") to be distributed pursuant to a chapter 11 bankruptcy plan, and a settlement of direct claims against the Sacklers held by states, local governments, and other creditors (the "Direct Settlement"). Dollars will flow from both settlements.

For the Direct Settlement, the more political subdivisions that participate, the more funds flow to Texas and its political subdivisions. Any political subdivision that does not participate cannot directly share in any of the Direct Settlement funds. Please note that the Texas Attorney General will be collecting Subdivision Participation Forms for the Direct Settlement through Rubris Inc. Rubris is the Implementation Administrator for the Direct Settlement. The deadline for submission of those forms is September 30, 2025.

Additionally, certain eligible Texas political subdivisions have received ballots to vote on the chapter 11 plan that includes the Estate Settlement. These political subdivisions should follow the applicable instructions for voting. **Voting on the plan is separate from participation in the Direct Settlement, and eligible political subdivisions must separately join the Direct Settlement in order to receive the benefits of the Direct Settlement.**

The Purdue Pharma bankruptcy case, after being overturned by the Supreme Court in 2024, has been revised to remove the non-consensual third-party releases that shielded the Sackler family (Purdue's former owners) from liability claims related to the opioid crisis. Previously, the plan sought to discharge claims against the Sacklers, who were not debtors in the bankruptcy, without the consent of affected claimants.

The new plan, filed on March 18, 2025, and approved by a federal bankruptcy court in June 2025, addresses the concerns raised by the Supreme Court. Here are the key aspects relevant to Class 4 claims:

1. Opt-in settlement: Creditors, including those with Class 4 claims (likely referring to individual victims and related entities), now have the option to release their claims against the Sackler family in exchange for a share of the settlement funds.

2. Preservation of rights: If claimants choose not to opt-in and release their claims against the Sacklers, they can still pursue legal action against them in civil court. However, these claimants will only be eligible for a share of the \$900 million paid by the reorganized Purdue Pharma, not the larger sum contributed by the Sacklers.

3. Settlement funds and distribution:

- a. The total settlement amount, assuming full creditor participation, is expected to exceed \$7.4 billion.
- b. The Sacklers will contribute approximately \$6.5 billion in installments over 15 years, with an initial payment of \$1.5 billion on the effective date of the plan.
- c. Purdue will contribute 100% of its assets, including an estimated \$900 million in cash available for distribution at the time of the emergence from bankruptcy.
- d. A significant portion of the settlement funds will be distributed within the first three years.
- e. The plan allocates more than \$850 million specifically for individual victims if they choose to participate in the settlement.

4. Creation of a public benefit company: Purdue will be liquidated and its assets transferred to a new public benefit company, dedicated to developing and distributing opioid addiction treatment and overdose reversal medications at no profit. This new entity will not involve any ownership or control by the Sackler family.

5. Transparency: The plan includes provisions for a document repository, making millions of documents related to Purdue's historical sales and marketing practices available to the public.

This revised plan attempts to address the legal and ethical concerns surrounding non-consensual third-party release, while still providing compensation to the victims and funding for opioid crisis abatement efforts. It's crucial to note that individual outcomes for Class 4 claimants will depend on their decision to opt-in or pursue individual legal action, and the specific details of their claims.

Please note that the Class 4 Ballot Forms related to the chapter 11 bankruptcy and eventual Estate Settlement is being collected through Kroll Restructuring Administration, LLC. Kroll is the Solicitation Agent for the Class 4 Ballot Forms. The deadline for submission of those forms is September 30, 2025, at 4:00 p.m. EST.

Sincerely,

NICHOLS | JACKSON, L.L.P.

By:



David M. Berman
City Attorney

CITY OF GLENN HEIGHTS, TEXAS

RESOLUTION NO. R-29-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO THE BALLOT FOR VOTING TO ACCEPT OR REJECT THE THIRTEENTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF PURDUE PHARMA L.P. AND ITS AFFILIATED DEBTORS AND AUTHORIZING THE SUBMISSION OF AN E-BALLOT TO ACCEPT OR REJECT THE THIRTEENTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF PURDUE PHARMA L.P. AND ITS AFFILIATED DEBTORS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Glenn Heights (the “City”) has received notice that a solicitation agent, on behalf of Purdue Pharma L.P., its general partner Purdue Pharma, Inc., and Purdue Pharma’s wholly owned direct and indirect subsidiaries, as debtors and debtors in possession, is soliciting votes to accept or reject the *Thirteenth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors*, dated March 19, 2025 (the “Plan”); and

WHEREAS, the City can accept or reject the Plan by adopting and submitting an E-Ballot on or before September 30, 2025, at 4:00 p.m. (prevailing Eastern Time), attached hereto and incorporated herein by this reference as Exhibit “A” (the “Ballot Form”); and

WHEREAS, the City Council of the City of Glenn Heights finds there is a substantial need for participation in the Plan and supports the adoption of the acceptance or rejection of the Plan and finds it in the public interest to participate in voting on such Plan through the Ballot Form.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS TEXAS, THAT:

SECTION 1. The City Council of the City of Glenn Heights authorizes the City Manager to accept the Plan.

SECTION 2. The City Manager is hereby authorized on behalf of the City to execute, sign, and submit or cause to be submitted said Ballot Form using the City’s Unique E-Ballot ID, attached hereto and incorporated herein by this reference as Exhibit “A” to Purdue Pharma Ballot Processing c/o Kroll Restructuring Administration LLC online at <https://restructuring.ra.kroll.com/purduepharma> on or before September 30, 2025 at 4:00 p.m. (prevailing Eastern Time).

SECTION 3. This Resolution shall become effective immediately upon passage.

PASSED AND APPROVED THIS 2ND DAY OF SEPTEMBER, 2025.

APPROVED:

Sonja A. Brown, Mayor

ATTEST:

Brandi Brown, City Secretary

APPROVED AS TO FORM:

David M. Berman, City Attorney
(08/07/2025: 4915-3358-6523, v. 1)

Exhibit A
Ballot Form

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PURDUE PHARMA L.P., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 19-23649 (SHL)
)
) (Jointly Administered)
)

**BALLOT FOR VOTING TO ACCEPT OR REJECT
THE THIRTEENTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF PURDUE PHARMA L.P. AND ITS AFFILIATED DEBTORS**

CLASS 4: NON-FEDERAL DOMESTIC GOVERNMENTAL CLAIMS

Please read and follow the enclosed instructions carefully before completing the ballot. This ballot is being sent to you to solicit your vote on the Debtors' Plan of Reorganization.

**THIS BALLOT MUST BE COMPLETED, EXECUTED AND RETURNED SO AS TO BE
ACTUALLY RECEIVED BY KROLL RESTRUCTURING ADMINISTRATION LLC
("KROLL" OR THE "SOLICITATION AGENT") BY 4:00 P.M. (PREVAILING
EASTERN TIME) ON SEPTEMBER 30, 2025 (THE "VOTING DEADLINE").**

The Solicitation Agent, on behalf of Purdue Pharma L.P. ("Purdue Pharma"), its general partner Purdue Pharma Inc., and Purdue Pharma's wholly owned direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), is soliciting votes to accept or reject the *Thirteenth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and Its Affiliated Debtors*, dated March 19, 2025 [D.I. 7306] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the "Plan"²) from the Holders of certain Impaired Claims against the Debtors.

You are receiving this ballot (the "Ballot") because our records indicate that you have asserted a Claim against the Debtors as of May 12, 2025 (the "Voting Record Date"). Your Claim

¹ The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Purdue Products L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors' corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

² Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan or the Disclosure Statement & Solicitation Procedures Order (as defined herein), as applicable.



192364904286818

is classified under the Plan in Class 4 (Non-Federal Domestic Governmental Claims). Except as otherwise set forth in the Bar Date Order, all timely filed Claims have been deemed filed against the Debtors, and, therefore, you are being solicited to vote to accept or reject the Plan as provided in Item 2 below on account of your Class 4 Claim.

The rights of Holders of Claims in Class 4 are described in the Disclosure Statement for the Plan, filed on March 19, 2025 [D.I. 7307] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “Disclosure Statement”) and the Bankruptcy Court’s order approving the Disclosure Statement and related solicitation procedures [D.I. 7615] (the “Disclosure Statement & Solicitation Procedures Order”). The Solicitation Package you are receiving with this Ballot provides instructions detailing how to access electronic versions, request hard copies or request flash-drive format versions of each of the Disclosure Statement & Solicitation Procedures Order as entered by the Bankruptcy Court (without any exhibits), the Disclosure Statement as approved by the Court (with the Plan annexed thereto) and a letter from the Official Committee of Unsecured Creditors (such letter, the “Creditors’ Committee Letter”). If you would like to obtain additional solicitation materials, free of charge, you may contact the Solicitation Agent by (i) visiting the Debtors’ case website at <https://restructuring.ra.kroll.com/purduepharma>; (ii) writing Purdue Pharma Ballot Processing, c/o Kroll Restructuring Administration LLC, 850 3rd Avenue, Suite 412, Brooklyn, NY 11232; (iii) emailing purduepharmainfo@kroll.com (with “Purdue Pharma Solicitation Inquiry” in the subject line) or (iv) calling the Solicitation Agent at (844) 217-0912 (U.S./Canada, toll-free) or +1 (347) 859-8093 (if calling from outside the U.S. or Canada). You may also access these materials for a fee via PACER at <https://www.nysb.uscourts.gov/>.

Pursuant to the Disclosure Statement & Solicitation Procedures Order, the Bankruptcy Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. If you believe that you have received this Ballot in error, please contact the Solicitation Agent at the address or telephone numbers set forth above.

For your vote to be counted, this Ballot must be properly completed, signed and returned to the Solicitation Agent so that it is actually received by the Solicitation Agent no later than 4:00 p.m. (prevailing Eastern Time) on September 30, 2025.

If a controversy arises regarding whether any Claim is properly classified under the Plan, the Bankruptcy Court shall, upon proper motion and notice, determine such controversy at the Confirmation Hearing. If the Bankruptcy Court finds that the classification of any Claim is improper, then such Claim shall be reclassified and the Ballot previously cast by the Holder of such Claim shall be counted in, and the Claim shall receive the treatment prescribed in, the Class in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan. Notwithstanding the fact that your Claim would otherwise satisfy the definition of another type of Claim, or your receipt of a ballot or notice, which identifies your Claim as belonging to a specific Class for voting and distribution purposes, any Claim that satisfies the definition of Co-Defendant Claims under Sections 1.1 and 4.17 of the Plan



shall be a Co-Defendant Claim and any Claim that satisfies the definition of an Other Subordinated Claim under Sections 1.1 and 4.18 of the Plan shall be an Other Subordinated Claim.

If you have any questions on how to properly complete this Ballot, please contact the Solicitation Agent at (844) 217-0912 (U.S./Canada, toll-free) or +1 (347) 859-8093 (international) or by email at purduepharmainfo@kroll.com (with "Purdue Pharma Solicitation Inquiry" in the subject line). You may also contact the Creditors' Committee with any questions at PurdueCreditorInfo@AkinGump.com. **THE SOLICITATION AGENT AND THE CREDITORS' COMMITTEE ARE NOT AUTHORIZED TO, AND WILL NOT, PROVIDE YOU WITH LEGAL ADVICE.**



IMPORTANT NOTICE REGARDING CERTAIN RELEASES (INCLUDING THIRD-PARTY RELEASES), EXCULPATION, INJUNCTION AND CHANNELING INJUNCTION PROVISIONS IN THE PLAN:

Sections 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12 and 10.13 of the Plan contain release, shareholder release, exculpation, injunction, channeling injunction, MDT Insurer injunction, Settling MDT Insurer injunction and shareholder channeling injunction provisions. Thus, you are advised to review and consider the Plan, the Disclosure Statement and the Creditors' Committee Letter carefully. Below is a summary of the release provisions. For the avoidance of doubt, to the extent any provision of this notice conflicts with the terms of the Plan, the terms of the Plan will control. Capitalized terms used below have the meanings ascribed to such terms in the Plan.

Pursuant to the Plan, certain Releasing Parties are releasing (i) the Released Parties and (ii) the Shareholder Released Parties from certain Claims and Causes of Action.

The Releasing Parties include, collectively, (i) the Supporting Claimants, solely in their respective capacities as such, (ii) the Opt-In Settling Creditors, (iii) the Settling Co-Defendants and (iv) with respect to each of the Persons in the foregoing clauses (i) through (iii), each of their Related Parties to the extent such Releasing Party has the authority under applicable law to grant such release on their behalf, in each case, other than any Shareholder Released Party.

The Released Parties include, collectively, (i) the Debtors, (ii) each of the Debtors' Related Parties, solely in their respective capacities as such, and (iii) solely for purposes of the releases by the Debtors in Section 10.6(a) of the Plan, (A) the Supporting Claimants, the Creditors' Committee and the Creditors' Committee's members and each of their respective professionals, in each case solely in their respective capacities as such and (B) the Settling Co-Defendants and each of their Related Parties, in each case solely in their respective capacities as such; *provided, however*, that, notwithstanding the foregoing or anything herein to the contrary, no Excluded Party or Shareholder Release Snapback Party shall be a Released Party in any capacity or respect. For purposes of this definition of "Released Parties," the phrase "solely in their respective capacities as such" means, with respect to a Person, solely to the extent a claim against such Person (x) arises from such Person's conduct or actions taken in such capacity, or from such Person's identified capacity in relation to another specified Released Party and not, in either case, from such Person's conduct or actions independent of such capacity, and (y) to the extent such Person's liability depends on or derives from the liability of such other Released Party, such claim would be released if asserted against such other Released Party.

The Shareholder Released Parties include the beneficiaries of the separate shareholder release provisions in the Plan. The Plan Supplement will include the Shareholder Settlement, which will provide for, among other things, the settlement of claims against the Shareholder Released Parties.

Your participation in the Third-Party Releases will be governed by the terms of the Governmental Entity Shareholder Direct Settlement.

You are advised to carefully review the Plan, the Disclosure Statement, the Plan Supplement and the Governmental Remediation Trust Documents, which set forth the eligibility requirements and process by which the Governmental Remediation Trust will make payments to Holders of qualified Non-Federal Domestic Governmental Claims. For the avoidance of doubt, to the extent any provision of this notice conflicts with the terms of the Plan, the terms of the Plan will control.



INSTRUCTIONS FOR COMPLETING THIS BALLOT

This Ballot is provided to you to solicit your vote to accept or reject the Plan. The terms of the Plan are described in the Disclosure Statement. **PLEASE READ THE PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**

The Plan will be accepted by Class 4 if the Plan is accepted by the Holders of at least two-thirds (2/3) in amount and at least one-half (1/2) in number of the Claims in Class 4 that vote on the Plan in such Class. In the event that Class 4 votes to reject the Plan, the Bankruptcy Court may nevertheless confirm the Plan and, thereby, make the Plan binding on the Holders of Claims in Class 4 if the Bankruptcy Court finds that the Plan does not unfairly discriminate against, and accords fair and equitable treatment to, the Holders of Claims in Class 4 and otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. If the Plan is confirmed by the Bankruptcy Court, all Holders of Claims against, and Interests in, the Debtors (including those Holders who abstain from voting on or vote to reject the confirmed Plan, and those Holders who are not entitled to vote on the confirmed Plan) will be bound by the confirmed Plan and the transactions contemplated thereunder.

To have your vote counted, you must complete, sign and return this Ballot so that it is actually received by the Solicitation Agent no later than the Voting Deadline of September 30, 2025 at 4:00 p.m. (prevailing Eastern Time). Ballots must be delivered to the Solicitation Agent at the appropriate address listed below:

If online by E-Ballot:	If by standard or overnight mail:	If by hand delivery:
Visit https://restructuring.ra.kroll.com/purduepharma and click on the "Submit E-Ballot" link.	Purdue Pharma Ballot Processing c/o Kroll Restructuring Administration LLC 850 3rd Avenue, Suite 412 Brooklyn, NY 11232	Purdue Pharma Ballot Processing c/o Kroll Restructuring Administration LLC 850 3rd Avenue, Suite 412 Brooklyn, NY 11232
For your E-Ballot login credentials and further details, please see page 8 below.		If you plan to hand-deliver your Ballot to Kroll's office, please email purduepharmaballots@kroll.com (with "Purdue Pharma Ballot Delivery" in the subject line) at least twenty-four (24) hours in advance of your arrival at the Kroll address above to arrange delivery.

Class 4 Ballots will not be accepted by telecopy, facsimile, email or other electronic means of transmission (other than by E-Ballot).

You must properly complete the Ballot as follows:

- a. Item 1 (Amount of Claim). Please note that each Claim in Class 4 has been allowed in the amount of \$1.00 for voting purposes only, and not for distribution, allowance or any other purpose.



- b. Item 2 (Vote on the Plan). Cast one vote to accept or reject the Plan by checking the appropriate box in Item 2 below. You must vote the entire amount of your Claim either to accept (i.e., vote in favor of) or reject (i.e., vote against) the Plan and you may not split your vote. Accordingly, any vote within a single Class that attempts partially to accept and partially reject the Plan will not be counted.
- c. If you hold Claims in a Class other than Class 4, you may receive more than one Ballot or Solicitation Package, labeled for a different Class of Claims. Your vote will be counted in determining acceptance or rejection of the Plan by a particular Class of Claims only if you complete, sign and return the Ballot labeled for such Class of Claims in accordance with the instructions on that Ballot.
- d. If more than one timely, properly completed Ballot is received, unless the Holder of the Class 4 Claim receives Bankruptcy Court approval otherwise, then the last properly executed, timely received, valid Ballot will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot.
- e. If you fail to designate either an acceptance or rejection of the Plan or designate both an acceptance and rejection of the Plan, the Solicitation Agent may, in its discretion, either contact you to attempt to cure the defect or not count your vote as either an acceptance or rejection of the Plan.
- f. Item 3 (Acknowledgments and Certifications). Item 3 contains certain required certifications, which you are making by signing and returning the Ballot. Please ensure that you have read and understood the certifications prior to signing the Ballot and the certifications are correct for your Ballot. Provide your name, mailing address and any remaining information requested in Item 3 below.
- g. If you are completing this Ballot on behalf of another claimant, indicate your relationship with such claimant and the capacity in which you are signing on the appropriate line in Item 3 in the Ballot below. By submitting the Ballot, you are certifying that you have authority to so act and agree to provide documents evidencing such authority upon request (e.g., a power of attorney or a certified copy of board resolutions authorizing you to so act).
- h. Sign and date the Ballot.
- i. If additional space is required to respond to any item on the Ballot, please use additional sheets of paper clearly marked to indicate the applicable item of the Ballot to which you are responding. Do not include medical records with this Ballot. Medical records cannot be returned by the Solicitation Agent.
- j. Deliver the completed, executed Ballot so as to be **actually received** by the Solicitation Agent by the Voting Deadline.



PLEASE NOTE:

No Ballot shall constitute or be deemed a Proof of Claim or an assertion of a Claim. No fees, commissions, or other remuneration will be payable for soliciting votes on the Plan.

NOTHING CONTAINED HEREIN OR IN THE SOLICITATION PACKAGES SHALL RENDER YOU OR ANY OTHER PERSON THE AGENT OF THE DEBTORS OR THE SOLICITATION AGENT, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF THE DEBTORS OR THE SOLICITATION AGENT WITH RESPECT TO THE PLAN, EXCEPT FOR THE STATEMENTS CONTAINED IN THE SOLICITATION PACKAGES.

IF THE DEBTORS' PLAN OF REORGANIZATION IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU HAVE VOTED TO ACCEPT OR REJECT THE DEBTORS' PLAN OF REORGANIZATION (EXCEPT AS OTHERWISE PROVIDED IN THE PLAN).

IF YOU (A) HAVE ANY QUESTIONS REGARDING THE BALLOT, (B) DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, OR (C) NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE SOLICITATION AGENT AT 844-217-0912 (U.S./CANADA, TOLL-FREE) OR +1 347-859-8093 (INTERNATIONAL), OR BY EMAILING PURDUEPHARMAINFO@KROLL.COM (WITH "PURDUE PHARMA SOLICITATION INQUIRY" IN THE SUBJECT LINE). PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT. YOU MAY ALSO CONTACT THE CREDITORS' COMMITTEE WITH ANY QUESTIONS AT PURDUECREDITORINFO@AKINGUMP.COM. THE SOLICITATION AGENT AND THE CREDITORS' COMMITTEE ARE NOT AUTHORIZED TO, AND WILL NOT, PROVIDE YOU WITH LEGAL ADVICE.



SUBMITTING BY E-BALLOT

PLEASE COMPLETE THE FOLLOWING:

To submit your Ballot via the “E-Ballot” platform, please visit <https://restructuring.ra.kroll.com/purduepharma>. Click on the “Submit E-Ballot” section of the website and follow the instructions to submit your Ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized E-Ballot:

Unique E-Ballot ID#: 5TM4-9R6F-7TKT-8UVF

The Solicitation Agent’s “E-Ballot” platform is the sole manner in which your Ballot will be accepted via electronic or online transmission. Ballots submitted by telecopy, facsimile, email or other electronic means of transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your E-Ballot. Please complete and submit an E-Ballot for each E-Ballot ID# you receive, as applicable.

Holders who cast a Ballot using the Solicitation Agent’s “E-Ballot” platform should NOT also submit a paper Ballot.



CLASS 4 BALLOT

PLEASE COMPLETE THE FOLLOWING:

Item 1. Amount of Class 4 Claims. Please note that each Claim in Class 4 has been allowed in the amount of \$1.00 for voting purposes only, and not for purposes of ultimate “Allowance” of a Claim, distribution of value under the Plan or for any other purpose. For the avoidance of doubt, the \$1.00 amount at which a Claim has been allowed for voting purposes does not impact the payment that a Holder of a Class 4 Claim may receive.

Claims Amount: \$1.00

Item 2. Vote on the Plan. The undersigned Holder of Class 4 Claims hereby votes to (*check only one box*):

- ☐ **ACCEPT (I.E., VOTE IN FAVOR OF)** the Plan
- ☐ **REJECT (I.E., VOTE AGAINST)** the Plan

Item 3. Acknowledgments and Certification. By signing this Ballot, the undersigned certifies and/or acknowledges that:

- (a) either the undersigned is: (i) the Holder of the Class 4 Claims being voted; or (ii) an authorized signatory for a person or entity that is a Holder of the Class 4 Claims being voted, and, in either case, has the full power and authority to vote to accept or reject the Plan with respect to the Claims identified in Item 1 above;
- (b) the undersigned has been provided with a copy of the Disclosure Statement, including the Plan and all other exhibits thereto, the Disclosure Statement & Solicitation Procedures Order without exhibits and a Confirmation Hearing Notice;
- (c) the solicitation of votes is subject to all terms and conditions set forth in the Plan, Disclosure Statement & Solicitation Procedures Order and the procedures for the solicitation of votes to accept or reject the Plan contained therein;
- (d) the undersigned has cast the same vote with respect to all of its Class 4 Claims; and
- (e) no other Ballots with respect to the amount of the Class 4 Claims identified in Item 1 above have been cast or, if any other Ballots have been cast with respect to such Claims, then any such earlier Ballots are hereby revoked.



Name of Claimant: City of Glenn Heights, Texas

Signature: _____

Name of Signatory
(if different than Claimant): _____

If authorized by Agent, Title of Agent: _____

Street Address: _____

Street Address:
(continued) _____

City, State, Zip Code: _____

Telephone Number: _____

Email Address: _____

Date Completed: _____





+++Project Windsor 2325 SRF 89428 ADRID: 7355996 Pack ID: 4-0705

City of Glenn Heights, Texas

M. Shelby Percy

NJDHS

500 N. Akard, 1800 Ross Tower

Dallas TX 75201



192364904286818

DRAFT

CITY OF GLENN HEIGHTS, TEXAS

RESOLUTION NO. R-30-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO THE PURDUE SETTLEMENT AND AUTHORIZING THE SUBMISSION OF THE SUBDIVISION PARTICIPATION AND RELEASE FORM REGARDING THE PURDUE SETTLEMENT AND FULL RELEASE OF ALL CLAIMS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Glenn Heights has previously adopted and approved the Texas Term Sheet and Allocation Schedule regarding the Global Opioid Settlement through the Office of the Attorney General; and

WHEREAS, the City of Glenn Heights has received notice of a settlement through the Office of the Texas Attorney General relating to opioid claims against Purdue (the “Purdue Settlement”); and

WHEREAS, the City of Glenn Heights can participate in this settlement by adopting and submitting to the National Opioid Settlements Implementation Administrator on or before September 30, 2025, the Subdivision Participation and Release Form, attached hereto and incorporated herein by this reference as Exhibit “A” (the “Release Form”);

WHEREAS, the City Council of the City of Glenn Heights, Texas, (i) finds there is a substantial need for repayment of opioid-related expenditures and payment to abate opioid-related harms in and about the City of Glenn Heights, (ii) supports the addition of the Purdue Settlement to those previously adopted; and (iii) supports the adoption and approval the Release Form and finds it to be in the public interest to approve such settlement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, THAT:

SECTION 1. The City Manager is hereby authorized on behalf of the City to enter into the opioid settlement with Purdue (the “Purdue Settlement”) and to sign and submit or cause to be submitted said Subdivision Participation and Release Form (City’s Rubris Reference Number: CL-1750340), attached hereto and incorporated herein by this reference as Exhibit “A” to the National Opioid Settlements Implementation Administrator by email at opioidsparticipation@rubris.com before September 30, 2025.

SECTION 2. The City Manager is authorized to act on behalf of the City to agree to such future opioid settlement agreements and release of claims negotiated and recommended by the Texas Attorney General that provide for distribution of settlement funds to the City.

SECTION 3. This Resolution shall become effective immediately upon passage.

PASSED AND APPROVED THIS 2ND DAY OF SEPTEMBER, 2025.

APPROVED:

Sonja A. Brown, Mayor

ATTEST:

Brandi Brown, City Secretary

APPROVED AS TO FORM:

David Berman, City Attorney

Exhibit A

4919-1571-7727, v. 1

