



THE CITY COUNCIL OF THE CITY OF HENDERSON, TEXAS, WILL MEET ON TUESDAY, THE 18TH DAY OF MARCH 2025, AT 6:00 P.M. FOR A REGULAR COUNCIL MEETING, IN THE THOMAS WARD COUNCIL CHAMBERS AT THE MUNICIPAL SERVICES COMPLEX, 300 W. MAIN STREET, FOR THE FOLLOWING PURPOSES:

Mayor:

Henry Pace

Mayor Pro Tem

Gina Juarez

Council Members:

Stephen Strong

Michael Searcy

Greg Jackson

Melissa Morton

City Manager:

Jay Abercrombie

City Secretary

Cheryl Jimerson

CALL TO ORDER: *The Mayor will call the meeting to order, declare a quorum if present, and declare notices legally posted pursuant to Open Meetings Act.*

INVOCATION AND PLEDGE OF ALLEGIANCE:

CITIZENS COMMENTS

PRESENTATIONS/ANNOUNCEMENTS

1. Annual Audit Presentation by Gollob Morgan Peddy, PC.

CONSENT AGENDA

2. Consideration and possible action upon the minutes of the February 18th 2025 Joint Workshop and Council Meeting. (Jimerson)
3. Consideration and possible action upon the City's Discrimination Policy. (Faulkner)
4. Consideration and possible action upon the City's Antifraud Policy (Faulkner)
5. Consideration and possible action upon declaring certain property as surplus and authorizing staff to dispose of the same. (K. Kimbrell)
6. Consideration and possible action upon the HEDCO financial's for the month of January 2025. (Gardella)
7. Consideration and possible action upon HEDCO 2024-2025 Budget Amendments. (Gardella)

COUNCIL BUSINESS – REGULAR SESSION

8. Consideration and possible action upon a feasibility study for possible infracture to get water to Henderson from Lake Striker with Stokes and Associates. (Hortman)
9. Consideration and possible action upon a Shooting Range work order with Stokes and Associates to provide services. (Brown)
10. Consideration and possible action upon the second reading of Ordinance 2025-02-01 amending the Zoning map for the City of Henderson, changing the zone from General Industrial to a High Density Multi-Family District for a property located on N. Van Buren across from Lakewood Cemetery. (Jimerson)
11. Consideration upon the first reading of Ordinance 2025-03-01 changing the City of Henderson's zoning map from Low Density Single-Family Residential (R1) Zone to General Commercial (C2) Zone on a property known as 2500 S. Evenside Street for WCG Properties. (Jimerson)

12. Consideration upon the first reading of Ordinance 2025-30-02 changing the City of Henderson's zoning map from Low Density Single-Family Residential (R1) Zone to General Commercial (C2) Zone. The property is described as PT OF LT 1 BLK 890, 13.357 Acres J Smith Survey, located near the corner of HWY 79 S. and S. Evenside for BIH LLC. (Jimerson)
13. Consideration upon the first reading of Ordinance 2025-03-03 changing the City of Henderson's zoning map from Medium Density Single-Family Residential (R2) Zone to General Commercial (C2) Zone. The property is described as, LT 8A BLK 1134, Tall Pines Estates, directly behind United Ag and Turf. (Jimerson)
14. Consideration and possible action upon Resolution 2025-03-01 for a rate increase from CenterPoint Energy for forty-five days (45). (Jimerson)
15. Consideration and possible action upon a recommendation from the Board of Adjustments to reinstate Reggie Weatherton to a vacant seat on the Board. (Jimerson)
16. Consideration and possible action upon a minor plat request subdividing 307 Forrest Street and combining lots for 306 Joseph Street. (Breitenberg/Jimerson)

DEPARTMENTAL REPORTS:

17. The City Council may deliberate and make inquiry into any item listed in the Departmental Reports.

- A. City Manager
- B. Fire Department
- C. Police Department
- D. Animal Center
- E. Community Development
- F. Public Services/Parks and Recreation Department
- G. Public Utilities
- H. Finance Department
- I. City Secretary
- J. Communications and Marketing
- K. HEDCO

Sales Tax Revenue for January 2025.

- L. Director of Operations Departmental Reports below.

Civic Center

Main Street/Tourism

Municipal Court

BOARDS AND COMMISSIONS

Board of Adjustments Minutes

Planning and Zoning Minutes

Cemetery Board Meeting Minutes of Feb 19, 2025. Next meeting will be May 21, 2025

Main Street Meeting Minutes

Preservation Minutes

EXECUTIVE SESSION:

REGULAR SESSION:

ADJOURNMENT

18. Adjourn

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

ACCESSIBILITY STATEMENT

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (903) 657-6551.

CERTIFICATE

I certify the foregoing notice was posted on the notice board in front of the Municipal Services Complex, Henderson, Texas, on this ____ day of _____, 20____.

Cheryl Jimerson, City Secretary

CITY OF HENDERSON, TEXAS

**BASIC FINANCIAL STATEMENTS and
REQUIRED SUPPLEMENTARY and OTHER
INFORMATION**

FISCAL YEAR ENDED SEPTEMBER 30, 2024

Gollob Morgan Peddy PC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Henderson, Texas

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Henderson, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Henderson, Texas' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Henderson, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10 and the schedules related to pension and OPEB activity on pages 64-67 will be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Henderson, Texas' basic financial statements. The additional supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2025, on our consideration of City of Henderson, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Henderson, Texas' internal control over financial reporting and compliance.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 14, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Henderson, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024.

FINANCIAL HIGHLIGHTS

- As of the end of the current fiscal year, the assets of the City exceeded its liabilities by \$47,960,940 (net position). Of this amount, \$386,726 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The total cost of the City's programs increased 9.24% from the prior year, primarily due to the capital outlay related to the 300 West Main building and City Hall roof repairs.
- The general fund reported a fund balance this year of \$2,277,061, of which \$65,500 was nonspendable, \$37,061 was restricted, and \$2,174,500 was unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The financial statements are prepared using Governmental Accounting Statements No. 34 *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*.

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

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

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

The *statement of activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City of Henderson that are principally supported by taxes and other governmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, sanitation, streets, culture and recreation, and debt service. The business-type activities include water and sewer services.

The government-wide financial statements include not only the City itself (known as the primary government) but also the legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The fund financial statements are presented using fund designations. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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

The City maintains fourteen individual governmental funds. Information is presented separately in the government fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. A budgetary comparison schedule has been provided for the general fund on page 19 to demonstrate compliance with the annual appropriated budget. Data from the other eleven governmental funds are combined into a single, aggregates presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the additional supplemental information section.

The basic governmental fund financial statements can be found on pages 14-17 of the report.

Proprietary funds. Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long-term and short-term financial information.

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer utility. The City also maintains an Internal Service Fund, which is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses the Internal Service Fund to account for its self-insured health insurance activities (the collection of payments by the City and its employees for health insurance premiums and the payment of health insurance claims of City employees). Because this service predominately benefits the governmental rather than business-type functions of the City, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer.

The basic proprietary fund financial statements can be found on pages 20-24 of this report.

Fiduciary funds. The City is the trustee, or fiduciary, for certain funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found at pages 27-67 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund financial statements for the non-major governmental funds. The combining and individual fund financial statements may be found on pages 74-79 of this report.

The report also presents the detailed budget and actual amounts for the Water and Sewer Fund at pages 80-81.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$47,960,940 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (97.43%) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, and its water and wastewater distribution system), less the related debt to acquire those assets that is still outstanding. This amount decreased \$742,161 during the current year primarily due to payments of related debt. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The amount of net position that is unrestricted, \$386,726 increased by \$414,266 during the year.

City of Henderson's Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 8,151,863	\$ 7,889,265	\$ 1,479,641	\$ 2,895,593	\$ 9,631,504	\$ 10,784,858
Capital assets	39,517,196	39,757,928	25,334,553	24,643,776	64,851,749	64,401,704
Total Assets	47,669,059	47,647,193	26,814,194	27,539,369	74,483,253	75,186,562
Deferred outflows of resources	4,398,790	4,620,831	1,146,111	1,199,406	5,544,901	5,820,237
Total Deferred Outflows of Resources	4,398,790	4,620,831	1,146,111	1,199,406	5,544,901	5,820,237
Current liabilities	2,451,187	2,311,373	1,160,203	1,540,329	3,611,390	3,851,702
Non current liabilities	12,754,949	12,712,882	12,405,848	12,853,736	25,160,797	25,566,618
Total Liabilities	15,206,136	15,024,255	13,566,051	14,394,065	28,772,187	29,418,320
Deferred outflows of resources	2,745,640	2,873,611	549,387	457,461	3,295,027	3,331,072
Total Deferred Outflows of Resources	2,745,640	2,873,611	549,387	457,461	3,295,027	3,331,072
Net investment in capital assets	31,912,470	33,546,616	14,814,343	13,922,358	46,726,813	47,468,974
Restricted	769,014	737,586	78,387	78,387	847,401	815,973
Unrestricted	1,434,589	85,956	(1,047,863)	(113,496)	386,726	(27,540)
Total Net Position	\$ 34,116,073	\$ 34,370,158	\$ 13,844,867	\$ 13,887,249	\$ 47,960,940	\$ 48,257,407

The City had a \$42,382 decrease in net position for its business-type activities during the current year. This decrease comes from an increase in operating costs for the system in 2024.

City of Henderson's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 4,482,878	\$ 3,525,877	\$ 6,209,888	\$ 6,117,201	\$ 10,692,766	\$ 9,643,078
General revenue:						
Property taxes	4,876,752	4,425,134	-	-	4,876,752	4,425,134
Sales taxes	6,835,926	6,878,185	-	-	6,835,926	6,878,185
Operating grants	476,741	1,248,537	-	-	476,741	1,248,537
Capital grants & donations	-	-	-	-	-	-
Franchise and other taxes	780,624	847,930	-	-	780,624	847,930
Interest income	268,091	142,063	69,129	52,932	337,220	194,995
Loss on sale of assets	-	(1,070,289)	-	-	-	(1,070,289)
Other	1,031,913	1,275,768	14,562	267,988	1,046,475	1,543,756
Total revenues	18,752,925	17,273,205	6,293,579	6,438,121	25,046,504	23,711,326
Expenses:						
General government	3,846,021	3,897,494	-	-	3,846,021	3,897,494
Public safety	7,410,500	6,777,489	-	-	7,410,500	6,777,489
Sanitation	1,887,412	1,743,726	-	-	1,887,412	1,743,726
Public services	5,424,786	4,342,393	-	-	5,424,786	4,342,393
Debt issuance costs	-	-	-	-	-	-
Interest	234,609	165,390	343,923	252,728	578,532	418,118
Water and sewer operations	-	-	6,195,720	6,020,194	6,195,720	6,020,194
Total expenses	18,803,328	16,926,492	6,539,643	6,272,922	25,342,971	23,199,414
Transfers	(203,682)	(17,826)	203,682	17,826	-	-
Change in net position	(254,085)	328,887	(42,382)	183,025	(296,467)	511,912
Net position beginning of year	34,370,158	34,041,271	13,887,249	13,704,224	48,257,407	47,745,495
Net position end of year	\$ 34,116,073	\$ 34,370,158	\$ 13,844,867	\$ 13,887,249	\$ 47,960,940	\$ 48,257,407

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,481,737, an increase of \$894,926 in comparison with the prior year. A significant reason for the increase was the issuance of the 2023 Series Tax Notes for \$2,055,000.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,174,500, while total fund balance was \$2,277,061. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.64% of total general fund expenditures, while total fund balance represents 13.24% of that same amount.

	Governmental Activities	
	2024	2023
Nonspendable:		
Cemetery endowment	\$ 65,500	\$ 65,500
Restricted:		
Municipal court	19,737	17,279
Debt service	480,319	402,892
Fire department	14,544	19,599
Police department	2,780	2,780
Law enforcement	106,059	100,690
Tourism	182,636	234,004
Civic center	85	83
Committed:		
Main street	14,949	13,321
Cemetery	85,407	71,204
Street and drainage	2,060,075	17,431
Street renovation	-	-
Animal shelter	53,823	46,214
General construction	221,323	225,210
Unassigned:		
General fund	2,174,500	3,370,604
Total Fund Balances	<u>\$ 5,481,737</u>	<u>\$ 4,586,811</u>

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the water & sewer enterprise fund at the end of the year amounted to (\$1,047,863). Overall, net position for the fund decreased \$42,382. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities above.

The City's other proprietary fund is the self-insurance internal service fund. Unrestricted net position at the end of the current year amounted to (\$24,697).

General Fund Budgetary Highlights

The City budgets on a departmental basis, without regard to whether expenditures are current, capital, debt service, or a transfer to another fund. Additionally, transfers from other funds and carryovers from prior years are budgeted as revenue.

Over the course of the year, the City revised its budget. Differences between the original budget and the final amended budget were a net increase in budgeted revenues of \$736,429 and appropriations of \$1,012,580. The significant portion of the increase in budgeted revenues is due to the receipt of TML insurance claims in the amount of \$725,654. The significant increases to the overall budgeted expenditures are as follows:

- \$726,740 for roof repairs to be paid for with insurance funds listed above.

Differences between the final amended budget and actual general fund expenditures were a net unfavorable variance of \$1,667,470

Overall, the City budgeted for a net decrease to fund balance of \$348,045, and its actual decrease on a budgetary basis came to be \$2,015,515.

Capital Assets and Debt Administration

Capital Assets. The City of Henderson's investment in capital assets for the governmental and business-type activities as of September 30, 2024, amounts to \$64,851,749 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, water and wastewater distribution system, infrastructure, and construction in progress. The biggest changes during the current year came from funds spent on water system projects and property acquisitions, including the acquisition and improvements to the new city hall along with the donation of the old city hall buildings to HEDCO. The total net increase in the City's investments in fixed assets for the current year was \$450,045.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,578,679	\$ 2,578,679	\$ 410,131	\$ 410,131	\$ 2,988,810	\$ 2,988,810
Buildings and improvements	11,619,324	8,916,133	-	-	11,619,324	8,916,133
Machinery and equipment	2,607,938	2,767,742	647,460	659,858	3,255,398	3,427,600
Improvements other than buildings	1,100,667	1,682,020	-	-	1,100,667	1,682,020
Water and wastewater distribution	-	-	19,850,714	15,639,309	19,850,714	15,639,309
Infrastructure	21,564,937	22,244,317	-	-	21,564,937	22,244,317
Right-of-use asset	45,651	33,817	-	-	45,651	33,817
Construction in progress	-	1,535,220	4,426,248	7,934,478	4,426,248	9,469,698
Total	\$ 39,517,196	\$ 39,757,928	\$ 25,334,553	\$ 24,643,776	\$ 64,851,749	\$ 64,401,704

Additional information on the City's capital assets can be found in the footnotes to this financial report.

Long-Term Debt. At year-end, the City had \$26,368,170 in bonds, certificates of obligation, and other long-term liabilities outstanding after principal payments of \$2,548,209 were made against debt during the year and additions, largely related to the 2023 Series Tax Notes, were \$2,321,199. The significant change in long-term debt during the year came from an increase in the City's issuance of the 2023 Series Tax Notes for \$2,055,000.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ -	\$ -	\$ 100,000	\$ 205,000	\$ 100,000	\$ 205,000
Certificates of obligation payable	6,580,550	5,356,370	6,809,450	7,088,940	13,390,000	12,445,310
Notes payable	506,086	685,333	3,981,136	4,237,854	4,487,222	4,923,187
Lease liability	45,600	31,914	-	-	45,600	31,914
Add: Premium on issue	114,549	137,695	17,928	21,635	132,477	159,330
Net OPEB liability	745,307	551,120	191,878	147,652	937,185	698,772
Compensated absences	362,168	357,940	72,555	72,555	434,723	430,495
Net pension liability	5,323,034	6,232,760	1,517,929	1,725,131	6,840,963	7,957,891
Total	\$ 13,677,294	\$ 13,353,132	\$ 12,690,876	\$ 13,498,767	\$ 26,368,170	\$ 26,851,899

Additional information on the City's long-term debt can be found in the footnotes to this financial report.

Economic Factors and Next Year's Budgets and Rates

After the budget was prepared for 2025, the following tax rate was approved:

- \$.05417 per \$100 valuation Total Tax Rate

The City budgeted less for capital outlay costs due to the less needs in the current fiscal year.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances. In addition, it provides evidence of accountability for funds the City receives.

Complete financial statements for HEDCO, the City's component unit may be obtained at HEDCO's administrative offices at 300 W. Main, Henderson, Texas 75652.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, at City of Henderson, Texas, 300 West Main Street, Henderson, Texas 75652.

BASIC FINANCIAL STATEMENTS

CITY OF HENDERSON, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	HEDCO
ASSETS				
Cash and cash equivalents	\$ 1,048,028	\$ 232,710	\$ 1,280,738	\$ 3,743,119
Investments	3,660,062	302,845	3,962,907	-
Receivables (net of allowance for doubtful accounts)				
Taxes	2,083,151	-	2,083,151	377,649
Accounts	404,484	723,876	1,128,360	-
Leases	548,652	-	548,652	-
Special assessments	30,306	-	30,306	-
Other	50,798	-	50,798	2,666
Internal balances	197,032	(197,032)	-	-
Note receivable	117,575	-	117,575	693,000
Restricted Assets:				
Temporarily restricted				
Cash and cash equivalents	11,775	213,718	225,493	2,761,592
Investments	-	203,524	203,524	-
Capital Assets (net of accumulated depreciation):				
Land	2,578,679	410,131	2,988,810	9,052,335
Buildings and improvements	11,619,324	-	11,619,324	1,570,184
Machinery and equipment	2,607,938	647,460	3,255,398	-
Improvements other than buildings	1,100,667	-	1,100,667	-
Water and sewer system	-	19,850,714	19,850,714	-
Infrastructure	21,564,937	-	21,564,937	-
Right-of-use asset	45,651	-	45,651	1,345
Construction in progress	-	4,426,248	4,426,248	190,540
Total Assets	47,669,059	26,814,194	74,483,253	18,392,430
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding (net of amortization)	-	745	745	-
Deferred outflows on OPEB	294,058	70,784	364,842	-
Deferred charge on TMRS pension	4,104,732	1,074,582	5,179,314	-
Total Deferred Outflows of Resources	4,398,790	1,146,111	5,544,901	-
LIABILITIES				
Accounts payable and accrued liabilities	1,051,905	309,164	1,361,069	217,277
Accrued interest	19,626	44,754	64,380	-
Due to component unit	377,649	-	377,649	-
Due to other governments	9,968	-	9,968	-
Unearned revenue	69,694	-	69,694	-
Customer deposits	-	521,254	521,254	-
Non-current liabilities:				
Due within one year	938,321	661,693	1,600,014	1,007
Due in more than one year	6,670,632	10,319,379	16,990,011	434
Net OPEB liability	745,307	191,878	937,185	-
Net pension liability	5,323,034	1,517,929	6,840,963	-
Total Liabilities	15,206,136	13,566,051	28,772,187	218,718
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - leases	522,482	-	522,482	-
Deferred charge on OPEB	201,982	48,455	250,437	-
Deferred charge on TMRS pension	2,021,176	500,932	2,522,108	-
Total Deferred Inflows of Resources	2,745,640	549,387	3,295,027	-
NET POSITION				
Net investment in capital assets	31,912,470	14,814,343	46,726,813	9,242,779
Restricted for:				
Debt service	480,319	78,387	558,706	-
Construction	288,695	-	288,695	-
Unrestricted	1,434,589	(1,047,863)	386,726	8,930,933
Total Net Position	\$ 34,116,073	\$ 13,844,867	\$ 47,960,940	\$ 18,173,712

The notes to the financial statements are an integral part of this statement.

CITY OF HENDERSON, TEXAS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2024

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
					PRIMARY GOVERNMENT		COMPONENT UNIT		
PROGRAM ACTIVITIES	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	HEDCO	
PRIMARY GOVERNMENT:									
Governmental activities:									
General government	\$ 3,846,021	\$ 2,080,098	\$ 476,741	\$ -	\$ (1,289,182)	\$ -	\$ (1,289,182)		
Public safety	7,410,500	203,856	-	-	(7,206,644)	-	(7,206,644)		
Sanitation	1,887,412	2,094,931	-	-	207,519	-	207,519		
Public services	5,424,786	103,993	-	-	(5,320,793)	-	(5,320,793)		
Interest on debt	234,609	-	-	-	(234,609)	-	(234,609)		
Total governmental activities	18,803,328	4,482,878	476,741	-	(13,843,709)	-	(13,843,709)		
Business-type activities:									
Water and sewer	6,195,720	6,209,888	-	-	-	14,168	14,168		
Interest on debt	343,923	-	-	-	-	(343,923)	(343,923)		
Total business-type activities	6,539,643	6,209,888	-	-	-	(329,755)	(329,755)		
Total primary government	25,342,971	10,692,766	476,741	-	(13,843,709)	(329,755)	(14,173,464)		
Component units:									
Economic development	\$ 666,200	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ (661,200)	
General revenues:									
Taxes:									
Property taxes					4,876,752	-	4,876,752	-	
Franchise taxes					780,624	-	780,624	-	
Sales and use taxes					6,835,926	-	6,835,926	2,268,802	
Other taxes					305,955	-	305,955	-	
Investment earnings					268,091	69,129	337,220	179,259	
Gain (Loss) on sale of assets					-	-	-	(11,988)	
Insurance claimaes					725,654	-	725,654	-	
Miscellaneous					304	14,562	14,866	-	
Transfers					(203,682)	203,682	-	-	
Total general revenues and transfers					13,589,624	287,373	13,876,997	2,436,073	
Change in net position					(254,085)	(42,382)	(296,467)	1,774,873	
Net position - beginning of year					34,370,158	13,887,249	48,257,407	16,398,839	
Net position - end of year					\$ 34,116,073	\$ 13,844,867	\$ 47,960,940	\$ 18,173,712	

CITY OF HENDERSON, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	GENERAL	STREET AND DRAINAGE FUND	OTHER GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 200,925	49,679	\$ 797,424	\$ -	\$ 1,048,028
Investments	1,406,196	2,003,653	250,213	-	3,660,062
Receivables:					
Taxes:					
Sales	1,510,597	-	-	-	1,510,597
Property	363,239	-	-	-	363,239
Franchise	117,816	64,977	-	-	182,793
Lease receivable	548,652	-	-	-	548,652
Hotel/Motel	-	-	26,522	-	26,522
Accounts:					-
Warrants	182,585	-	-	-	182,585
Sanitation	79,652	-	-	-	79,652
Other	-	-	142,247	-	142,247
Special Assessments	-	30,306	-	-	30,306
Other	50,798	-	-	-	50,798
Due from other funds	192,140	-	4,892	-	197,032
Total Assets	<u>4,652,600</u>	<u>2,148,615</u>	<u>1,221,298</u>	<u>-</u>	<u>8,022,513</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued expenses	919,890	59,744	35,799	-	1,015,433
Due to component unit	377,649	-	-	-	377,649
Unearned revenue	-	28,796	40,898	-	69,694
Due to other governments	<u>9,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,968</u>
Total Liabilities	<u>1,307,507</u>	<u>88,540</u>	<u>76,697</u>	<u>-</u>	<u>1,472,744</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	362,965	-	-	-	362,965
Unavailable revenue - leases	522,482	-	-	-	522,482
Unavailable revenue - fines	<u>182,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,585</u>
Total Deferred Inflows of Resources	<u>1,068,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,068,032</u>
Fund Balances:					
Nonspendable	65,500	-	-	-	65,500
Restricted	37,061	2,003,653	769,099	-	2,809,813
Committed	-	-	375,502	-	375,502
Unassigned	<u>2,174,500</u>	<u>56,422</u>	<u>-</u>	<u>-</u>	<u>2,230,922</u>
Total Fund Balances	<u>2,277,061</u>	<u>2,060,075</u>	<u>1,144,601</u>	<u>-</u>	<u>5,481,737</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,652,600</u>	<u>\$ 2,148,615</u>	<u>\$ 1,221,298</u>	<u>\$ -</u>	<u>\$ 8,022,513</u>

The notes to the financial statements are an integral part of this statement.

CITY OF HENDERSON, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit 1)

	TOTAL GOVERNMENTAL FUNDS
Total fund balances governmental funds (Exhibit 3 page 1)	\$ 5,481,737
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	39,517,196
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	663,125
An Internal Service Fund is used by management to charge the cost of claims to individual funds The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Position.	(24,697)
Long term liabilities, including bonds payable , are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	(7,628,579)
Recognition of the City's net pension and OPEB liability and related deferred resource inflows and outflows occurs in the Statement of Net Position but is not reported in the funds.	(3,892,709)
Net position of governmental activities	\$ 34,116,073

The notes to the financial statements are an integral part of this statement.

CITY OF HENDERSON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	GENERAL	STREET AND DRAINAGE FUND	OTHER GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes:					
Sales	\$ 6,835,926	\$ -	\$ -	\$ -	\$ 6,835,926
Property	3,743,288	-	1,133,464	-	4,876,752
Franchise	586,131	194,493	-	-	780,624
Hotel/Motel	-	-	305,955	-	305,955
Permits and fees	125,832	-	-	-	125,832
Charges for services	2,198,924	61,660	519,854	-	2,780,438
Fines and forfeitures	178,253	-	-	-	178,253
Intergovernmental revenues	431,482	-	-	-	431,482
Interest	116,556	104,974	46,561	-	268,091
Grant income	476,741	-	-	-	476,741
Insurance claims	725,654	0	-	-	725,654
Miscellaneous	867,552	-	73,718	-	941,270
Total Revenues	16,286,339	361,127	2,079,552	-	18,727,018
EXPENDITURES					
Current:					
General government:					
Administration	1,244,969	-	-	-	1,244,969
Finance	420,522	-	-	-	420,522
Municipal court	237,202	-	-	-	237,202
Nondepartmental	1,729,404	-	-	-	1,729,404
Public safety:					
Police	4,461,421	-	29,416	-	4,490,837
Fire	2,201,528	-	-	-	2,201,528
Sanitation	1,887,412	-	-	-	1,887,412
Public services:					
Tourism	-	-	169,552	-	169,552
Civic center	-	-	236,702	-	236,702
Main street	-	-	21,668	-	21,668
Streets	1,489,006	303,144	388	-	1,792,538
Parks	562,485	-	160,274	-	722,759
Activity center	9,828	-	-	-	9,828
Cemeteries	30,074	-	555	-	30,629
Community development	450,896	-	6,287	-	457,183
Animal Shelter	439,581	-	3,210	-	442,791
Capital outlay	1,824,354	70,339	433,741	-	2,328,434
Debt service:					
Bond principal	-	-	830,820	-	830,820
Lease payments	9,872	-	-	-	9,872
Note principal	179,247	-	-	-	179,247
Interest and fees	20,915	-	252,956	-	273,871
				-	
Total Expenditures	17,198,716	373,483	2,145,569	-	19,717,768
Revenues Over (Under) Expenditures	(912,377)	(12,356)	(66,017)	-	(990,750)

The notes to the financial statements are an integral part of this statement.

CITY OF HENDERSON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	GENERAL	STREET AND DRAINAGE FUND	OTHER GOVERNMENTAL FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 65,866	\$ -	\$ 117,000	\$ (117,000)	\$ 65,866
Transfers out	(386,548)	-	-	117,000	(269,548)
Lease Proceeds	23,558	-	-	-	23,558
Proceeds from sale of assets	10,800	-	-	-	10,800
Proceeds from bond Issuance	-	2,055,000	-	-	2,055,000
Total Other Financing Sources (Uses)	(286,324)	2,055,000	117,000	-	1,885,676
Net Change in Fund Balances	(1,198,701)	2,042,644	50,983	-	894,926
Fund Balance, October 1, 2023	3,475,762	17,431	1,093,618	-	4,586,811
Fund Balance, September 30, 2024	\$ 2,277,061	\$ 2,060,075	\$ 1,144,601	\$ -	\$ 5,481,737

The notes to the financial statements are an integral part of this statement.

CITY OF HENDERSON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds	\$ 894,926
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(251,532)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the government wide statements.	39,403
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,019,357)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds	82,171
Internal Service Funds are used by management to charge the costs of health insurance to individual funds.	304
Change in net position of governmental activities	<u>\$ (254,085)</u>

CITY OF HENDERSON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Taxes:				
Sales	\$ 9,330,000	\$ 9,330,000	\$ 9,104,728	\$ (225,272)
Property	3,915,000	3,915,000	3,743,288	(171,712)
Franchise	675,000	675,000	586,131	(88,869)
Licenses and permits	120,000	120,000	125,832	5,832
Charges for services	2,101,862	2,071,862	2,197,335	125,473
Fines and forfeitures	213,200	213,200	178,253	(34,947)
Intergovernmental	380,000	380,000	431,482	51,482
Interest income	162,500	162,500	93,400	(69,100)
Grant income	-	-	-	-
Miscellaneous income	837,535	1,603,964	1,550,646	(53,318)
Total Revenues	17,735,097	18,471,526	18,011,095	(460,431)
EXPENDITURES				
General administration	1,032,112	1,813,041	2,632,299	(819,258)
Treasury and financial	421,806	421,806	420,522	1,284
Municipal court	243,344	243,344	237,202	6,142
Nondepartmental	1,877,540	1,877,540	1,734,932	142,608
Police	4,836,755	4,903,593	4,782,938	120,655
Fire	2,080,986	2,154,876	2,202,319	(47,443)
Sanitation	1,700,000	1,700,000	2,041,288	(341,288)
Streets	1,413,261	1,413,261	1,495,473	(82,212)
Parks	545,479	545,479	558,519	(13,040)
Activity center	13,800	13,800	15,500	(1,700)
Cemeteries	20,000	20,000	30,074	(10,074)
Community development	456,232	456,232	478,143	(21,911)
Animal control	441,123	449,123	440,547	8,576
Equipment replacement	302,000	384,923	437,852	(52,929)
Total Expenditures	15,384,438	16,397,018	17,507,608	(1,110,590)
Revenues Over (Under) Expenditures	2,350,659	2,074,508	503,487	(1,571,021)
OTHER FINANCING SOURCES (USES)				
Transfers in	150,138	150,138	150,019	(119)
Transfers out	(101,153)	(101,153)	(201,153)	(100,000)
Sales tax payments to HEDCO	(2,037,500)	(2,271,948)	(2,268,802)	3,146
Note payments	(199,590)	(199,590)	(199,066)	524
Total Other Financing Sources (Uses)	(2,188,105)	(2,422,553)	(2,519,002)	(96,449)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses - Budget Basis	162,554	(348,045)	(2,015,515)	(1,667,470)
Budget Basis to GAAP Basis Adjustment (Note A)	-	-	816,814	816,814
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses - GAAP Basis	162,554	(348,045)	(1,198,701)	(850,656)
Fund Balance, October 1, 2023	-	348,045	3,475,762	3,127,717
Fund Balance, September 30, 2024	\$ 162,554	\$ -	\$ 2,277,061	\$ 2,200,491

Note A - Explanation of Differences Between Budget Basis Presentation and GAAP

Basis Presentation:

Uses/Outflows of Resources:

Differences - Budget to GAAP	
Increase in accrued revenues	554,846
Lease proceeds from GASB 87	23,558
Capital outlay from GASB 87 leases	(23,558)
Decrease in accrued expenses	261,968
Capital outlay transferred into water and sewer fund	269,548
Record transfers to other funds	(269,548)

Net Change in Budget Basis Presentation and GAAP Basis Presentation

\$ 816,814

CITY OF HENDERSON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2004

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Self-Insurance Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 232,710	\$ -
Investments	302,845	-
Accounts receivable (net)	723,876	-
Total Current Assets	1,259,431	-
Restricted Current Assets:		
Temporarily Restricted		
Cash and cash equivalents	213,718	11,775
Investments	203,524	-
Total Restricted Current Assets	417,242	11,775
Capital Assets:		
Land	410,131	-
Construction in progress	4,426,248	-
Motor vehicles	647,797	-
Machinery and equipment	1,617,856	-
Water and sewer system	39,400,680	-
Less: Accumulated depreciation	(21,168,159)	-
Total Capital Assets Net of Accumulated Depreciation	25,334,553	-
Total Assets	27,011,226	11,775
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding (net of amortization)	745	-
Deferred outflows on OPEB	70,784	-
Deferred outflows on TMRS pension	1,074,582	-
Total Deferred Outflows of Resources	1,146,111	-
	(continued)	(continued)

CITY OF HENDERSON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Self-Insurance Fund
LIABILITIES		
Current Liabilities:		
Unrestricted current liabilities:		
Accounts payable	\$ 300,040	\$ -
Claims payable	-	36,472
Accrued expenses	9,124	-
Current portion of compensated absences payable	4,133	-
Due to other funds	197,032	-
Total Unrestricted Current Liabilities	510,329	36,472
Current Liabilities Payable from Restricted Assets:		
Accrued interest	44,754	-
Customer deposits	521,254	-
Notes payable	263,110	-
Bonds payable	394,450	-
Total Current Liabilities Payable from Restricted Assets:	1,223,568	-
Total Current Liabilities	1,733,897	36,472
Noncurrent Liabilities:		
Bonds payable	6,532,931	-
Notes payable	3,718,026	-
Net OPEB liability	191,878	-
Compensated absences payable	68,422	-
Net pension liability	1,517,929	-
Total Noncurrent Liabilities	12,029,186	-
Total Liabilities	13,763,083	36,472
DEFERRED INFLOWS OF RESOURCES		
Deferred charge on OPEB	48,455	-
Deferred charge on TMRS pension	500,932	-
Total Deferred Inflows of Resources	549,387	-
NET POSITION		
Net investment in capital assets	14,814,343	-
Restricted for:		
Debt service	78,387	-
Unrestricted	(1,047,863)	(24,697)
Total Net Position	\$ 13,844,867	\$ (24,697)

CITY OF HENDERSON, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Fund Self-Insurance Fund
OPERATING REVENUES		
Water sales	\$ 3,477,677	\$ -
Sewer charges	2,600,964	-
Charges for other services	131,247	-
Total Operating Revenues	6,209,888	-
OPERATING EXPENSES		
Administration	682,238	-
Cost of sales and services	4,467,518	-
Depreciation and amortization	1,045,964	-
Total Operating Expenses	6,195,720	-
Operating Income (Loss)	14,168	-
NON-OPERATING REVENUES (EXPENSES)		
Interest and fiscal charge expense	(343,923)	-
Other income (expense)	14,562	-
Interest income	69,129	304
Total Non-Operating Revenue (Expenses)	(260,232)	304
INCOME BEFORE TRANSFERS	(246,064)	304
Transfers in	269,548	
Transfers out	(65,866)	-
Total Transfers	203,682	-
Change in Net Position	(42,382)	304
Net Position, October 1, 2023	13,887,249	(25,001)
Net Position, September 30, 2024	\$ 13,844,867	\$ (24,697)

The notes to the financial statements are an integral part of this statement.

**CITY OF HENDERSON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Business-type Activities - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Fund Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 6,182,521	\$ -
Cash paid to suppliers for goods and services	(3,329,833)	-
Cash paid to employees for services	(1,879,244)	-
Net cash provided by operating activities	973,444	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Amounts paid on interfund loans	12,704	-
Transfers in	269,548	-
Transfers out	(65,866)	-
Net cash used in non-capital financing activities	216,386	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases or construction of capital assets	(1,738,034)	-
Sale of investments	697,126	-
Interest paid	(328,208)	-
Principal paid on notes	(256,718)	-
Principal paid on bonds	(388,197)	-
Net cash used in capital and related financing activities	(2,014,031)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned on investments	69,129	304
Net cash provided by investing activities	69,129	304
Net increase in cash	(755,072)	304
Cash, beginning of period	1,201,500	11,471
Cash, end of period	\$ 446,428	\$ 11,775
Reconciliation to Exh 7		
Cash and cash equivalents - current asset	\$ 232,710	\$ -
Cash and cash equivalents - temporarily restricted	213,718	11,775
Total cash, end of period	\$ 446,428	\$ 11,775

The notes to the financial statements are an integral part of this statement.

**CITY OF HENDERSON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Business-type Activities - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Fund Self-Insurance Fund
Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:		
Operating income (loss)	\$ 14,168	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	1,045,964	-
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(48,950)	-
Decrease (increase) in deferred outflows of resources	50,575	-
Increase (decrease) in accounts payable	(38,846)	-
Increase (decrease) in net pension liabilities	(207,202)	-
Increase (decrease) in postemployment benefits liabilities	44,226	-
Increase (decrease) in customer deposits	21,583	-
Increase (decrease) in deferred inflows of resources	91,926	-
Total adjustments	959,276	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 973,444	\$ -

The notes to the financial statements are an integral part of this statement.

**CITY OF HENDERSON, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	FIREMEN RETIREMENT PENSION TRUST
ASSETS	
Cash and cash equivalents	\$ 1,589
Total Assets	1,589
LIABILITIES	
Accounts payable	158
Total Liabilities	158
NET POSITION	
Held in trust for pension benefits	1,431
Total Net Position	\$ 1,431

The notes to the financial statements are an integral part of this statement.

CITY OF HENDERSON, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	FIREMEN RETIREMENT PENSION TRUST
ADDITIONS	
Contributions:	
Employer	\$ 2,000
Investment income:	
Interest and dividend income	19
Total Additions	2,019
DEDUCTIONS	
Benefits	1,983
Total Deductions	1,983
Change in net position	36
Net Position - beginning of year	1,395
Net Position - end of year	\$ 1,431

The notes to the financial statements are an integral part of this statement.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1: — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City, a home-rule municipal corporation organized and existing under the provisions of the Constitution of the State of Texas, adopted its first charter on April 1, 1947, and is operating under a charter amendment date of April 6, 1985. The City operates under a council-manager form of government and, as authorized by its charter, provides the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City of Henderson, Texas ("City") have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental and financial reporting. On June 15, 1987, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the government's accounting policies are described below.

B. Reporting Entity

These financial statements present all of the funds of the City.

The financial statements of the City of Henderson, Texas include all funds and account groups and other organizations for which the City is financially accountable. Financial accountability is determined on the basis of appointment of a voting majority of the respective governing board, imposition of will, financial benefit or burden and financial accountability as a result of fiscal dependency. In determining the financial reporting entity, the City complies with the provisions of Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" and Government Accounting Standards Board Statement No. 39, "Determining Whether a Certain Organizations are Component Units – an amendment of GASB No. 14," and includes all component units of which the City appointed a voting majority of the units' board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

C. Discretely Presented Component Unit

Henderson Economic Development Corporation (HEDCO) is a nonprofit corporation organized to promote and develop new or expanding employment roles within the City of Henderson or adjacent areas of Rusk County. The economic benefits provided by the corporation will benefit the City by stimulating the need for housing, retail sales, entertainment, etc. within the City. The Directors of the corporation are appointed by the City Council. Its budget must also be approved by the City Council. The ½ percent sales tax that funds HEDCO is received by the City from the State and is passed to HEDCO. (Refer to Note 9 for more information.)

Complete financial statements for HEDCO may be obtained at the entity's administrative offices at 400 W. Main, Henderson, Texas 75652.

D. Blended Component Unit

Henderson Main Street Advisory Board, Inc. (Main Street) is a nonprofit corporation organized to create a program to revitalize the downtown business City into a regional marketplace, increase capital investment downtown, attract new business, and improve the business mix, restore downtown to its earlier social significance, and preserve the historic buildings on the square. Members of the Board are appointed by the City Council. Main Street's primary source of funding is from the City. Main Street is reported in the City's financial statements as a Special Revenue Fund "Main Street."

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

E. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effects of the interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various function activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue. Major individual government funds are reported as separate columns in the financial statements. Nonmajor governmental funds are reported in a single column in the basic financial statements. A combining statement is presented after the notes with detail information for each fund.

F. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, hotel-motel taxes, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The Street and Drainage Fund accounts for the street and infrastructure improvements using the proceeds from the 2023 Series Bond.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income, change in net position, financial position, and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the statement of net position.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

F. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

The City reports the following major proprietary fund:

The Water and Sewer Fund is used to account for the operation of the City's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for bonds and certificates of obligation when due throughout the year. All costs are financed through user charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Fund.

Additionally, the City reports the following fund types:

Special Revenue Funds are used to account for revenue sources that are restricted to expenditures for specific purposes.

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

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

The Internal Service Fund accounted for health insurance services provided to other departments of the City on a cost-reimbursement basis.

The Firemen Retirement Pension Trust Fund accounts for the accumulation of resources for pension benefits payments to qualified volunteer firefighters.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided and (2) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer Fund are charges to customers for sales and services. Operating expenses for the Water and Sewer Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

G. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

Cash includes currency on hand and demand deposits with banks or other financial institutions. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. State statutes and the City's investment policy authorize the City to invest in U.S. Government obligations, certificates of deposit, money market mutual funds, and public funds investment pools. Accounting pronouncement GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, is applied to investments in external investment pools.

In accordance with GASB Statement No. 72, Fair Value Measurement and Application, investments are recorded at fair value. Consistent with GASB Statement No. 72, the City categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. A detail of the fair value hierarchy of investments held by the City is disclosed in Note 4 to the financial statements.

2. Restricted Assets

Proceeds from bonds and other financing arrangements, as well as resources set aside for bond repayment, are classified as restricted assets on the statement of net position when their use is limited by applicable covenants. Other restricted assets include funds restricted for construction from bond proceeds, contractual obligation debt service funds, and customer deposits. Assets restricted for a specific purpose are utilized before the use of unrestricted assets to pay related obligations when authorized to do so.

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balance between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectible. The City provides an allowance for doubtful accounts based upon the anticipated collectability of each specific account, as determined by experience.

4. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. The City bills and collects its own property taxes. In the government-wide financial statements, City property tax revenue is recognized when levied, and in the fund financial statements, City property tax revenue is recognized when collected.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

G. Assets, Liabilities, and Net Position or Equity - Continued

An allowance is established for delinquent taxes to the extent that their collectability is improbable. The City's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real and personal property located in the City. The assessment ratio of the City is 100 percent of market value.

5. Due from Other Funds

Current portions of long-term interfund loans receivable (reported in "Due from" asset accounts) are considered "available spendable resources".

6. Capital Assets

Capital assets, which include property, plant, equipment, water and wastewater distribution systems, and infrastructure (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City, a Phase 3 government as defined by GASB Statement No. 34, chose not to report infrastructure retroactively but only prospectively.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital asset additions and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Vehicles	5
Improvements	5-20
Equipment	3-5
Water & Wastewater System	40-60
Infrastructure	60

7. Construction in Progress

Expenditures on incomplete capital projects have been capitalized as construction in progress. The assets resulting from these projects will be transferred from the construction in progress accounts to the appropriate asset account as the projects are completed.

8. Bond Premiums and Issue Costs

Bond premiums in the Enterprise Fund are amortized over the term of the bonds using the effective interest amortization method. The City has implemented GASB Statement No. 65. Under GASB Statement No. 65, bond issue costs are expensed when incurred.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

G. Assets, Liabilities, and Net Position or Equity - Continued

9. Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned, but unused, vacation and sick leave. Upon separation from City employment, a regular employee who has completed at least one year of continuous employment will be paid for accrued and unused vacation leave up to the limit of his or her maximum allowable accumulation. No more than 160 hours for regular full-time employees and 240 hours for firefighters can be carried over to the next year. On the employee's anniversary date, any vacation leave balance in excess of the appropriate maximum is reduced to the maximum without compensation.

Compensatory time off (comp time) may be granted by the City in lieu of overtime pay to non-exempt employees. The maximum accrual of comp time that may be accumulated by regular full-time employees is 60 hours and by firefighters is 120. Upon termination of employment, any accrued comp time is paid to the terminated employee.

Accumulated unpaid vacation amounts and comp time are accrued as a current liability in the period they are earned in proprietary funds (using the accrual basis of accounting) and the government-wide financial statements. In governmental funds, the cost of vacation and comp time is recognized when payments are due. In the event of termination or retirement, sick pay is not paid. Therefore, no accrued liabilities for sick pay are recorded. The General Fund and the Water and Sewer Enterprise Fund are used to liquidate the accrued compensated absences liability.

10. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recorded as expenses in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following three items that qualify for reporting in this category: unamortized deferred amount on refunding, deferred outflows of resources related to pensions, and deferred outflows of resources related other postemployment benefits.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. Unavailable Deferred Revenue related to unavailable property taxes and unavailable citations receivable are reported only in the governmental fund balance sheet. Additionally, the City also reflects as unearned revenue, resources that have been received, but not earned, such as deposits and law enforcement seizure funds. In the statement of financial position the City reports deferred inflows of resources related to pensions/other postemployment benefits.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

G. Assets, Liabilities, and Net Position or Equity - Continued

12. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment employment benefits, and OPEB expense, have been determined on the same basis as they are reported by TMRS under the Supplemental Death Benefits Fund. These items are also recorded for the City's Health Plan. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms.

14. Fund Balances Classification

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned. Fund balances of the governmental funds are classified as follows:

Nonspendable - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - represents amounts that can only be used for a specific purpose because of a formal action by the City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the City Council. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution or ordinance prior to the end of the fiscal year, commit fund balance. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned - represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the City Council or by an official or body to which the City Council delegates the authority. The City Council has authorized the City Manager or his/her designee to assign fund balance. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

Unassigned - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

G. Assets, Liabilities, and Net Position or Equity – Continued

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

15. Net Position

The City has adopted GASB Statement No. 63, which redefines how net assets are presented in the financial statements. The Statement of Net Assets is now the Statement of Net Position. Net position represents the difference between assets and liabilities, and is divided into three components.

Net investment in capital assets - This component consists of the City's capital assets, net of accumulated depreciation, reduced by any outstanding debt used for the acquisition or construction of those assets and adjusted for any deferred outflows or inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt.

Restricted – This component consist of those amounts which have limitations imposed on their use either through legislation adopted by the City or through external restrictions imposed by creditors, grantors or other laws and regulations, reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component consist of the net amount of the assets, deferred outflows and inflows of resources, and liabilities not included in net investment in capital assets or restricted components of net position.

16. Tax Abatements

The City adopted GASB Statement No. 77, Tax Abatement Disclosures. The City has evaluated the total tax abatements issued for the year and has determined that the amount is not material to the financial statements.

17. Estimates

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

18. Implementation of New Standards

In June 2022, GASB issued Statement No. 100 Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62 which defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this statement are effective for reporting periods beginning after June 15, 2023. The City implemented this statement as applicable for the fiscal year ending September 30, 2024. The change did not have a material effect on the City's financial statements.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

G. Assets, Liabilities, and Net Position or Equity – Continued

19. Future Implementation of New Standards

In June 2022, GASB issued Statement No. 101 Compensated Absences requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. The requirements of this statement are effective for reporting periods beginning after December 15, 2023. The City is evaluating the impact of this statement on its financial statements.

In December 2023, GASB issued Statement No. 102 *Certain Risk Disclosures which* requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. Concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources, for example, as small number of companies that represent a majority of employment I a government’s jurisdiction, or a government that relies on one revenue source for most of its revenue. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority, such as voter-approved property tax cap or a state-imposed debt limit. The requirements of this statement are effective for reporting periods beginning after June 15, 2024. The City is evaluating the impact of this statement on its financial statements.

NOTE 2 — RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

Exhibit 3 on page 14 is a reconciliation between Total Fund Balances-Total Governmental Funds and Net Position-Governmental Activities. One element of that reconciliation explains that “Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.” The details of this \$663,125 difference are as follows:

Delinquent Property Taxes Receivable	\$ 362,965
Outstanding Warrants Receivable	182,585
Note Receivable	<u>117,575</u>
Net Adjustment to <i>Increase</i> Total Fund Balances-Total Governmental Funds	
to Arrive at Net Position-Governmental Activities	<u><u>\$ 663,125</u></u>

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position – Continued

Another element of the reconciliation states that “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(7,628,579) difference are as follows:

Certificates of Obligation Payable	\$ (6,580,550)
Accrued Interest	(19,626)
Unamortized Premium on Issue	(114,549)
Other Changes in Liabilities	-
Notes Payable	(506,086)
Lease Payable	(45,600)
Accrued Compensated Absences	<u>(362,168)</u>
Net Adjustment to <i>Decrease</i> Total Fund Balances-Total Governmental Funds to Arrive at Net Position-Governmental Activities	<u><u>\$ (7,628,579)</u></u>

The reconciliation states that “Recognition of the City’s net pension liability and OPEB liability and related deferred resource inflows and outflows occurs in the Statement of Net Position but is not reported in the funds.” The details of this \$(3,892,709) difference are as follows:

Net Pension Liability	\$ (5,323,034)
Net OPEB Liability	(745,307)
Deferred Resource Inflow	(2,223,158)
Deferred Resource Outflow	<u>4,398,790</u>
Net Adjustment to <i>Decrease</i> Total Fund Balances-Total Governmental Funds to Arrive at Net Position-Governmental Activities	<u><u>\$ (3,892,709)</u></u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

Exhibit 5 on page 18 is a reconciliation between Net Changes in Fund Balances-Total Governmental Funds and Changes in Net Position of Governmental Activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(251,532) difference are as follows:

Capital Outlay Expenditures, net of disposals	\$ 2,317,634
Depreciation Expense	<u>(2,569,166)</u>
Net Adjustment to <i>Increase</i> Net Changes in Fund Balances-Total Governmental Funds to Arrive at Changes in Net Position-Governmental Activities	<u><u>\$ (251,532)</u></u>

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities – Continued

Another element of the reconciliation states that “Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$39,403 difference are as follows:

Current Year Increase/(Decrease) in Net Property Taxes Receivable	\$ -
Current Year Increase/(Decrease) in Net Outstanding Warrants Receivable	39,403
Net Adjustment to <i>Decrease</i> Net Changes in Fund Balances-Total Governmental Funds	
to Arrive at Changes in Net Position-Governmental Activities	<u>\$ 39,403</u>

Another element of the reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$(1,019,357) difference are as follows:

Principal Payments on Certificates of Obligation	\$ 830,820
Principal Payments on Notes Payable	179,247
Principal Payments on Leases Payable	9,872
Proceeds from Bond issuance	(2,055,000)
Current Year (Increase)/Decrease in Accrued Interest Payable	16,117
Proceeds from Leases	(23,558)
Amortization of Bond Premium	23,145
Net Adjustment to <i>Decrease</i> Net Changes in Fund Balances-Total Governmental Funds	
to Arrive at Changes in Net Position-Governmental Activities	<u>\$ (1,019,357)</u>

Another element of the reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.” The details of this \$82,171 difference are as follows:

Increase in Compensated Absences	\$ (4,227)
Net OPEB Liability Expenses	(8,737)
Net Pension Liability Expenses	95,135
Net Adjustment to <i>Decrease</i> Net Changes in Fund Balances-Total Governmental Funds	
to Arrive at Changes in Net Position-Governmental Activities	<u>\$ 82,171</u>

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 — STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for all governmental funds except the Street Renovation Fund, Task Force Fund, Civic Center Fund, and 2012 Bond Fund. Additionally, the Water and Sewer Enterprise Fund is budgeted. Encumbrance accounting is employed in all funds. Encumbrances outstanding at year-end are cancelled. All annual appropriations lapse at fiscal year-end.

The City budgets on a departmental basis, without regard to whether expenditures are current, capital, debt service, or a transfer to another fund. Additionally, transfers from other funds and carryovers from prior years are budgeted as revenue. During the year ended September 30, 2024, the City revised its budget.

Total appropriations for all departments of the City may not exceed the reasonable and anticipated revenues of the City in excess of fixed charges for the year. Formal budgetary integration is employed as a management control device during the year for the General Fund, Debt Service Fund, and Special Revenue Funds, as well as the Water and Sewer Enterprise Fund. For the year ended September 30, 2024, actual expenditures were below budgeted amounts in every department except for the Sanitation department and Nondepartmental expenditures.

NOTE 4 — DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash and investments as of September 30, 2024 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:	
Primary Government	
Cash and cash equivalents	\$ 1,280,738
Restricted cash and cash equivalents	225,493
Investments	3,962,907
Restricted investments	203,524
Fiduciary Funds	
Cash and cash equivalent	1,589
Restricted cash and cash equivalents	-
Total Cash and Investments	<u>\$ 5,674,251</u>
Cash on hand	\$ 3,710
Cash and cash equivalents held in investment account	716,043
External Investment pools	3,450,388
Savings and checking accounts	<u>1,504,110</u>
Total Cash and Investments	<u>\$ 5,674,251</u>

At September 30, 2024, the carrying amount of the City's deposits with financial institutions, including time deposits and certificates of deposits, was \$5,674,253 and the bank balance was \$6,016,266. The bank balance was fully covered by federal depository insurance or collateral held by the pledging financial institution's agent in the City's name.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

A. Deposits and Investments – Continued

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

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

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

During the year ended September 30, 2024, the City invested in certificates of deposit with its depository bank and a public funds investment pool. The City's investment in the public funds investment pool as of September 30, 2024, is shown below.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Risk</u>
Certificates of Deposit	\$ 716,043	0.53	N/A
TexSTAR	3,450,388	0.04384	AAA-m
	<u>\$ 4,166,431</u>		

GASB Statement No. 77, Fair Value Measurement and Application, establishes a fair value hierarchy for inputs used in the measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available, of how the market would price the asset or liability. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk.)

The asset's or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

A. Deposits and Investments – Continued

A summary of the City’s investments under the requirements of the fair value hierarchy as of September 30, 2024 are as follows:

	Assets at Fair Value as of September 30, 2023			
	Level 1	Level 2	Level 3	Total
Primary Government:				
Certificates of Deposit	\$ -	\$ 716,043	\$ -	\$ 716,043
Texas Government Investment Pool	-	3,450,388	-	3,450,388
Total Primary Government	<u>\$ -</u>	<u>\$ 4,166,431</u>	<u>\$ -</u>	<u>\$ 4,166,431</u>

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. The City’s investment policy limits its investments to U.S. government securities, investment pools, certificates of deposit, and money market funds. The City was not significantly exposed to credit risk.

At September 30, 2024, the City’s investments, other than those which are obligations of or guaranteed by the U.S. Government, are rated as to credit quality as follows:

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name. The City was not exposed to custodial credit risk.

Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City’s investment policy limits the concentration of its investments by investment type. The City was not exposed to concentration of credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City was not exposed to interest rate risk.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. The City does not engage in foreign currency transactions. The City was not exposed to foreign currency risk.

Public Funds Investment Pools

Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the “Act”), Chapter 2256 of the Texas Government Code.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

A. Deposits and Investments – Continued

In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The City's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940.

TexSTAR – The City invests in the Texas Short Term Asset Reserve Program (TexSTAR), which has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexSTAR is managed by a five-member board of directors (Board). In accordance with the Public Funds Investment Act, TexSTAR maintains an advisory board composed of participants in TexSTAR and other persons who do not have a business relationship with TexSTAR. Advisory board members are appointed and serve at the will of the Board of Directors. J.P. Morgan Investment Management, Inc. (JPMIM) and First Southwest Company (FSC) serve as co-administrators for TexSTAR under an agreement with the Board JPMIM provides investment management services, and FSC provides participant services and marketing. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investor Services Co. Transfer Agency Services are provided by Boston Financial Data Services, Inc. The business affairs managed by the Board in accordance with its bylaws. The bylaws set forth procedures governing the selection procedures governing the selection of, and action taken by, the Board. Board oversight of TexSTAR is maintained through various reporting requirements. TexSTAR is rated AAAM by Standard and Poor's and is not operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which generally approximates the market value of the securities. The stated objective of TexSTAR is to maintain a stable \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured.

B. Receivables

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

	General Fund	Street and Drainage Fund	Water & Sewer Enterprise	Other Governmental Funds	Total
Receivables:					
Accounts	\$ 622,856	\$ 2,300	\$ 750,029	\$ 142,247	\$ 1,517,432
Taxes	2,043,426	-	-	91,499	2,134,925
Assessments	-	28,006	-	-	28,006
Lease Receivable	548,652	-	-	-	548,652
Miscellaneous	40,310	-	4	-	40,314
Gross receivables	3,255,244	30,306	750,033	233,746	4,269,329
Less: Allowance for Uncollectables	(401,905)	-	(26,157)	-	(428,062)
Net Receivables	<u>\$ 2,853,339</u>	<u>\$ 30,306</u>	<u>\$ 723,876</u>	<u>\$ 233,746</u>	<u>\$ 3,841,267</u>

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

B. Receivables – Continued

The only receivables not expected to be collected within one year are \$30,306 of Special Assessment receivables in the Street and Drainage Special Revenue Fund. During the year, the City had a note receivable in the amount of \$117,575 to Henderson Village, LTD, which will be collected in full in January 2034. The original amount of the receivable is \$140,000 with an interest rate of 3.00%.

Governmental funds report deferred revenue (deferred inflows of resources) in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

C. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

PRIMARY GOVERNMENT	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,578,679	\$ -	\$ -	\$ 2,578,679
Construction in progress	1,535,220	561,896	2,097,116	-
Total Capital Assets, Not Being Depreciated	4,113,899	561,896	2,097,116	2,578,679
Capital Assets, Being Depreciated				
Buildings	11,384,271	3,021,120	-	14,405,391
Improvements other than buildings	5,215,231	-	-	5,215,231
Motor Vehicles	2,393,940	571,813	278,737	2,687,016
Equipment	5,942,785	176,826	-	6,119,611
Infrastructure	26,560,174	70,339	-	26,630,513
Right-of-use Asset	49,118	23,556	-	72,674
Total Capital Assets, Being Depreciated	51,545,519	3,863,654	278,737	55,130,436
Less Accumulated Depreciation For:				
Buildings	2,468,138	317,927	-	2,786,065
Improvements other than buildings	3,533,211	581,353	-	4,114,564
Motor Vehicles	1,457,701	303,762	278,737	1,482,726
Equipment	4,111,282	604,681	-	4,715,963
Infrastructure	4,315,857	749,719	-	5,065,576
Right-of-use Asset	15,301	11,724	-	27,025
Total Accumulated Depreciation	15,901,490	2,569,166	278,737	18,191,919
Net Total Assets Being Depreciated	35,644,029	(1,726,632)	-	36,938,517
Governmental Activities Capital Assets, Net	\$ 39,757,928	\$ 1,856,384	\$ 2,097,116	\$ 39,517,196

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

C. Capital Assets – Continued

PRIMARY GOVERNMENT	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 410,131	\$ -	\$ -	\$ 410,131
Construction in Progress	7,934,478	628,480	4,136,710	4,426,248
Total Capital Assets, Not Being Depreciated	8,344,609	628,480	4,136,710	4,836,379
Capital Assets, Being Depreciated				
Water and Sewer System	34,405,411	4,995,269	-	39,400,680
Machinery and Equipment	2,014,658	250,995	-	2,265,653
Total Capital Assets, Being Depreciated	36,420,069	5,246,264	-	41,666,333
Less Accumulated Depreciation For:				
Water and Sewer System	18,766,102	783,864	-	19,549,966
Machinery and Equipment	1,354,800	263,393	-	1,618,193
Total Accumulated Depreciation	20,120,902	1,047,257	-	21,168,159
Net Total Assets Being Depreciated	16,299,167	4,199,007	-	20,498,174
Business-Type Activities Capital Assets, Net	\$ 24,643,776	\$ 4,827,487	\$ 4,136,710	\$ 25,334,553

Right-of-Use Assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The City is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet.

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

Governmental Activities:	
General Government	\$ 239,289
Public Safety	765,923
Public Services	1,563,954
Total depreciation expense, governmental activities	<u>\$ 2,569,166</u>
Business-Type Activities:	
Water and Sewer Operations	<u>\$ 1,047,257</u>

As of September 30, 2024, the City has various active construction projects. The projects are for street and water and sewer construction. At year-end the City's commitment with contractors are as follows:

Project	Spent To-Date	Estimated Remaining Construction
Water meter upgrades	4,389,988	210,544
2024 Master Street Utility Project	36,260	7,490

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2024, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Tourism Fund	\$ 5,748
General Fund	Water and Sewer	191,176
Tourism Fund	General Fund	4,974
General Fund	Cemetery Fund	82
Total		\$ 201,980

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of interfund transfers as of September 30, 2024, is as follows:

	Transfers In				
	General	General Construction	Main Street	Water & Sewer	Total
<u>Transfers Out:</u>					
General	\$ -	\$ 100,000	\$ 17,000	\$ 269,548	\$ 386,548
Main Street	-	-	-	-	-
General Construction	-	-	-	-	-
Water and Sewer	65,866	-	-	-	65,866
Total transfers out/in	\$ 65,866	\$ 100,000	\$ 17,000	\$ 269,548	\$ 452,414

E. Long-Term Debt

The following is a summary of bond and certificates of obligation transactions of the City for the year ended September 30, 2024:

	GENERAL OBLIGATION	REVENUE	TOTAL
Bonds payable - October 1, 2023	\$ 205,000	\$ 12,445,310	\$ 12,650,310
Additions	-	2,055,000	2,055,000
Retirements	(105,000)	(1,110,310)	(1,215,310)
Bonds payable - September 30, 2024	\$ 100,000	\$ 13,390,000	\$ 13,490,000

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

E. Long-Term Debt- Continued

Original issue amounts currently outstanding are as follows:

Purpose	Interest Rates	Original Issue Amount
Governmental Activities:		
2011 Tax & Waterworks and Sewer System Limited Pledge Revenue Certificates of Obligation	2.25% - 4.0%	\$ 340,000
2012 Tax & Waterworks and Sewer System Limited Pledge Revenue Certificates of Obligation	0.88% - 3.16%	484,825
2019 Tax & Waterworks and Sewer System Limited Pledge Revenue Certificates of Obligation	3.25% - 4.50%	4,955,000
2023 Tax Revenue Certificates of Obligation	4.44%	2,055,000
Business-Type Activities:		
2012 Tax & Waterworks and Sewer System Limited Pledge Revenue Certificates of Obligation	0.88% - 3.16%	540,175
2014 General Obligation Refunding Bonds	2.00% - 2.50%	310,000
2018 Tax & Waterworks and Sewer System Limited Pledge Revenue Certificates of Obligation	3.125% - 4.0%	<u>6,815,000</u>
Total General Obligation Bonds and Certificates of Obligation		<u>\$ 15,500,000</u>

Annual debt service requirements to maturity for the City for general obligation bonds, certificates of obligation, and revenue bonds are as follows:

Year Ending September 30	GOVERNMENTAL		BUSINESS-TYPE		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2025	705,550	232,491	394,450	227,446	\$ 1,559,937
2026	730,000	206,048	405,000	217,631	1,558,679
2027	765,000	173,696	425,000	201,431	1,565,127
2028	790,000	146,747	440,000	184,431	1,561,178
2029	820,000	118,899	455,000	171,231	1,565,130
2030-2034	2,770,000	236,917	2,490,000	637,594	6,134,511
2035-2039	-	-	2,300,000	201,975	2,501,975
Total	<u>\$ 6,580,550</u>	<u>\$ 1,114,798</u>	<u>\$ 6,909,450</u>	<u>\$ 1,841,739</u>	<u>\$ 16,446,537</u>

Defeased Bonds Outstanding

GASB Statement No. 7 "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of September 30, 2024, outstanding balances of debt issues have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments.

The balance of all defeased bonds outstanding as of September 30, 2024 are as follows:

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

E. Long-Term Debt- Continued

Debt Issue	Outstanding Balance as of September 30, 2024
City of Henderson 2004 Waterworks and Sewer System Limited Pledge Revenue	125,000
Certificates of Obligations	\$ 125,000

Changes in Long-Term Liabilities

Long term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance 10/01/23	Additions	Reductions	Ending Balance 09/30/24	Due Within One Year
Governmental Activities:					
Certificates of Obligation	5,356,370	2,055,000	830,820	6,580,550	705,550
Add: Premium on Issue	137,695	-	23,146	114,549	-
Total Bonds Payable	<u>5,494,065</u>	<u>2,055,000</u>	<u>853,966</u>	<u>6,695,099</u>	<u>705,550</u>
Lease liability	31,914	23,558	9,872	45,600	12,504
Notes Payable	685,333	-	179,247	506,086	184,050
OPEB Liability	551,120	194,187	-	745,307	-
Compensated Absences	357,940	4,228	-	362,168	36,217
Net Pension Liability	<u>6,232,760</u>	<u>-</u>	<u>909,726</u>	<u>5,323,034</u>	<u>-</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 13,353,132</u>	<u>\$ 2,276,973</u>	<u>\$ 1,952,811</u>	<u>\$ 13,677,294</u>	<u>\$ 938,321</u>
Business-Type Activities:					
General Obligation Bonds	205,000	-	105,000	100,000	100,000
Add: Premium on Issue	2,455	-	2,414	41	-
Certificates of Obligation	7,088,940	-	279,490	6,809,450	294,450
Add: Premium on Issue	19,180	-	1,293	17,887	-
Total Bonds Payable	<u>7,315,575</u>	<u>-</u>	<u>388,197</u>	<u>6,927,378</u>	<u>394,450</u>
Notes Payable	4,237,854	-	256,718	3,981,136	263,110
OPEB Liability	147,652	44,226	-	191,878	-
Compensated Absences	72,555	-	-	72,555	4,133
Net Pension Liability	<u>1,725,131</u>	<u>-</u>	<u>207,202</u>	<u>1,517,929</u>	<u>-</u>
Business-Type Activity					
Long-Term Liabilities	<u>\$ 13,498,767</u>	<u>\$ 44,226</u>	<u>\$ 595,399</u>	<u>\$ 12,690,876</u>	<u>\$ 661,693</u>

The liabilities listed above for compensated absences are liquidated by the General Fund or the Water & Sewer Enterprise Fund, depending upon which fund records the employee's salary.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

F. Leases

The City has various copiers and public safety radios under lease, along with leases to third parties for property and equipment. With the implementation of GASB Statement No. 87 Leases, effective for the fiscal year ended September 30, 2022, all leases were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions. With this implementation, a respective receivable or payable is recognized.

Lessor Leases Receivable

During the current year, the City has entered into a new lease agreement for land with Sparklight. Lease receivables additions for the year ended September 30, 2024, were \$0 and lease revenue for the year then ended was \$51,831. Annual payments range from \$11,000 to \$24,000 at an interest rate of 4.06%. Future annual lease receivables as of September 30, 2024, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Receipts</u>
2025	\$ 39,451	\$ 21,608	\$ 61,059
2026	41,512	19,979	61,491
2027	43,676	18,265	61,941
2028	33,451	16,699	50,150
2029	37,060	15,282	52,342
2030-2034	146,596	55,868	202,464
2035-2039	132,132	29,222	161,354
2040-2044	73,539	5,995	79,534
Total Future Receipts	<u>\$ 547,417</u>	<u>\$ 182,918</u>	<u>\$ 730,335</u>

Lessee Leases Payable

In March of 2022, the City entered into a lease with UT Health for radios for the police and fire departments. Lease payable payments were \$7,908. Annual payments for the lease are based on the number of radios in use at the beginning of each year. For the year ended September 30, 2024, the City had 87 radios in use at a rate of \$100 per radio. The City expects this number to remain constant for the foreseeable future. Annual payments for the radios are \$8,700 at an interest rate of 2.39%.

During 2024, the City entered into two leases for office equipment. Lease payable payments were \$1,964 for 2024. Monthly payments are \$432 with an interest rate of 4.00%. The future annual lease payables as of September 30, 2024, were as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2025	\$ 12,504	\$ 1,385	\$ 13,889
2026	12,879	1,010	13,889
2027	13,266	623	13,889
2028	4,966	222	5,188
2029	1,985	53	2,038
Total Future payments	<u>\$ 45,600</u>	<u>\$ 3,293</u>	<u>\$ 48,893</u>

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 5 — DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

	<u>Plan Year 2023</u>	<u>Plan Year 2022</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5,0/20	60/5,0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

C. Employees Covered by Benefit Terms

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

	<u>12/31/2023</u>	<u>12/31/2022</u>
Inactive employees or beneficiaries currently receiving benefits	93	85
Inactive employees entitled to but not yet receiving benefits	78	77
Active employees	<u>134</u>	<u>132</u>
	305	294

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

D. Contributions

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

Employees for the City of Henderson were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.71% for calendar year 2024. The contribution rate for the 2023 calendar year was 16.31%. The City's contributions to TMRS for the year ended September 30, 2024, were \$1,431,961 and exceeded the required contributions by \$7.

E. Net Pension Liability

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

F. Actuarial Assumptions

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	3.60% to 11.85% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- 15 year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

F. Actuarial Assumptions - Continued

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	6.70%
Core Fixed Income	6.00%	4.70%
Non-Core Fixed Income	20.00%	8.00%
Other Public and Private Markets	12.00%	8.00%
Real Estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private Equity	10.00%	11.60%
Total	100.00%	

G. Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

H. Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2022	\$ 42,434,284	\$ 34,476,393	\$ 7,957,891
Changes for the year:			
Service Cost	1,411,840	-	1,411,840
Interest	2,847,076	-	2,847,076
Change in benefit terms	-	-	-
Difference between expected/actual experience	917,039	-	917,039
Changes in assumptions	(326,053)	-	(326,053)
Contributions - employer	-	1,400,988	(1,400,988)
Contributions - employee	-	601,283	(601,283)
Net investment income	-	3,990,122	(3,990,122)
Benefits payments, including refunds of employee contributions	(1,922,589)	(1,922,589)	-
Administrative expenses	-	(25,386)	25,386
Other charges	-	(177)	177
Net changes	2,927,313	4,044,241	(1,116,928)
Balance at 12/31/2023	\$ 45,361,597	\$ 38,520,634	\$ 6,840,963

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate <u>(5.75%)</u>	Discount Rate <u>(6.75%)</u>	1% Increase in Discount Rate <u>(7.75%)</u>
City's net pension liability	\$ 13,750,717	\$ 6,840,963	\$ 1,242,305

J. Pension Plan Fiduciary Net Position

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

K. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the city recognized pension expense in the amount of \$1,310,233.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 909,579	\$ 57,276
Changes in actuarial assumptions	1,310	253,596
Differences between projected and actual investment earnings	3,166,887	2,211,236
Contributions subsequent to the measurement date	<u>1,101,527</u>	<u>-</u>
Total	<u>\$ 5,179,303</u>	<u>\$ 2,522,108</u>

The City had \$1,101,527 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>		
2024	\$	431,813
2025		521,522
2026		869,257
2027		(266,924)
2028		-
Thereafter		<u>-</u>
	<u>\$</u>	<u>1,555,668</u>

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 6 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

1. Health Plan

A. Plan Description

In addition to the pension benefits previously described, the City makes available health care benefits to eligible employees, and their spouses and children, who retire from the City. The plan is a single-employer defined benefit healthcare plan that is self-funded by the City.

The plan does not issue a stand-alone report.

B. Benefits Provided

In addition to providing pension benefits, the City allows eligible retirees and dependents the option to continue participation in the same health plans available to active employees until they become eligible for Medicare coverage.

To be eligible for retiree health benefits, employees must meet the following criteria:

- An employee must be eligible to retire under the standards of retirement as established by TMRS to qualify for benefits.
- An employee and their dependents covered under the City's health plan at the effective date of the employee's retirement and not eligible for Medicare.
- An employee must have completed 15 years of consecutive service prior to retirement with the City.

Dental and vision benefits may be continued with the retiree paying 100% of the full active employee cost.

C. Employees Covered by Benefit Terms

At the September 30, 2024 measurement date the following employees were covered by the benefit terms:

	<u>9/30/2024</u>
Inactive employees currently receiving benefits	9
Active employees	<u>128</u>
	137

D. Contributions

The City contributions consists of monthly premium contributions. Effective October 1, 2013, the City provides a monthly subsidy to retirees with 15 or more years of service with the City at retirement. The monthly subsidy ranges from \$150 with 15-19 years of City service at retirement to \$350 years with 35 or more years of City service.

Medical benefits are available with four coverage tiers depending on dependent status. The dental and vision benefits, and dependent coverage do not have a subsidy by the City, so are not included by the actuaries in the valuation.

	<u>Employee</u>	<u>Emp/Child(ren)</u>	<u>Emp/Spouse</u>	<u>Emp/Family</u>
<u>Medical</u>				
Total Premium	\$ 502.83	\$ 1,111.90	\$ 1,011.12	\$ 1,620.19
City Pays	502.83	878.40	839.23	1,182.74

The City's contributions for the year ended September 30, 2024, were \$56,262 (includes \$23,400 in subsidy contributions made by the employer).

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

E. Total OPEB Liability

The City's total OPEB liability was measured as of September 30, 2024 and was determined by an actuarial valuation as of September 30, 2024.

F. Actuarial Assumptions

The total OPEB liability in the September 30, 2024, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.50%
Discount rate	4.06% (1.56% real rate of return plus 2.50% inflation)
Healthcare cost trend rates	Level 4.50%

The actuarial cost method being used is known as the Entry Age Normal Method assuming Service Cost is determined as a level percent of pay that would fully fund the benefit promise by the time of retirement. Service cost is determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination. Termination and retirement rates were developed from assumptions used in the 2017 actuarial valuation report for the Texas Municipal Retirement System ("TMRS").

Salary increases were based on a service-related table. Mortality rate for active members, retirees, and beneficiaries were based on the RPH-2014 Total Table with Projection MP-2021. The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients.

The discount rate used to determine the plan liabilities for retiree healthcare benefits is based on the earnings rate of the plan assets if the projected assets are sufficient to cover the projected benefit payments. If the projected assets are not sufficient then a municipal bond index rate must be used for discounting benefits not covered by the projected assets. Since there are no plan assets held in trust, the Bond Buyer GO Bond 20 Index is used for determining the discount rate of 4.77%.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

F. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances as of September 30, 2023	\$ 383,434
Changes for the year:	
Service cost	8,906
Interest	17,373
Changes in benefit terms	-
Differences between expected and actual experience	197,994
Changes in assumptions	32,564
Benefit payments	(56,262)
Employer contributions	-
Net investment income	-
Administrative expenses	-
Other	
Net Changes	<u>200,575</u>
Balances as of September 30, 2024	<u>\$ 584,009</u>

H. Sensitivity of the Total OPEB Liability to Changes in the Discount and Healthcare Trend Rates

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.06%, would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current rate:

	1% Decrease in Discount Rate (3.06%)	Discount Rate (4.06%)	1% Increase in Discount Rate (5.06%)
Total OPEB Liability	\$ 538,935	\$ 584,009	\$ 634,873

The following presents the total OPEB liability of the City, calculated using the assumed healthcare trend rate of 4.50%, would be if it were calculated using a trend rate that is 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.5%) than the current rate:

	1% Decrease in Trend Rate (3.50%)	Current Trend Rate (4.50%)	1% Increase in Trend Rate (5.50%)
Total OPEB Liability	\$ 534,603	\$ 584,009	\$ 641,785

I. OPEB Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$60,648.

Components of OPEB Expense	
Service cost	\$ 8,906
Interest on total OPEB liability	17,373
Differences between expected and actual experience	26,279
Changes in assumptions	8,090
Projected earnings on OPEB plan investments	-
Differences between projected and actual earnings on plan investments	-
OPEB plan administrative expenses	-
Total OPEB expense	<u>\$ 60,648</u>

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

J. Deferred Outflows of Resources and Deferred Inflows of Resources to Be Recognized in OPEB Expense in Future Years

At the September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 185,123	\$ 13,792
Changes in actuarial assumptions	79,565	62,809
Total	<u>\$ 264,688</u>	<u>\$ 76,601</u>

At the September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Year Ended September 30
2025	\$ 34,369
2026	34,369
2027	34,369
2028	17,525
2029	14,320
Thereafter	53,135
	<u>\$ 188,087</u>

2. Supplemental Death Benefits Plan

A. Plan Description

The City also participates in the single-employer defined benefit group-term life insurance plan. Texas Municipal Retirement System (TMRS) administers this defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). Like the Defined Benefit Pension Plan, the OPEB plan is under the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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

B. Benefits Provided

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of \$7,500.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

C. Employees Covered by Benefit Terms

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

	<u>12/31/2023</u>
Inactive employees currently receiving benefits	63
Inactive employees entitled to but not yet receiving benefits	13
Active employees	<u>134</u>
	210

D. Contributions

The member cities contribute to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to prefund retiree life insurance during the employee's entire careers.

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

For calendar year 2024, the total SDB contributions rate for the City was 0.31%, while the retiree portion of the SDB contribution was 0.15%. The City's contributions for the year ended September 30, 2024, were \$12,522 for the retiree portion, and \$26,918 for the total SDB rate. Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

E. Total OPEB Liability

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

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

F. Actuarial Assumptions

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

Inflation	2.50%
Overall payroll growth	3.60% to 11.85% including inflation
Discount rate *	3.77%
Retiree's share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

The actuarial cost method being used is known as the Entry Age Normal Method. This method develops the annual cost of the Plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due

F. Actuarial Assumptions (continued)

to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member's compensation through their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The normal cost is calculated using an entry age based on benefit service with the City. If a member has additional time-only vesting service through service with other TMRS cities or other public agencies, they retain this for determination of benefit eligibility and decrement rates. The salary-weighted average of these rates is the total normal cost rate. The unfunded actuarial accrued liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated.

These actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	\$ 315,338
Changes for the year:	
Service cost	13,264
Interest	12,822
Change of benefit terms	-
Difference between expected and actual experience	5,077
Changes of assumptions or other inputs	17,452
Benefit payments	(10,777)
Net changes	37,838
Balance at 12/31/2023	\$ 353,176

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB Liability	\$ 423,980	\$ 353,176	\$ 298,354

I. OPEB Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$14,197.

Components of OPEB Expense	
Service cost	\$ 13,264
Interest on total OPEB liability	12,822
Effect of plan changes	-
Employer administration costs	-
Recognition of deferred outflows/inflows of resources:	
Recognition of economic/demographic gains or losses	(9,474)
Recognition of assumption changes or inputs	(2,415)
Total OPEB expense	\$ 14,197

At the September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 12,753	\$ 43,449
Changes in actuarial assumptions	60,742	113,484
Contributions made subsequent to the measurement date	9,888	-
Total	\$ 83,383	\$ 156,933

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

I. OPEB Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to OPEB - Continued

The City had \$9,888 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31		
2024	\$	(15,969)
2025		(20,484)
2026		(17,124)
2027		(20,402)
2028		(11,060)
Thereafter		1,601
	\$	<u>(83,438)</u>

NOTE 7 — DEFICIT NET POSITION OR FUND BALANCE

At September 30, 2024, the City's Internal Service Fund has a deficit net position in the amount of \$24,697.

NOTE 8 — CONTINGENCIES AND COMMITMENTS

On November 16, 2006, the City entered into an agreement with Angelina and Nacogdoches Counties Water Control and Improvement District No. 1 ("District") to acquire the option to purchase from the District up to four (4) million gallons of water per day. In consideration for the option granted by the District, the City shall pay \$150,000 annually for each year of the option. The option is for a term commencing as of the date executed and terminating on the earlier of (1) the date the parties enter into a water supply agreement, or (2) September 30, 2026, unless extended pursuant to a written agreement executed by the parties. The annual payment is reported by the City's Water and Sewer Fund as an operating expense.

On April 12, 2011, the City entered into an additional agreement with Angelina and Nacogdoches Water Control and Improvement District No. 1 ("District") to acquire the option to purchase from the District an additional three million four hundred thousand gallons of water per day. In consideration for the option granted by the District, the City shall pay \$150,000 annually for each year of the option. The option is for a term commencing as of the date executed and terminating on the earlier of (1) the date the parties enter into a water supply agreement, or (2) September 30, 2026, unless extended pursuant to a written agreement executed by the parties. The annual payment is reported by the City's Water and Sewer Fund as an operating expense.

On February 11, 1994, the City contracted with the Sabine River Authority ("Authority") to build and maintain a water collection facility. The Authority owns and operates all necessary equipment and devices of the water collection facility. The raw water collected from this facility is then sold and transported to the City. The City pays their proportionate part of the Annual Requirement to the Authority in monthly installments. In one year, the debt component will not be included in monthly installments. The water rights applicable to the City are not considered material as of September 30, 2024.

In May of 2019, the City signed a Memorandum of Understanding with the City of Kilgore, Texas ("Kilgore") for the rehabilitation of the pump station of the Authority. This agreement lasts for the duration of construction plus one year, as established by a Certificate of Final Completion. As part of this agreement, Henderson must fund 50% of the improvements, including engineering, construction, and any other contingencies associated with the improvements.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 8 — CONTINGENCIES AND COMMITMENTS - Continued

Effective September 9, 2003, the City signed a contract with Waste Connections for the collection and disposal of garbage within city limits. The service will be paid for in accordance with the rates set forth in the contract. As part of the contract, Waste Connections pays the City a monthly Street Rental Charge for the privilege of the use and occupancy of public streets and alleys of the City. Said Street Rental Charge shall be equal to 10% of the gross monthly revenues for refuse collection, hauling, and disposal collected under this contract. The most recent amendment of the contract was effective January 1, 2016. The term of the contract is for five years, ending December 31, 2020. This contract has been extended for an additional 5 years through December 31, 2025.

NOTE 9 — HENDERSON ECONOMIC DEVELOPMENT CORPORATION

The financial statements of Henderson Economic Development Corporation, (“HEDCO”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described in the following notes to the financial statements.

A. Reporting Entity

Henderson Economic Development Corporation is a nonprofit corporation created and organized under the constitution and laws of the State of Texas, particularly the Development Corporation Act of 1979, Article 5190.6 (the “Act”), Vernon’s Annotated Texas Civil Statutes, as amended for the promotion and/or development of new and/or expanding employment rolls within the City of Henderson, and/or Rusk County, Texas, and/or adjacent areas that will provide economic benefits to the City, and/or creation of jobs within Rusk County and, in some instances, adjoining counties that will stimulate the need for housing, retail sales, entertainment, etc. with the City. HEDCO is governed by Section 4A of the Act and is a constituted authority and instrumentality of the City of Henderson, Texas (the “City”).

HEDCO was created in January 1992 with revenue generated from a ½ of 1% sales tax passed by vote of the citizens of the City of Henderson with the proceeds dedicated to economic development.

HEDCO is governed by a board of seven directors. All directors are appointed by the City Council of the City for a term of two (2) years. The City Council must also approve HEDCO’s budget and all amendments.

During the year ended September 30, 2022, citizens voted to change HEDCO from a Type A economic development corporation to a Type B. With this change, the Board increased to seven directors. All directors are appointed by the City Council for a term of two (2) years. As of September 30, 2024, the transition from a Type A to a Type B economic development corporation was complete. HEDCO will complete current projects authorized as Type A projects before beginning Type B projects.

HEDCO is exempt from federal income tax as an organization described in Section 501(c)(6) of the Internal Revenue Code.

As required by generally accepted accounting principles, these financial statements present HEDCO and do not include any component units, entities for which HEDCO is considered to be financially accountable. HEDCO did not have any entities which meet the component unit criteria. However, HEDCO is considered to be, and is reported as, a component unit of the City of Henderson, Texas.

B. Government-wide and Fund Financial Statements

The Government-wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the government. Governmental activities are supported by sales taxes and investment revenue.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

Major individual governmental funds are reported as separate columns in the Fund Financial Statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, HEDCO considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Taxes and interest income associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by HEDCO.

HEDCO reports the following major Governmental fund:

The *General Fund* is HEDCO's primary operating fund. It accounts for all financial resources of HEDCO. There are no other funds.

When both restricted and unrestricted resources are available for use, it is HEDCO's policy to use restricted resources first, then unrestricted resources, as they are needed.

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

HEDCO's cash is considered to be cash on hand, demand deposits, and money market accounts. State statutes and HEDCO's investment policy authorize HEDCO to invest in certificates of deposit.

2. Restricted Assets

During the previous fiscal year HEDCO finalized the conversion from a Type A Economic Development Corporation to a Type B. Restricted assets include the cash attributable to the Type A collections. Assets restricted for a specific purpose are utilized before the use of unrestricted assets to pay related obligations when authorized to do so.

3. Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by HEDCO as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost where records are available or at an estimated fair market value at date of acquisition where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

4. *Long-term Obligations*

In the Government-wide financial statements, long-term debt and other long-term obligations of the governmental funds are reported as liabilities in the governmental activities Statement of Net Position. In the fund financial statements, governmental fund types report the face amount of debt issued as Other Financing Sources and debt payments as Expenditures.

5. *Deferred Inflows of Resources*

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

6. *Net Position*

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by HEDCO or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

7. *Fund Balances – Governmental Funds*

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amount that can only be used for a specific purpose because of a formal action by HEDCO's Board of Directors. Committed amounts cannot be used for any other purpose unless the Board of Directors removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Directors. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the HEDCO intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Directors or by an official or body to which the Board of Directors delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of HEDCO itself.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, HEDCO considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

unassigned fund balances are available, HEDCO considers amounts to have been spent first out of committed funds, the assigned funds, and finally unassigned funds.

8. *Implementation of New Standards*

In the current fiscal year, HEDCO did not implement any new standards from the Governmental Accounting Standards Board (GASB).

9. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance and Accountability

Budgetary Information

HEDCO's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), except that HEDCO budgets a portion of its fund balance as "contingency funds" available for appropriation, and loans made to other entities are reported as expenditures.

The original budget is adopted by the Board of Directors prior to the beginning of the fiscal year. The legal level of control is the total approved budget for the General fund. All amendments to the budget must be approved by the Board. In addition, HEDCO's budget and any amendments must be approved by the City of Henderson. During the year ended September 30, 2024, HEDCO revised its budget as needed. Appropriations lapse at the end of the year.

III. Detailed Notes on All Funds

A. Deposits and Investments

HEDCO's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with HEDCO's agent bank approved pledged securities in an amount sufficient to protect HEDCO funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Deposits:

At September 30, 2024, the carrying amount of HEDCO's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$6,504,711 and the bank balance was \$6,539,954. HEDCO's cash deposits at September 30, 2024 and during the period ended September 30, 2024 were entirely covered by FDIC insurance or by pledged collateral held by HEDCO's agent bank in HEDCO's name.

Investments:

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

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

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

During the year ended September 30, 2024, HEDCO had no investments. All HEDCO's deposits were in a demand deposit account and a money market account.

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether HEDCO was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, HEDCO was not exposed to credit risk.

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in HEDCO's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in HEDCO's name.

At year end, HEDCO was not exposed to custodial credit risk.

Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, HEDCO was not exposed to concentration of credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, HEDCO was not exposed to interest rate risk.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, HEDCO was not exposed to foreign currency risk.

B. Receivables

Receivables at September 30, 2024 are as follows:

Sales Taxes (from City of Henderson)	\$ 377,649
Notes Receivable - Local Business (Incentive)	\$ 13,000
Notes Receivable - Rail District 2009	\$ 680,000
Misc Receivable	2,666
Total	<u>\$ 1,073,315</u>

Notes Receivable:

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

On November 13, 2009, HEDCO loaned the Rusk County Rural Rail District (“Rail District”) the sum of \$1,200,000 to assist the Rail District in securing the Henderson-Overton Railroad. The loan is interest free and was originally scheduled to be repaid to HEDCO over a fifteen (15) year period, beginning on the first day after the thirty-seventh (37th) month after the execution of the agreement, which was December 1, 2012. The monthly payment was originally \$6,667; in 2014 the Rail District requested that their monthly payments be reduced to \$3,333 for 12 months. The Rail District resumed their regular monthly payments on October 1, 2015.

On December 10, 2020, the HEDCO board approved the suspension of note payments from the Rail District for a period of one year, beginning January 2020. Payments resumed January 2021.

On January 13, 2022 the Board approved deferring the payments from the Rusk County Rural Rail District 2009 loan for 15 years.

On March 25, 2021, a note in the amount of \$30,000 was executed between HEDCO and a local business entity as an economic incentive. The agreement provides for five (5) \$6,000 annual payments beginning one year from the execution of this agreement. However, in the agreement HEDCO has agreed to forgive the repayment of the loan if the entity hires and retains six (6) full-time employees for a period of not less than five (5) years. In the event the entity fails to uphold the agreement, HEDCO reserves the right to demand repayment of the loan balance outstanding after its receipt of a notice of default and a thirty (30) day opportunity to cure. In no event will HEDCO forgive more than \$6,000 of the loan balance in any given year. As of the year ended September 30, 2024, \$17,000 has been forgiven by HEDCO, leaving the balance at \$13,000.

C. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land and investment property	\$ 3,992,962	\$ 6,887,057	\$ 1,827,685	\$ 9,052,334
Construction in Progress	5,623,533	962,829	6,395,821	190,541
Discretely Presented Component Unit Capital Assets, not being depreciated	<u>\$ 9,616,495</u>	<u>\$ 7,849,886</u>	<u>\$ 8,223,506</u>	<u>\$ 9,242,875</u>
Capital assets, being depreciated:				
Buildings	\$ -	\$ 1,610,445	\$ -	1,610,445
Right-to-Use Asset	4,195	-	-	4,195
Total capital assets, being depreciated:	<u>4,195</u>	<u>1,610,445</u>	<u>-</u>	<u>1,614,640</u>
Less accumulated depreciation for:				
Buildings	-	(40,261)	-	(40,261)
Right-to-Use Asset	(1,900)	(950)	-	(2,850)
Total accumulated depreciation	<u>(1,900)</u>	<u>(41,211)</u>	<u>-</u>	<u>(43,111)</u>
Total capital assets being depreciated, net	<u>2,295</u>	<u>1,569,234</u>	<u>-</u>	<u>1,571,529</u>
Discretely Presented Component Unit Capital Assets, net	<u>\$ 9,618,790</u>	<u>\$ 9,419,120</u>	<u>\$ 8,223,506</u>	<u>\$ 10,814,404</u>

Depreciation was charged to functions as follows:

General Government	\$ 950
Economic Development	40,261
Total	<u>\$ 41,211</u>

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

D. Long-Term Obligations

Long-term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2024 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Capital Financing Activities	\$ 2,402	\$ -	\$ 961	\$ 1,441	\$ 1,007

During the year ended September 30, 2022, HEDCO entered into a leasing agreement for a copy machine totaling \$4,195 payable in monthly installments of \$88 at an assumed interest rate of 4.68 percent through February 2026. Variable payments are not included in the measurement of the lease.

Future lease payment maturity schedule is as follows:

Year ended September 30,	Principal	Interest	Total
2025	1,007	46	1,053
2026	434	5	439
	<u>\$ 1,441</u>	<u>\$ 51</u>	<u>\$ 1,492</u>

IV. Other Information

A. Risk Management

HEDCO is exposed to various risks of loss related to torts, injury to persons on HEDCO property, errors and omissions and injuries to employees. HEDCO carries commercial insurance for injuries to employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

HEDCO is covered by the City of Henderson through its coverage with the Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool, participating in general liability and errors and omissions liability.

B. Contingencies and Commitments

HEDCO has entered into incentive agreements with various entities to encourage economic growth in the City of Henderson and the surrounding area. Generally, the agreements provide money and facilities to new and existing entities in the area for economic development and creating and maintaining jobs. In the agreements, the entities must maintain a certain level of employment in order to receive the incentives.

Construction Commitments

HEDCO has an active construction project for a parking lot as of September 30, 2024. At year-end, HEDCO's commitments related to the projects are as follows:

CITY OF HENDERSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2024

<u>Project</u>	<u>Total Contract Spent to Date</u>	<u>Remaining Contract</u>
Parking Lot		
Engineering	\$ 32,650	\$ 16,130
Construction	<u>157,891</u>	<u>155,666</u>
Total	<u>\$ 190,541</u>	<u>\$ 171,796</u>

NOTE 10 — RISK MANAGEMENT

The City of Henderson, Texas is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverages during the year ended September 30, 2024. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Also, the City of Henderson, Texas is a member of the Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool, participating in workers' compensation, general liability, law enforcement liability, errors and omissions liability, automobile liability, automobile physical damage and real and personal property coverages.

During the year ended September 30, 2024, employees of the City were covered by a health insurance plan (the Plan). The City contributes 100% of the cost for employee coverage and 50% of the cost for dependent coverage to the Plan and, employees electing dependent coverage authorize payroll withholding to pay the balance of contributions for their dependents.

NOTE 11 — SUBSEQUENT EVENTS

Subsequent events were evaluated through March 14, 2025, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HENDERSON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total Pension Liability										
Service Cost	\$ 1,411,840	\$ 1,189,689	\$ 1,159,324	\$ 1,126,479	\$ 1,063,363	\$ 1,011,452	\$ 934,893	\$ 897,939	\$ 870,520	\$ 747,767
Interest (on the Total Pension Liability)	2,847,076	2,701,418	2,537,296	2,412,081	2,291,080	2,217,636	2,123,017	1,995,617	1,956,707	1,860,288
Changes in benefit terms	-	-	-	-	-	577,038	-	-	-	-
Difference between expected and actual results	917,039	106,570	365,425	(310,723)	(73,290)	(563,934)	(886,715)	291,787	(24,907)	(29,800)
Change of assumptions	(326,053)	-	-	-	132,130	-	-	-	76,020	-
Benefit payments, including refunds of employee contributions	(1,922,589)	(1,979,109)	(1,312,473)	(1,465,963)	(1,838,517)	(1,367,586)	(1,401,900)	(1,230,942)	(1,329,666)	(1,194,775)
Net Change in Total Pension Liability	2,927,313	2,018,568	2,749,572	1,761,874	1,574,766	1,874,606	769,295	1,954,401	1,548,674	1,383,480
Total Pension Liability - Beginning	42,434,284	40,415,716	37,666,144	35,904,270	34,329,504	32,454,898	31,685,603	29,731,202	28,182,528	26,799,048
Total Pension Liability - Ending (a)	<u>\$ 45,361,597</u>	<u>\$ 42,434,284</u>	<u>\$ 40,415,716</u>	<u>\$ 37,666,144</u>	<u>\$ 35,904,270</u>	<u>\$ 34,329,504</u>	<u>\$ 32,454,898</u>	<u>\$ 31,685,603</u>	<u>\$ 29,731,202</u>	<u>\$ 28,182,528</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,400,988	\$ 1,139,707	\$ 1,132,268	\$ 1,062,570	\$ 1,059,111	\$ 1,031,851	\$ 943,858	\$ 883,082	\$ 881,591	\$ 834,375
Contributions - Employee	601,283	487,007	473,470	462,032	452,088	435,188	418,430	402,971	407,874	374,069
Net Investment Income	3,990,122	(2,742,401)	4,300,737	2,324,026	4,147,962	(825,940)	3,363,955	1,534,069	33,532	1,229,656
Benefit payments, including refunds of employee contributions	(1,922,589)	(1,979,109)	(1,312,473)	(1,465,963)	(1,838,517)	(1,367,586)	(1,401,900)	(1,230,942)	(1,329,666)	(1,194,775)
Administrative Expense	(25,385)	(23,730)	(19,900)	(15,042)	(23,436)	(15,962)	(17,430)	(17,322)	(20,423)	(12,837)
Other	(178)	28,316	136	(587)	(704)	(834)	(883)	(933)	(1,009)	(1,055)
Net Change in Plan Fiduciary Net Position	4,044,241	(3,090,210)	4,574,238	2,367,036	3,796,504	(743,283)	3,306,030	1,570,925	(28,101)	1,229,433
Plan Fiduciary Net Position - Beginning	34,476,393	37,566,603	32,992,365	30,625,329	26,828,825	27,572,108	24,266,078	22,695,153	22,723,254	21,493,821
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,520,634</u>	<u>\$ 34,476,393</u>	<u>\$ 37,566,603</u>	<u>\$ 32,992,365</u>	<u>\$ 30,625,329</u>	<u>\$ 26,828,825</u>	<u>\$ 27,572,108</u>	<u>\$ 24,266,078</u>	<u>\$ 22,695,153</u>	<u>\$ 22,723,254</u>
Net Pension Liability - Ending (a)-(b)	6,840,963	7,957,891	2,849,113	4,673,779	5,278,941	7,500,679	4,882,790	7,419,525	7,036,049	5,459,274
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.92%	81.25%	92.95%	87.59%	85.30%	78.15%	84.96%	76.58%	76.33%	80.63%
Covered Payroll	\$ 8,290,311	\$ 6,957,243	\$ 6,763,853	\$ 6,595,311	\$ 6,448,533	\$ 6,209,037	\$ 5,977,575	\$ 5,748,651	\$ 5,826,773	\$ 5,341,732
Net Pension Liability as a Percentage of Covered Payroll	82.52%	114.38%	42.12%	70.87%	81.86%	120.80%	81.69%	129.07%	120.75%	102.20%

**CITY OF HENDERSON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,431,953	\$ 1,370,328	\$ 1,122,677	\$ 1,137,481	\$ 1,073,635	\$ 1,065,616	\$ 984,706	\$ 933,672	\$ 876,745	\$ 851,005
Contributions in relation to the actuarially determined contributions	<u>(1,431,960)</u>	<u>(1,377,690)</u>	<u>(1,124,397)</u>	<u>(1,137,481)</u>	<u>(1,073,635)</u>	<u>(1,065,616)</u>	<u>(984,658)</u>	<u>(933,672)</u>	<u>(876,745)</u>	<u>(851,005)</u>
Contribution deficiency (excess)	\$ (7)	\$ (7,362)	\$ (1,720)	\$ -	\$ -	\$ -	\$ 48	\$ -	\$ -	\$ -
Covered payroll	\$ 8,617,934	\$ 8,397,233	\$ 6,825,578	\$ 6,863,337	\$ 6,631,071	\$ 6,386,222	\$ 6,095,122	\$ 5,960,397	\$ 5,670,442	\$ 5,518,780
Contributions as a percentage of covered payroll	16.62%	16.41%	16.47%	16.57%	16.19%	16.69%	16.15%	15.66%	15.46%	15.42%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 Years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information: There were no benefit changes during the year.

CITY OF HENDERSON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFITS PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB Liability							
Service Cost	\$ 13,264	\$ 24,350	\$ 20,968	\$ 15,169	\$ 10,963	\$ 10,555	\$ 8,369
Interest	12,822	8,444	8,666	10,478	14,754	11,028	11,036
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	5,077	(1,161)	(10,090)	(26,793)	(99,500)	68,894	-
Change of assumptions and other inputs	17,452	(158,875)	13,646	57,256	58,599	(22,376)	24,369
Benefit payments	(10,777)	(8,349)	(10,146)	(3,298)	(3,869)	(3,725)	(3,587)
Net Change in Total OPEB Liability	37,838	(135,591)	23,044	52,812	(19,053)	64,376	40,187
Total OPEB Liability - Beginning	315,338	450,929	427,885	375,073	394,126	329,750	289,563
Total OPEB Liability - Ending (a)	<u>\$ 353,176</u>	<u>\$ 315,338</u>	<u>\$ 450,929</u>	<u>\$ 427,885</u>	<u>\$ 375,073</u>	<u>\$ 394,126</u>	<u>\$ 329,750</u>
Covered Payroll	\$ 8,290,311	\$ 6,957,243	\$ 6,763,853	\$ 6,595,311	\$ 6,448,533	\$ 6,209,037	\$ 5,977,575
Total OPEB Liability as a Percentage of Covered Payroll	4.26%	4.53%	6.67%	6.49%	5.82%	6.35%	5.52%

NOTES TO SCHEDULE**Valuation Date:**

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

Methods and Assumptions Used to Determine Rates:

Actuarial Cost Method

Entry Age Normal

Supplemental Death Benefit

Contribution rate is equal to the expected benefit payments during the upcoming year divided by the annualized pay of current active members and is calculated separately for actives and retirees.

Retiree's share of benefit-related costs

\$0.00

Inflation

2.50%

Salary Increases

3.60% to 11.85% including inflation

Discount Rate

3.77%

Administrative Expenses

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality Rates - Service Retirees

2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality Rates - Disabled Retirees

2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Other Information:

The Supplemental Death Benefits Fund is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF HENDERSON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 8,906	\$ 8,906	\$ 15,497	\$ 15,497	\$ 11,859	\$ 11,859	\$ 11,395
Interest	17,373	18,328	11,770	12,082	15,708	15,682	16,317
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	197,994	-	(21,841)	-	31,563	-	-
Change of assumptions and other inputs	32,564	-	(99,466)	-	132,034	-	-
Benefit payments	(56,262)	(38,240)	(38,240)	(44,709)	(44,709)	(32,825)	(31,070)
Net Change in Total OPEB Liability	200,575	(11,006)	(132,280)	(17,130)	146,455	(5,284)	(3,358)
Total OPEB Liability - Beginning	383,434	394,440	526,720	543,850	397,395	402,679	406,037
Total OPEB Liability - Ending (a)	<u>\$ 584,009</u>	<u>\$ 383,434</u>	<u>\$ 394,440</u>	<u>\$ 526,720</u>	<u>\$ 543,850</u>	<u>\$ 397,395</u>	<u>\$ 402,679</u>
Covered Payroll	\$ 7,881,978	\$ 6,851,654	\$ 6,851,654	\$ 6,335,820	\$ 5,400,705	\$ 5,137,898	\$ 5,175,802
Total OPEB Liability as a Percentage of Covered Payroll	7.41%	5.60%	5.76%	8.31%	10.07%	7.73%	7.78%

NOTES TO SCHEDULE**Valuation Date:**

September 30, 2024

Methods and Assumptions Used to Determine Rates:

Actuarial Cost Method	Individual Entry Age Normal - Level Percentage of Projected Salary
Inflation	2.50%
Salary Increases	3.50%
Discount Rate	4.06% (1.56% real rate of return plus 2.50% inflation)
Health Care Cost Trend	Level 4.50%
Eligibility	25 years of service without regard to age
Postretirement Contributions	The retiree pays the full active employee contribution rate. Effective October 1, 2013 the City provides a monthly subsidy to retirees with 15 or more years of service with the City at retirement. The monthly subsidy ranges from \$150 with 15-19 years of City service at retirement to \$350 years with 35 or more years of City service.
Mortality	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates varying based on gender, age and select and ultimate at 9 years. Rates based on the TMRS actuarial assumptions from the 2017 retirement plan valuation report.
Disability	None assumed.
Retiree Contributions	Retiree pays 100% of the active employee contribution rates. Retirees with 15 or more years of active service with the City may receive a monthly subsidy based on years of service with the City.
Coverage	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 25% of all actives who currently have healthcare coverage will continue coverage at eligible retirement.
Other Benefits	Dental and vision benefits may be continued with the retiree paying 100% of the full active employee cost.

Other Information:

There are no plan asset held in trust.
There were no benefit changes during the year.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ADDITIONAL SUPPLEMENTARY INFORMATION

**CITY OF HENDERSON, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 463,000	\$ 255,269	\$ 79,155	\$ 797,424
Investments	7,044	225,050	18,119	250,213
Receivables:				
Taxes:				
Franchise	-	-	-	-
Hotel/Motel	26,522	-	-	26,522
Accounts	-	-	142,247	142,247
Special assessments	-	-	-	-
Due from Other Funds	4,892	-	-	4,892
Total Assets	<u>\$ 501,458</u>	<u>\$ 480,319</u>	<u>\$ 239,521</u>	<u>\$ 1,221,298</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 17,686	\$ -	\$ 18,113	\$ 35,799
Unearned revenue	40,898	-	-	40,898
Total Liabilities	<u>58,584</u>	<u>-</u>	<u>18,113</u>	<u>76,697</u>
Fund Balances:				
Restricted	288,695	480,319	85	769,099
Committed	154,179	-	221,323	375,502
Total Fund Balances	<u>442,874</u>	<u>480,319</u>	<u>221,408</u>	<u>1,144,601</u>
Total Liabilities and Fund Balances	<u>\$ 501,458</u>	<u>\$ 480,319</u>	<u>\$ 239,521</u>	<u>\$ 1,221,298</u>

CITY OF HENDERSON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes:				
Property	\$ -	\$ 1,133,464	\$ -	\$ 1,133,464
Franchise	-	-	-	-
Hotel/Motel	305,955	-	-	305,955
Charges for services	135,880	-	383,974	519,854
Intergovernmental revenues	-	-	-	-
Interest	12,111	27,739	6,711	46,561
Miscellaneous	70,219	-	3,499	73,718
Total Revenues	524,165	1,161,203	394,184	2,079,552
EXPENDITURES				
Public safety	29,416	-	-	29,416
Sanitation	-	-	-	-
Public services:				
Tourism	169,552	-	-	169,552
Civic Center	236,702	-	-	236,702
Main Street	21,668	-	-	21,668
Streets	-	-	388	388
Parks	-	-	160,274	160,274
Cemeteries	555	-	-	555
Animal Shelter	3,210	-	-	3,210
Community Development	-	-	6,287	6,287
Capital outlay	102,621	-	331,120	433,741
Debt service:				
Principal	-	830,820	-	830,820
Interest and fees	-	252,956	-	252,956
Total Expenditures	563,724	1,083,776	498,069	2,145,569
Excess (deficiency) of revenues over (under) expenditures	(39,559)	77,427	(103,885)	(66,017)
OTHER FINANCING SOURCES (USES):				
Bond proceeds	-	-	-	-
Transfers in	17,000	-	100,000	117,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	17,000	-	100,000	117,000
Net change in fund balances	(22,559)	77,427	(3,885)	50,983
Fund Balance - October 1, 2023	465,433	402,892	225,293	1,093,618
Fund Balance - September 30, 2024	\$ 442,874	\$ 480,319	\$ 221,408	\$ 1,144,601

SCHEDULE 7

CITY OF HENDERSON, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2024

	DRUG SEIZURE	TASK FORCE	TOURISM	MAIN STREET	CEMETERY	ANIMAL SHELTER	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
ASSETS							
Cash and cash equivalents	\$ 109,886	\$ 13,856	\$ 190,073	\$ 15,542	\$ 80,290	\$ 53,353	\$ 463,000
Investments	550	-	825	-	5,199	470	7,044
Receivables:							
Hotel/Motel Taxes	-	-	26,522	-	-	-	26,522
Due from other funds	-	-	4,974	-	(82)	-	4,892
Total Assets	<u>\$ 110,436</u>	<u>\$ 13,856</u>	<u>\$ 222,394</u>	<u>\$ 15,542</u>	<u>\$ 85,407</u>	<u>\$ 53,823</u>	<u>\$ 501,458</u>
LIABILITIES							
Accounts payable	-	-	8,569	593	-	-	9,162
Accrued salaries	-	-	8,524	-	-	-	8,524
Unearned revenue	9,070	9,163	22,665	-	-	-	40,898
Total Liabilities	<u>9,070</u>	<u>9,163</u>	<u>39,758</u>	<u>593</u>	<u>-</u>	<u>-</u>	<u>58,584</u>
FUND BALANCES							
Restricted	101,366	4,693	182,636	-	-	-	288,695
Committed	-	-	-	14,949	85,407	53,823	154,179
Total Fund Balances	<u>101,366</u>	<u>4,693</u>	<u>182,636</u>	<u>14,949</u>	<u>85,407</u>	<u>53,823</u>	<u>442,874</u>
Total Liabilities and Fund Balances	<u>\$ 110,436</u>	<u>\$ 13,856</u>	<u>\$ 222,394</u>	<u>\$ 15,542</u>	<u>\$ 85,407</u>	<u>\$ 53,823</u>	<u>\$ 501,458</u>

CITY OF HENDERSON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	DRUG SEIZURE	TASK FORCE	TOURISM	MAIN STREET	CEMETERY	ANIMAL SHELTER	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUES							
Hotel/Motel occupancy tax	\$ -	\$ -	\$ 305,955	\$ -	\$ -	\$ -	\$ 305,955
Charges for services	-	-	135,880	-	-	-	135,880
Interest	2,676	-	5,486	469	2,158	1,322	12,111
Miscellaneous	32,109	-	10,186	5,827	12,600	9,497	70,219
Total Revenues	34,785	-	457,507	6,296	14,758	10,819	524,165
EXPENDITURES							
Public Safety	29,416	-	-	-	-	-	29,416
Public Services:							
Tourism	-	-	169,552	-	-	-	169,552
Civic Center	-	-	236,702	-	-	-	236,702
Main Street	-	-	-	21,668	-	-	21,668
Cemeteries	-	-	-	-	555	-	555
Animal Shelter	-	-	-	-	-	3,210	3,210
Capital Outlay	-	-	102,621	-	-	-	102,621
Total Expenditures	29,416	-	508,875	21,668	555	3,210	563,724
Excess (deficiency) of revenues over (under) expenditures	5,369	-	(51,368)	(15,372)	14,203	7,609	(39,559)
OTHER FINANCING SOURCES/(USES):							
Transfers in	-	-	-	17,000	-	-	17,000
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	17,000	-	-	17,000
Net change in fund balances	5,369	-	(51,368)	1,628	14,203	7,609	(22,559)
Fund Balance - October 1, 2023	95,997	4,693	234,004	13,321	71,204	46,214	465,433
Fund Balance - September 30, 2024	\$ 101,366	\$ 4,693	\$ 182,636	\$ 14,949	\$ 85,407	\$ 53,823	\$ 442,874

SCHEDULE 9

**CITY OF HENDERSON, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
SEPTEMBER 30, 2024**

	GENERAL CONSTRUCTION	CIVIC CENTER	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
ASSETS			
Cash and cash equivalents	79,070	\$ 85	\$ 79,155
Investments	18,119	-	18,119
Receivables:			
Franchise taxes	-	-	-
Accounts	142,247	-	142,247
Special assessments	-	-	-
Due from Other Funds	-	-	-
Total Assets	<u>\$ 239,436</u>	<u>\$ 85</u>	<u>\$ 239,521</u>
LIABILITIES			
Accounts payable	18,113	-	18,113
Unearned revenue	-	-	-
Total Liabilities	<u>18,113</u>	<u>-</u>	<u>18,113</u>
FUND BALANCES			
Restricted	-	85	85
Committed	<u>221,323</u>	<u>-</u>	<u>221,323</u>
Total Fund Balances	<u>221,323</u>	<u>85</u>	<u>221,408</u>
Total Liabilities and Fund Balances	<u>\$ 239,436</u>	<u>\$ 85</u>	<u>\$ 239,521</u>

CITY OF HENDERSON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	GENERAL CONSTRUCTION	CIVIC CENTER	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
REVENUES			
Franchise taxes	\$ -	\$ -	\$ -
Charges for services	383,974	-	383,974
Interest	6,709	2	6,711
Miscellaneous	3,499	-	3,499
Total Revenues	394,182	2	394,184
EXPENDITURES			
Public Services:			
Streets	388	-	388
Parks	160,274	-	160,274
Community Development	6,287	-	6,287
Capital Outlay	331,120	-	331,120
Total Expenditures	498,069	-	498,069
Excess (deficiency) of revenues over (under) expenditures	(103,887)	2	(103,885)
OTHER FINANCING SOURCES (USES):			
Bond proceeds	0	-	-
Transfers in	100,000	-	100,000
Transfers out	-	-	-
Total Other Financing Sources (Uses)	100,000	-	100,000
Net change in fund balances	(3,887)	2	(3,885)
Fund Balance - October 1, 2023	225,210	83	225,293
Fund Balance - September 30, 2024	\$ 221,323	\$ 85	\$ 221,408

CITY OF HENDERSON, TEXAS
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
(NON-GAAP BUDGET BASIS)
WATER AND SEWER FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		TOTAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
			WATER	SEWER		
REVENUES						
Water charges	\$ 4,060,000	\$ 4,060,000	\$ 3,530,163	\$ -	\$ 3,530,163	\$ (529,837)
Sewer charges	2,640,000	2,640,000	-	2,599,864	2,599,864	(40,136)
Water connections	3,000	3,000	2,600	-	2,600	(400)
Sewer connections	2,000	2,000	-	1,100	1,100	(900)
Water service charges	3,000	3,000	10,776	-	10,776	7,776
Water Reconnect charges	25,000	25,000	27,738	-	27,738	2,738
Penalty	75,000	75,000	85,988	-	85,988	10,988
Miscellaneous income	1,000	1,000	14,562	-	14,562	13,562
Other operating revenues	15,000	15,000	17,521	-	17,521	2,521
Interest income	45,000	45,000	40,828	-	40,828	(4,172)
TOTAL REVENUES - BUDGET BASIS	\$ 6,869,000	\$ 6,869,000	\$ 3,730,176	\$ 2,600,964	6,331,140	\$ (537,860)
Financial Statement Adjustments:						
Adjustment to revenue and accounts receivable					(65,862)	
Transfers in from General Fund for capital expenditures made from grant funds					269,548	
Interest income on bond funds recorded in W&S Construction Fund					28,301	
TOTAL REVENUES - GAAP BASIS					\$ 6,563,127	

CITY OF HENDERSON, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
(NON-GAAP BUDGET BASIS)
WATER AND SEWER FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>WATER & SEWER DEPARTMENT</u>				
Water & Sewer Operations:				
Personnel services - Water	\$ 1,402,729	\$ 1,402,729	\$ 1,373,561	\$ 29,168
Personnel services - Sewer	326,828	326,828	310,055	16,773
Personnel services - Admin	197,125	197,125	196,627	498
Supplies and materials	539,870	539,870	913,549	(373,679)
Contractual	1,026,200	1,026,200	1,063,244	(37,044)
Maintenance	536,900	536,900	668,902	(132,002)
Capital outlay	205,300	205,300	255,324	(50,024)
Other administrative costs	1,050,300	1,050,300	714,451	335,849
Total Water & Sewer Operations	<u>5,285,252</u>	<u>5,285,252</u>	<u>5,495,713</u>	<u>(210,461)</u>
Water & Sewer Construction	359,900	359,900	590,696	(230,796)
Other Expenses:				
Operating transfers out	54,128	54,128	54,128	-
Bond principal	640,898	640,898	640,898	-
Bond interest and charges	347,373	347,373	343,923	3,450
Total Other Expenses	<u>1,042,399</u>	<u>1,042,399</u>	<u>1,038,949</u>	<u>3,450</u>
Total Water & Sewer Department	<u>6,687,551</u>	<u>6,687,551</u>	<u>7,125,358</u>	<u>(437,807)</u>
TOTAL EXPENSES-BUDGET BASIS	<u>\$ 6,687,551</u>	<u>\$ 6,687,551</u>	<u>7,125,358</u>	<u>\$ (437,807)</u>
Financial Statement Adjustments:				
Capital outlay capitalized			(904,440)	
Reclassify principal paid on bonds			(640,898)	
Depreciation expense			1,047,257	
Amortization of bond premiums/refundings			(1,293)	
OPEB expense adjustment under GASB 75			1,193	
Pension expense adjustment under GASB 68			<u>(21,668)</u>	
TOTAL EXPENSES-GAAP BASIS			<u>\$ 6,605,509</u>	

COMPLIANCE SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and City Council
City of Henderson, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Henderson, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Henderson, Texas's basic financial statements, and have issued our report thereon dated March 14, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Henderson, Texas's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Henderson, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Henderson, Texas's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Henderson, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 14, 2025

MINUTES OF THE
HENDERSON CITY COUNCIL
Regular Scheduled Meeting

February 18, 2025

CALL TO ORDER: *The Mayor will call the meeting to order, declare a quorum if present, and declare notices legally posted pursuant to Open Meetings Act.*

Mayor Pace called the meeting to order at 6:08 p.m.

Council members present were Stephen Strong, Michael Searcy, Greg Jackson, Melissa Morton, and Gina Juarez.

Staff members present were City Manager Jay Abercrombie, City Secretary Cheryl Jimerson, City Attorney Russell Brown, Chief of Police Chad Taylor, Assistant Fire Chief Jeff Stoddard, Director of Operations Davis Brown, Director of Public Services Kirk Kimbrell, Director of Utilities Randy Boyd, Director of Utility Infrastructure and Delivery, Community Development Manager/Building Official Cliff McElfresh, Finance Director Karen Arnall, Animal Center Director Charissa Pool, Civic Center Manager Stephanie Kimbrell, Executive Leadership Assistant/HR Specialist Hillary Faulkner, Communications and Marketing Coordinator Phedra Johnson, and HEDCO Director Bret Gardella.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Council Member Michael Searcy gave the invocation, and Council Member Melissa Morton led the Pledges.

CITIZENS COMMENTS

There were no citizens' comments.

PRESENTATIONS/ANNOUNCEMENTS

Mayor Pace and all the Council Members acknowledged City Secretary Cheryl Jimerson on the completion of the Texas Municipal Clerk Certification Program (TMCCP), reading a letter submitted to Mayor Pace by Dr. Amy Holt. Cheryl Jimerson completed approximately 200 hours of individual study over a four-course curriculum and attended eight two-day seminars for an additional 100 hours of classroom study. The curriculum includes selected texts and a number of special readings on the topics of public administration, election law, budgeting and finance, municipal law, and personnel management. To date, 1,140 individuals have earned the Texas Registered Municipal Clerk designation.

The Texas Municipal Clerks Certification Program, located at the University of North Texas, Denton, Texas, is a university-level professional education program for city clerks and city secretaries in Texas. The program is the third oldest of forty-seven programs around the world. The Certification Program is recognized and endorsed by Section 22.074 of the Local Government Code, Vernon's Texas Codes Annotated.

Texas Registered Municipal Clerks are recognized for their achievements and contributions to effective, efficient local government by their mayors, city administrators, city councils, and the citizens of their communities.

CONSENT AGENDA

1. Consideration of possible action upon the minutes from the Special meeting held November 26th 2024, and January 21st 2025 Regular meeting minutes. (Jimerson)
2. Consideration and possible action upon the HEDCO financial' s for the month of December 2024.
3. Consideration and possible action upon declaring certain property as surplus and authorizing staff to dispose of the same. (Kimbrell/Abercrombie)
4. Consideration and possible action upon a letter of support for Keep Henderson Beautiful to continue all their efforts getting grants, donations, volunteers, etc. to help keep Henderson beautiful.

Council Member Michael Searcy made a motion to approve the consent agenda, duly seconded by Council Member Stephen Strong. The vote was unanimous.

COUNCIL BUSINESS – REGULAR SESSION

5. Consideration and possible action upon Resolution 2025-02-01 for the 2023-2024 budget amendment #2. (Arnall)

Finance Director Karen Arnall stated this is to amend the 2023-2024 budget for a few funds and departments. The amendments are needed for the following reasons: HEDCO Salary reimbursement to include attorney; Police Department received money from TX Eastern 911; Large hail damage claim reimbursement received from TML; General Construction transfer from General Fund for Fire Station Ceiling Repair; 2018 Bond Series to allocate funds for Mill Creek Sewer Repair, Water/Sewer Repairs for Street Project and Sabine Pipeline Repair.

Council Member Michael Searcy made a motion to approve amendment #2 for the 2023-2024 budget, duly seconded by Council Member Stephen Strong. The vote was unanimous.

6. Consideration and possible action upon Resolution 2025-02-02 for the 2024-2025 budget amendment #1. (Arnall)

Finance Director Karen Arnall stated this is to amend the 2024-2025 budget for items ordered but not yet received or projects started but not yet completed in 2024. These items or projects will be received and most likely completed in 2025. Exceptions could be the Street Project #24. The budget amendment recommended to the Council addresses needed changes to the 2024-2025 budget, affecting the following funds: General Fund in the Police Department for TX Eastern 911 money used for dispatch and donated money for the shooting range; Street & Drainage Fund for the Street Project #24 funded by the 2023 Tax Notes; 2018 Bond Series to use the remaining balance in the fund to complete Phase 2 of the Eastside Sewer Main Project and Water/Sewer line repairs for the Street Project #24.

Council Member Michael Searcy made a motion to approve amendment #1 for the 2024-2025 budget, duly seconded by Council Member Gina Juarez. The vote was unanimous.

7. Consideration upon the first reading of Ordinance 2025-02-01 amending the Zoning map for the City of Henderson changing the zone from General Industrial to a High Density Multi-Family District for a property located on N. Van Buren across from Lakewood Cemetery. (Jimerson)

City Secretary and appointed P& Z Administrator Cheryl Jimerson stated at a meeting of the BOA held January 14th, 2025, that they approved a residential home being built in the M3 zone by Special Exception pending the P&Z's recommendation to the City Council and the decision of the City Council to change the zone on this property from Industrial to Multi-family.

At a meeting of the P& Z held February 11th 2025, the board decided to make a recommendation to the Council on the zoning change from Industrial to Multi-family.

At a meeting of the City Council, they approved the recommendation of the zoning change. This is the first reading of this ordinance. The council saw no changes that needed to be made.

8. Consideration upon a recommendation from the Planning and Zoning Commission for a Zoning change submitted by WCG Properties. They are requesting a Zoning change from Low Density Single-Family Residential (R1) Zone to General Commercial (C2) Zone on a property known as 2500 S. Evenside Street. (Jimerson)

City Secretary and appointed P&Z Administrator Cheryl Jimerson recommended the Council approve a recommendation from the Planning and Zoning Commission to approve the request of a zoning change from a Residential 1 zone to a Commercial 2 zone on a vacant lot known as 2500 S. Evenside by WCG Properties.

Changing this zone to C2 will be following the 2050 Comprehensive Plan that was put in place.

Council Member Michael Searcy made a motion to approve the zoning change to C2, duly seconded by Council Member Melissa Morton. Council Member Gina Juarez abstained from voting on this item due to it is her employer.

9. Consideration upon a recommendation from the Planning and Zoning Commission for a Zoning change submitted by Bane Investment Holdings LLC. They are requesting a Zoning change from Low Density Single-Family Residential (R1) Zone to General Commercial (C2) Zone. The property is described as, PT OF LT 1 BLK 890, 6 acres out of 13.357 Acres J Smith Survey. (Jimerson)

City Secretary and Appointed Zoning Administrator Cheryl Jimerson recommended the Council approve a recommendation from the Planning and Zoning Commission for the request to change the zone from (R1) to General Commercial (C2) on the lot directly behind 2500 S. Evenside. Changing this zone to C2 will be following the 2050 Comprehensive Plan that was put in place.

Council Member Gina Juarez made a motion to approve the zoning change, duly seconded by Council Member Michael Searcy. The vote was unanimous.

10. Consideration upon a recommendation from the Planning and Zoning Commission on an application for a Zoning change submitted by United Ag and Turf. They are requesting a Zoning change from Medium Density Single-Family Residential (R2) Zone to General Commercial (C2) Zone. The property is described as, LT 8A BLK 1134, Tall Pines Estates, directly behind United Ag and Turf. (Jimerson)

City Secretary and Appointed Zoning Administrator Cheryl Jimerson recommended the Council approve a recommendation from the Planning and Zoning Commission for the request to change the zone to General Commercial (C2). United Ag and Turf have requested a zoning change on a property they purchased directly behind 520 HWY 79 S. Their plans are to continue with the expansion of overflow parking for inventory.

Council Member Greg Jackson made a motion to approve the zoning change, duly seconded by Council Member Michael Searcy. The vote was unanimous.

DEPARTMENTAL REPORTS:

11. The City Council may deliberate and make inquiry into any item listed in the Departmental Reports.

Mayor Pace has asked the Animal Center to give a verbal monthly report to the City Council.

Animal Center Director Charissa Pool had a PowerPoint with statistics reflecting the intake and outgoing animals for the month of January. The new ACO truck has been out on the streets. There were 95 calls that came in for the ACO with 21 animals picked up. The Center is working on a meet and greet room for citizens to have a chance to play with animals. Charissa continues to look for available grants. She is focusing on an outreach program and training. They are expanding the transport groups to help get animals up north.

Council Member Michael Searcy was very pleased with the report and would like it up on the website as soon as possible. He would like to see the other department reports on the website to keep the positive momentum going out to the citizens.

The complete Council packet is posted every month with all the monthly reports available on the website under Council Meetings.

- A. City Manager
- B. Fire Department
- C. Police Department
- D. Animal Center
- E. Community Development
- F. Public Services/Parks and Recreation Department
- G. Public Utilities
- H. Finance Department
- I. City Secretary
- J. Communications and Marketing

K. HEDCO

Sales Tax Revenue for December 2024.

L. Director of Operations Departmental Reports below.

Civic Center

Main Street/Tourism

Municipal Court

BOARDS AND COMMISSIONS

Board of Adjustments Minutes

Planning and Zoning Minutes

Cemetery Board Meeting Minutes

Main Street Meeting Minutes

Preservation Minutes

EXECUTIVE SESSION:

REGULAR SESSION:

ADJOURNMENT

12. Adjourn

Council Member Melissa Morton made a motion to adjourn at 6:36 p.m., duly seconded by Council Member Greg Jackson. The vote was unanimous.

ATTEST:

APPROVED:

Cheryl Jimerson, City Secretary

Henry Pace, Mayor

MINUTES OF THE
HENDERSON CITY COUNCIL
Regular Scheduled Meeting

February 18, 2025

CALL TO ORDER: *The Mayor of the City Council called the Workshop to order, declare a quorum if present, and declare notices legally posted pursuant to Open Meetings Act. The Chairperson of the Economic Development Commission called the workshop to order.*

Council members present were Stephen Strong, Michael Searcy, Greg Jackson, Melissa Morton, and Gina Juarez.

Economic Development Corporation members present were Michael Marshall, Noble Welch, Trey Segoria, James Holmes and Bret Gardella.

COUNCIL BUSINESS – REGULAR SESSION

1. Open a workshop to discuss topics related to residential and commercial development.

Vice President Brian Ballard opened a residential and commercial development workshop and turned the floor over to Henderson Economic Development Executive Director Bret Gardella.

Bret Gardella stated we recognize the pressing need for housing and the interconnected nature of residential growth, job creation, and infrastructure. This workshop allows council members and the EDC board to align priorities and ensure we're moving in the right direction. My staff and I have spent months engaging in the community, promoting small businesses, and working on recruitment efforts. We're also rebranding Henderson, Texas Economic Development with a new logo, marketing strategy, and website. Our goal is to raise awareness, attract investment, and support local businesses. We want to hear your priorities to ensure our efforts align with the city's vision. Let's collaborate to drive Henderson's growth. We're rebranding as Henderson, Texas Economic Development—no more HEDCO. Our new logo, featuring a bold "H" with an upward arrow, symbolizes our city's growth. Our focus is on recruitment, residential growth, and retail expansion. We can't sell Henderson from behind a desk—we need to be out promoting it. On residential development, a study showed that 30% of employees in 10 major local businesses live elsewhere due to a lack of housing options. We need everything from multi-family housing to executive homes. We're exploring tools like public improvement districts (PIDs), tax incentives, and development agreements to attract builders. For retail, growth depends on population and business expansion. We must strategically recruit businesses that fit our community. Our approach: work fast, be competitive, and make development easy. Henderson needs to operate at the speed of business, not government. By combining city efforts, incentives, and smart planning, we can drive meaningful growth. A tax rebate for a developer only benefits them, similar to a 380 agreement, which returns city taxes for a set period. A TIRZ zone can last decades, but if only at the city level, the county benefits without contributing. Attracting builders is crucial. The mayor and I have discussed projects like tiny homes and citywide cleanups. Retail is always a hot topic, but we need realistic goals. We need to elevate our expectations and invest strategically. Some businesses won't come because we're too small and stagnant. Growth requires rooftops, which attract retail, creating a cycle of development. We recently partnered with Placer AI to analyze consumer data. Understanding shopping patterns helps target businesses that fit. Michael Searcy commented that our recreational facilities need investment too. The Henderson Boys Baseball Association has improved, but fields and parks need upgrades to attract young families. Bret said, ultimately, we must take an honest look at ourselves, refine our priorities, and actively promote Henderson's potential. A few months ago, we launched a small business grant program offering a 50/50 match of up to \$10,000. In just 90 days, we've approved six grants, totaling over \$100,000 for local businesses, including one industrial project. We want businesses to know we're here to help—whether through beautification projects, infrastructure improvements, or attracting new opportunities. These efforts enhance Henderson's appeal and drive economic growth. We're also working on youth sports facilities, airport expansion, and long-term job creation. Our goal is to attract niche manufacturing, aerospace, and data centers while improving local infrastructure. However, property challenges remain—vacant and deteriorating buildings need action. We must push for better maintenance, explore redevelopment options, and create incentives for growth. To compete, we must actively seek businesses, not just wait for them to arrive. This is about securing a future for Henderson—bringing in jobs, housing, and retail to ensure long-term success. Beyond beautification, we need better connectivity—sidewalks and trails, especially near Winley Foods, where walking and biking are unsafe. Henderson needs visibility. Housing

is a challenge. Land is costly, and developers hesitate, yet demand exists. A phased approach is needed. Developers may start with 50-100 units. Senior living apartments filled quickly, proving the need. Henderson needs growth to attract businesses and residents. Senior apartments filled quickly, proving demand exists, but developers hesitate. Beyond housing, Henderson needs diverse dining and retail. Big chains won't come without growth, but local franchisees could help. Without a college system, fostering entrepreneurship is a challenge. To change, Henderson must invest in infrastructure, housing, and business opportunities—or risk falling behind. The focus is on doing things differently, being aggressive, and working closely with the city. There's a desire downtown to have a clear identity, with improvements like better sidewalks and better accessibility for pedestrians, as parking isn't the core issue. Ideas like a sculpture trail, inspired by other successful cities, were suggested to draw people downtown. The city needs infrastructure upgrades to improve the walking experience, and the challenge is to find the money to make it happen. The conversation centers around the challenges and strategies for funding community projects, especially considering current state legislature decisions. The focus is on using grants, debt service, and tax strategies to fund initiatives like downtown revitalization, with a major emphasis on finding additional grant opportunities.

ADJOURNMENT

2. Adjourn

Council Member Michael Searcy made a motion to adjourn at 6:01 p.m., duly seconded by Council Member Greg Jackson. The vote was unanimous.

ATTEST:

APPROVED:

Cheryl Jimerson, City Secretary

Henry Pace, Mayor



City Council

Agenda Item # 3.

SUBJECT: Consideration and possible action upon the City's Discrimination Policy. (Faulkner)

MEETING DATE: March 18, 2025

DEPARTMENT: Administration

CONTACT: Hillary Faulkner, Executive Leadership and HR Specialist

RECOMMENDED CITY COUNCIL ACTION: Staff recommends Council approve a Discrimination Policy for the City of Henderson.

ITEM SUMMARY: There have not been any changes to the City of Henderson does not discriminate against any citizen, employee, customer, or client based on sex, race, religion, age, pregnancy, veteran status, etc.

BACKGROUND INFORMATION: Discrimination is touched in summary in the Sexual Harassment Policy in the Personnel Policy Handbook.

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. Discrimination Policy (1)



The City of Henderson, Texas

Discrimination Policy

It is the policy of the City of Henderson to provide an inclusive and equal environment to any and all members of the community and ensure that no person is excluded from participation in, or subjected to discrimination, under any program, activity, or service that the city provides. This includes but is not limited to, employees, program participants, customers, clients, consumers, and members of the public. The City of Henderson will not tolerate discrimination, retaliation, threats, or coercion against any individual or group.

In accordance with Title VI of the Federal Civil Rights Law, the city prohibits unlawful discrimination, including harassment, on the basis of race, color, religion, national origin (including language), sex, pregnancy, age, disability, citizenship, veteran status, and genetic information. The City of Henderson also prohibits discrimination on the basis of, sexual orientation, gender identity, and gender expression. In this policy, the terms sex and gender are interchangeable. Title VI specifically ensures that “No person in the United States, on the ground of race, color, or national origin, be excluded from participation in, denied benefit of, or be otherwise subjected to discrimination under any program or activity receiving federal assistance.”

It is important to the City of Henderson for our constituents to be aware of our nondiscrimination policy and understand the proper steps to take in the event an issue arises. Copies of our Discrimination Policy can be found in our employee handbook, the city website, as well as our Facebook page.

References

Title VI of the Civil Rights Act of 1964, as amended, protects citizens from discrimination on the basis of race, color, religion, sex (including pregnancy), or national origin.

U.S. department of Homeland Security Regulation 6 C.F.R. part 19, prohibits religious discrimination in social service programs.

Section 504 of the Rehabilitation Act of 1973, prohibits discrimination based on disability. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an individual.

Age Discrimination act of 1975, prohibits discrimination based on age.

Title IX of the Education Amendments act of 1972, prohibits discrimination based on sex in all federally funded education programs.

Retaliation: The above Federal laws prohibit covered entities from retaliating against a person who files a charge of discrimination, participates in a discrimination proceeding, or otherwise opposes an unlawful practice. It is impermissible for a recipient or other person to intimidate, threaten, coerce, or discriminate against any individual for the purpose of interfering with any right or privilege secured by title VI, or because the individual has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under the DHS regulation implementing Title VI (6 C.F.R. § 21.11(e))

What do I do if I feel I have been Discriminated against?

If you feel you have been subjected to discrimination, immediately contact designated Nondiscrimination Program Coordinators. City employees may contact their supervisors for discrimination complaints. In the event where the complaint is against a supervisor, contact the City Manager. If the complaint is against the City Manager, you may file a complaint with the City Council. Human Resource personnel are the designated Nondiscrimination Program Coordinators.

The complaint must be in writing

Clearly identify who the sender is; include his/hers signature and contact information.

- **The complaint should identify the entity which allegedly committed the discrimination**

The U. S. Environmental Protection Agency's External Civil Rights Compliance Office (ERCO) can only investigate complaints filed against an entity which receives financial assistance from EPA.

- **The complaint must allege discrimination prohibited by one of the laws ECRCO enforces**

Describe in detail why you feel the entity discriminated against you or others on the basis of race, color, national origin, sex, disability, age, or has engaged in intimidation prohibited by EPA's nondiscrimination regulation.

- **The complaint must be filed within 180 calendar days of the date of the last act of alleged discrimination**

Under certain circumstances, ECRCO may consider extending the 180-day time-frame if good cause is shown.

Nondiscrimination Program Coordinators:

Glenda Villanueva / HR Coordinator – (903) 392-0644

Hillary Faulkner / HR Specialist – (903) 392-0440 To

be connected to a translator – (903) 657 - 6551

Complaint Process

Preliminary Inquiry:

Once contacted, The City of Henderson, or the Nondiscrimination Program Coordinators, will conduct a preliminary inquiry to determine the need for further investigation. If the inquiry determines a complaint is warranted, the complainant will be notified in writing and an interview will be scheduled to begin the investigation process. If the preliminary inquiry indicates an investigation is not warranted, the complainant will be notified in writing with an explanation of why such decision was made and the factors leading to said decision.

Complaint Investigation:

Complaints that warrant investigation will be fairly processed by the City of Henderson's Nondiscrimination Program Coordinator and the results of said investigation will be given to the City Manager for review. The complainant will then be notified in writing of the results of the investigation and what actions have been or will be taking place in response to the complaint.

The City of Henderson, Texas

Complaint Process

You can also mail all Civil Right complaints to:

U.S. EPA External Civil Rights

Compliance Office (2310A)

1200 Pennsylvania Ave., NW

Washington, D.C. 20460

e-mail: Title_VI_Complaints@epa.gov

Other Inquiries?

For any other inquiries, please write to ECRCO at the above address or call ECRCO at:

(202) 564-3316 or, by fax to: (202) 564-0196.

Individuals also have the option to file a complaint directly to Homeland Security Office

for Civil Rights and Civil Liberties:

E-mail: CRCLCompliance@hq.dhs.gov (fastest method to submit your complaint)

Fax: 202-401-4708

U.S. Mail: U.S. Department of Homeland Security Office for Civil Rights and Civil Liberties Compliance Branch

245 Murray Lane, SW

Building 410, Mail Stop #0190

Washington, D.C. 20528

Website for additional information: <https://www.dhs.gov/file-civil-rights-complaint>



City Council

Agenda Item # 4.

SUBJECT: Consideration and possible action upon the City's Antifraud Policy (Faulkner)

MEETING DATE: March 18, 2025

DEPARTMENT: Administration

CONTACT: Hillary Faulkner, Executive Leadership and HR Specialist

RECOMMENDED CITY COUNCIL ACTION: Staff recommend adopting the Antifraud Policy.

ITEM SUMMARY: The City of Henderson has not made any changes to the Antifraud Policy.

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. Henderson's comprehensive fraud policy

City of Henderson , Texas Anti-Fraud Policy



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City of Henderson Anti-Fraud Policy

Applicability:

City of Henderson staff, officials, and external parties

Purpose:

The aim of the City of Henderson's Anti-Fraud Policy is to safeguard the reputation and financial viability of the City of Henderson by improved management of fraud risk. It sets out explicit steps to be taken in response to reported or suspected fraud, as well as measures that will be taken to prevent or minimize the risk of fraud.

Conforms to:

Texas Code Annotated/Henderson Municipal Charter; Texas Comptroller of the Treasury Regulations

Related Documents:

City of Henderson Personnel Policy, Purchasing Policy, and established internal control procedures and guidelines.

I. Introduction

The City of Henderson has become increasingly aware of the levels and types of risks that the City must manage if it is to retain and enhance its reputation, financial viability and stewardship of City resources. Management's analysis of External and Internal Audits have highlighted the challenges, risks and opportunities that the City of Henderson faces in effectively managing City resources while providing the maximum value to City residents in terms of efficiency and effectiveness.

Recognizing that addressing fraud risk is a normal requirement for the conduct of business by all organizations, the Henderson City Manager conducted a risk assessment by a private consulting firm, and the City's annual External Audit to strengthen the City of Henderson's risk management practices, internal controls and standards.

Measures include the implementation of updated internal controls, an Anti-Fraud Policy (this Policy), and wide ranging revision of City policies and procedures for personnel, inventory, purchasing, cash verification, and other critical areas of risk that provide guidance for City staff and transparency of City operations. Through these measures, the City of Henderson seeks to be an organization that is accountable, transparent and ethical in its management and governance, and that retains the confidence and trust of its residents, staff, businesses and other outside parties.

The aim of this Anti-Fraud Policy is to safeguard the reputation and financial viability of the City of Henderson through improved management of fraud risk. It sets out explicit steps to be taken in response to reported or suspected fraud, as well as measures that will be taken to prevent or minimize the risk of fraud. The Policy has been developed based on good practice examples of fraud risk control strategies.

This Policy applies to all City of Henderson officials and staff¹ as well as external parties. It is an integral part of the City of Lakeland's internal control policy framework and should be read and applied in conjunction with the City of *Henderson's Purchasing Policy*, and the City of *Henderson's Personnel Policy*. In addition, the definitions that appear in the Glossary are to be interpreted within the context of this Policy.

¹ This policy applies to all City staff, exempt and non-exempt, full- and part-time and temporary, regardless of terms of employment. Additionally, this policy applies to all of the City's vendors, customers, and partners or any other interested parties to the extent that any the City's resources are involved or impacted.

II. Definitions

The definitions in this Policy are to be interpreted within the context of this policy and other internal controls within the City's internal control policy framework.

<u>Allegation:</u>	A statement or accusation by a person that an act of fraud has or may have been committed. This does not require evidence of the offence or identification of suspects, but there is usually some stated basis for the accusation.
<u>Conflict of interest:</u>	A situation in which the impartiality of an employee in discharging his/her duties could be called into question because of the potential, perceived or actual improper and impermissible influence of personal considerations, financial or other.
<u>External fraud:</u>	Fraud committed against the City of Henderson by an external party, for example the employees of a partner or supplier.
<u>External party:</u>	Any legal entity or individual other than the staff members of the City of Henderson
<u>Fraud:</u>	The use of deception by an individual with the intention of obtaining an advantage for himself or herself or for a third party or parties, avoiding an obligation, or causing loss to another party. Fraud includes offenses such as, but not limited to, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion.
<u>Fraud Prevention:</u>	Strategies designed to proactively reduce or eliminate internal and external fraud.
<u>Internal control:</u>	A process, affected by the governing body, management and other employees, designed to provide reasonable assurance that risks are managed so as to ensure the achievement of the organization's objectives.
<u>Internal fraud:</u>	Fraud committed directly against the City of Henderson by a staff member of the City of Henderson
<u>Investigation:</u>	A search for or collation of evidence connecting or tending to connect a person or body with conduct that infringes the law or the City of Henderson's policies, procedures and guidelines.
<u>Partner:</u>	Any organization or corporations that are involved in funding or delivering services to the City of Henderson are included in this policy.
<u>Risk assessment:</u>	A process that analyses the risks, including fraud risks, that may prejudice or prevent achievement of organizational objectives, and that determines whether those risks are to be prevented, mitigated, transferred or accepted.
<u>City Staff:</u>	For purposes of this policy, any individual who is employed by the City of Henderson including exempt and non-exempt staff regardless of full-time/part-time/temporary or other status, e.g., interns and volunteers working for the City.

III. What is Fraud?

For purposes of this Policy, fraud is defined as the use of deception by an individual with the intention of obtaining an advantage for himself or herself or for a third party or parties, avoiding an obligation, or causing loss to another party.

The term fraud is used to describe offenses such as, but not limited to, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion.

This Policy is intended to apply to both internal and external fraud as defined in the Glossary.

Examples of Fraudulent Behavior

- Obtaining property, financial advantage or any other benefit by deception or abuse of authority granted by virtue of official position or duty.
- Charging the City of Henderson for goods and services that have not been delivered.
- Development or application of local policies or practices that are knowingly inconsistent with the objectives of City of Henderson's practices or objectives.
- Seeking to obtain confidential information about a colleague or others, with intent to use it for unauthorized purposes.
- Knowingly providing false, misleading or incomplete information to the City of Henderson its donors, partners, or other business relations, or deliberately failing to provide information where there is an obligation to do so.
- Non-permitted use of the City of Henderson's computers, vehicles, telephones or any other property or services outside of professional duties or without specific authorization.
- Hacking into, or interfering with the City of Henderson's server or computer system.

IV. How Fraud Occurs

Some frauds arise because of lack of proper internal control policies and procedures. Other frauds may be the result of failures to follow proper control procedures, carelessness in carrying out checks, inadequate separation of duties of staff or management override of internal controls.

Four basic elements are usually present when fraud occurs:

- Individual(s) to carry out the fraud – inside or outside of the organization
- Assets to be acquired, used or disposed of fraudulently
- Intent to commit the fraud
- Opportunity to do so

Managers must ensure that the opportunities for fraud are minimized. A high probability of being caught will deter those who might otherwise engage in fraud.

Opportunities to commit fraud may be reduced by ensuring that a sound system of internal control, proportional to risk, has been designed and implemented and is functioning as intended.

V. Fraud Prevention

City of Henderson officials and personnel have a responsibility as well as obligation to contribute to the management of fraud risk.

The City Manager and City Department Heads all set the tone and lead in the promotion of risk management, internal controls and an anti-fraud culture throughout the City.

Management and operational staff design, implement and operate the control actions, recruit the right people, and ensure that physical and IT services promote computer and data security.

City staff shall conduct themselves with integrity and demonstrate awareness of the importance of ethical practices in their day to day work.

The City of Henderson expresses a *zero tolerance policy* regarding fraud and will not tolerate any level of fraud or corruption under any circumstances. The City of Henderson expects all people and organizations associated with it to be honest and fair in their dealings with the City, its members and its partners.

Any detected case will be thoroughly investigated, with disciplinary or criminal sanctions pursued where appropriate and possible, and losses recovered by any lawful means. The City of Henderson is also committed to ensuring that opportunities for fraud are reduced to the lowest possible level of risk; that effective controls are maintained to prevent fraud, and systems and procedures are reviewed and improved following detected cases of fraud.

There are four major facets to the City of Henderson's strategy for effective fraud prevention:

CULTURE OF HONESTY AND ETHICS

The most persuasive and effective method of preventing fraud is the promotion of an ethical and transparent environment that encourages City staff at all levels to actively participate in protecting the City's reputation and resources.

This involves:

- Having a clear statement of ethical values in the City of Henderson's *Personnel Policy* which organization applies and enforces consistently. staff has an obligation to comply with and to promote with third parties, and which the
- Establishing, disseminating and enforcing a clear anti-fraud policy, including sanctions for wrongdoing.
- Clarifying and addressing conflict of interest cases.
- Promoting staff awareness of fraud and training staff in anti-fraud and corruption strategies.
- Ongoing application of personnel policies that focus on the honesty and integrity of employment candidates and require background checks sufficient to the level and sensitivity of the position.
- Maintaining staff morale, reasonable working hours, and common basic standards in working conditions.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk management is at the heart of effective fraud control, especially through the development of risk criteria and implementation of effective controls. The City of Henderson will periodically undertake a comprehensive evaluation of its overall vulnerability to fraud as well as the scope and magnitude of fraud risk in specific areas, and more frequently as part of an ongoing rolling risk assessment process.

The City of Henderson City Manager will:

- Exercise proactively his/her responsibility for the overall management of fraud risk and for the management of specific fraud risks.
- Will monitor the implementation of actions designed to reduce fraud risk.

- Establish internal controls to detect report and deter fraud that are cost effective and ensure that City staff is comfortable to report fraud without fear of reprisal.
- Initiate and facilitate fraud detection and reporting.
- Determine whether each risk, judged according to its probability and severity, should be prevented, mitigated, transferred², or accepted.
- Report on the implementation of actions designed to reduce fraud risk.

Further roles and responsibilities are set out in Section VII.

AWARENESS RAISING AND TRAINING

Fraud awareness raising and training underpins fraud prevention and detection. The City of Henderson will ensure that all employees are aware of their responsibilities for fraud control and ethical behavior. Targeted training will be provided for new staff and refresher training for current staff.

Training will include the following subject areas:

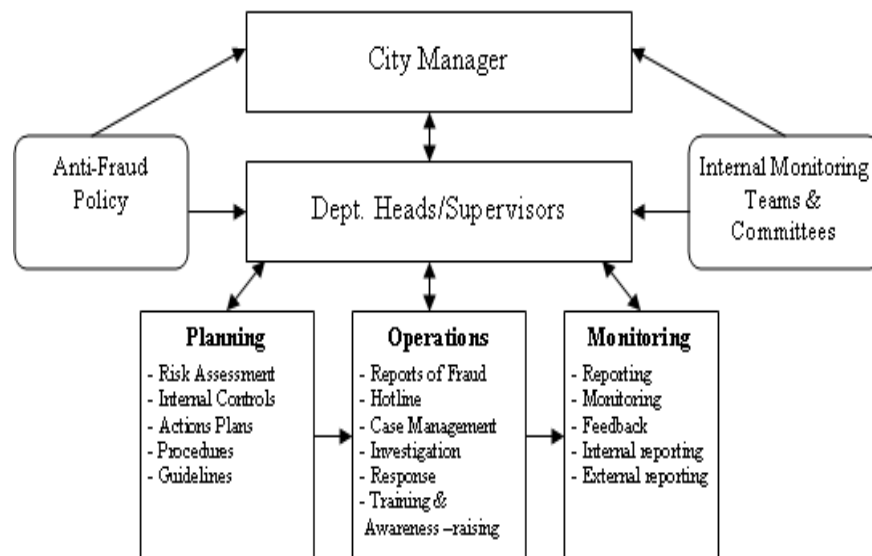
- Definition of fraud – with the City of Henderson's examples to illustrate the breadth of fraud and the fact that it can involve the pursuit of tangible and intangible benefits.
- The need for ethical behavior and the fact that fraud avoidance is everyone's responsibility.
- The details of the City of Henderson's *Anti-Fraud Policy*.
- Things to look for that could indicate that fraud may have been committed.
- Steps to take if fraud is reasonably suspected.
- Responsibilities for handling allegations and inquiries into cases of fraud in the Henderson.
- Relationship of the *Anti-Fraud Policy* with the *Personnel Policy*, *Purchasing Policy* and internal control procedures and guidelines.
- Available remedies and measures to be applied when fraud is established.
- Measures to ensure that third parties are aware of the City of Henderson's *Anti-Fraud Policy*.

² "Transferred" means that the exposure is covered by a third party, usually through insurance.

OVERSIGHT PROCESS

Independent reviews by internal monitoring teams or committees established by the City Manager and External Auditors will examine the effectiveness of internal controls and review operations for evidence of fraud. The results of such reviews will be reported directly to the City Manager, and will be followed-up the City Manager.

Figure 1: Internal Fraud Prevention Responsibilities



VI. Fraud Response

DELEGATION STRUCTURE

The City Manager has overall responsibility for the organizational response in the case of a reported or suspected fraud. Authority for the response can be delegated to City staff, as appropriate, though overall management of the response to suspected fraud will be maintained by the City Manager.

REPORTING ALLEGATIONS OF FRAUD

The City of Henderson City Staffs' Responsibility:

City of Henderson City staff should be aware of the potential for fraud, and should report any reasonably suspected fraud.

Concerns which should be reported include, but are not limited to, staff committing or attempting to commit:

- Any dishonest or fraudulent act
- Forgery or alteration of documents or accounts
- Misappropriation of funds, supplies or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiting personally from an official position or enabling family members or others to do so
- Disclosure of official activities or information for advantage
- Accepting or seeking value from third parties by virtue of official position or authority
- Theft or misuse of property, facilities or services

External party actions which should be reported include:

- Being offered a bribe or inducement by a partner or supplier
- Receiving fraudulent (i.e., intentionally inaccurate, rather than erroneous) invoices from a supplier
- Known instances of corruption, deception or misuse by a supplier or partner

- Any of the concerns listed in reference to the City of Lakeland staff

If staff become aware of a suspected fraud they should take note in writing of any pertinent details, including what was said or done by whom, the date, the time, the location and the names of the individual(s) involved.

Staff ***should not***:

- Contact the suspected perpetrator to get facts or demand restitution
- Discuss the case facts or allegations with anyone other than the persons investigating the incident.
- Attempt to personally conduct investigations or interviews

REPORTING PROCESS

Depending on the circumstances of who is thought to be involved in the suspected fraud, the City of Henderson staff members should report the suspected fraud to one of the following, in order of preference:

- The City Manager
- The City Attorney
- The Department head(s) or Supervisor(s) of the individual(s) suspected of committing fraud.
- The line manager(s) is required to report the concern to the City Manager.

If the Department head(s) or Supervisor(s) are potential suspect(s), then City staff should report the concern directly to the City Manager.

If staff prefer to report anonymously they can do so through the confidential Fraud Hotlines.

The Hotline is a shared hotline for concerns related to both the Code of Conduct and Professional Ethics and the Anti-Fraud Policy.

Reports of fraud should include all known details, including all individuals alleged to be involved, the location, the time, and any relevant actions or statements.

All information provided to the City Manager or Fraud Hotline will be treated confidentially when possible. All reasonable allegations will be treated seriously and systematically, and will be properly investigated. Confidentiality, in so far as possible, will be maintained for all reports

made in good faith, and where reports are made anonymously, such anonymity will be respected. However, if criminal activity is to be reported to the police, the identity of the person reporting may eventually have to be disclosed to enable external investigators or the police to pursue criminal investigation effectively.

If an allegation is determined to have been made frivolously, in bad faith, maliciously, for personal gain or for revenge, disciplinary action may be taken against the person making such an allegation.

DEPARTMENT HEADS' AND SUPERVISORS' RESPONSIBILITY:

If informed of a fraud, Department Heads and Supervisors (hereafter referred to as “managers”) should listen carefully and with respect to staff, ensure that every report is treated seriously and sensitively, and give every allegation a fair hearing.

Managers should obtain as much documentation and information as possible regarding the alleged fraud, including any notes or evidence, and they should reassure staff members that they will be protected and will not suffer any reprisal for having reported allegations made in good faith.

Managers are required to prepare a written report of the details of any suspected fraud that has been reported to them, and provide it to the City Manager. If a manager suspect alleged fraud on the part of the City Manager, then a written report should be submitted to the City Attorney.

Managers ***should not*** confront the alleged perpetrator or carry out an investigation themselves. Instead, the matter should be reported immediately to the City Manager. If the City Manager is not available, then the manager should report to the City Manager’s designee or the City Attorney in the absence of the City Manager.

DETERMINING THE APPROPRIATE COURSE OF ACTION BY THE CITY MANAGER

As a matter of principle, once an alleged fraud is reported to the City Manager, reports will be made to the City Attorney or Texas Comptroller as required.

If the City Manager is thought to be involved, then the report should bypass the person at issue, and be sent directly to the City Attorney, who will take appropriate action in the spirit of this Policy and under State law.

The City Manager will determine, in consultation with the City Attorney whether the case can be dealt with internally or whether and to what involvement by external parties is necessary. The City Attorney will advise the City Manager on the involvement of Law Enforcement in the given case.

INITIAL REACTION TO ALLEGATIONS OF FRAUD

The City Manager will determine a course of action appropriate to the seriousness of the alleged offense. Appropriate actions will include any action necessary to expedite the investigation.

The City Manager will inform the individual(s) concerned of the allegations against him or her, and the course of action to be taken. Simultaneously, the City Manager will ensure that all information in the possession of the individual suspected is secured for investigation.

The City Manager, in consultation with the City Attorney, will mitigate the risk of future losses by immediately adjusting procedures and taking personnel actions in order to protect assets and to preserve evidence using any legal means deemed appropriate given the circumstances.

Relevant insurers will be notified immediately of any loss or damage to the City of Henderson's insured property.

Depending on the applicable Texas Comptroller regulations, the City Manager will report the case to the State Comptroller's Office in compliance with Comptroller regulations regarding fraud.

The City of Henderson may have a legal obligation to provide early notification to parties such as donors and partners who may potentially suffer losses that a concern is under investigation.

INVESTIGATION PROCEDURE

Depending on the magnitude and the complexity of the fraud, investigations will be carried out either in-house by the City Manager or by external parties such as External Audit firms with specialized forensic accounting expertise and access to criminal law expertise, or where deemed appropriate, by the police. The decision whether to use internal or external investigation services, or a combination of both, will be made by the City Manager.

Investigations will be conducted without regard to any person's relationship to the organization, position or length of service. The City Manager and City Recorder will keep records of all actions in the investigation, to ensure success in any future criminal, civil or disciplinary action. The City Manager will determine who should not be involved in the investigation to avoid a conflict of interest situation for staff members and managers with close working relationships with the individual(s) in question, and may consult with the City Attorney as appropriate.

The City Manager will ensure cooperation to an external body requested to assist in the investigation. All searches are to be conducted in a lawful manner, to ensure that evidence is admissible in court, if required.

The City Manager will issue a report detailing the findings and conclusions of every concluded investigation, including recommendations for future action. Results of investigations will not be disclosed to or discussed with any person except as deemed necessary and appropriate.

MANAGING EXTERNAL RELATIONS

In the case of substantiated fraud, the City of Henderson will take immediate steps to mitigate potential loss of the City of Henderson's reputation and credibility with residents, donors and partners especially when involved in funding or delivering work in the particular context in question.

In cases of fraud, the City Manager or designee shall manage and monitor any media response. City staff may only release information when it is approved by the City Manager, in consultation with the City Attorney.

RECOVERING ASSETS

Where the City of Henderson has suffered pecuniary loss or loss of other material assets, efforts will be made to seek restitution from the individual(s) responsible for the fraud by any possible method after consulting with the City Attorney, insurance company and law enforcement as applicable.

DISCIPLINARY ACTION

Where the City Manager's investigation reveals that a City staff member has committed a fraud, the City Manager will pursue disciplinary or legal action as is determined appropriate by the City Manager after consulting with the City Attorney and law enforcement as applicable.

FOLLOW-UP ACTION

Following a case of fraud, the City Manager will ensure that all managers and City staff in the affected area are debriefed on the process and outcome of the investigation once pending legal action allows for disclosure of the fraudulent act.

There should also be a follow-up with the individual(s) who reported the initial suspicion of fraud, to provide assurance that their claims have been taken seriously.

Depending on the circumstances, the City Manager will consider the need for communication with City staff, the media, donors and partners on a larger scale.

The City Manager will ensure that the organization conducts a thorough review of operating procedures in the areas affected by the fraud and that improvements are made where necessary. Lessons learned will be disseminated throughout the organization, where applicable, to strengthen the system of internal control and to foster an anti-fraud culture.

VII. Roles and Responsibilities in Fraud Response and Control

In summary, the specific roles and responsibilities for preventing and responding to fraud in the City of Henderson are the following:

THE CITY MANAGER

- Set the overall tone to reinforce the message that fraud will not be tolerated in the City of Henderson.
- Establish and maintain an internal control system designed to eliminate or mitigate the risks faced by the City of Henderson, including:
 - Development of an organizational risk profile, including consideration of fraud risks, and regular review of the risks associated with organizational objectives.
 - Contracting with risk management consultants to provide independent and professional expertise, if necessary.
 - Establishment and review of internal controls, including an appropriate control environment and a fraud response plan.
- Provide strong support for the External Auditors, either annually or under special circumstances.
- Establish mechanisms for reporting suspected fraud and issues with fraud risk management.
- Ensure that staff knowledge of anti-fraud policies is sufficient and that appropriate training is provided.
- Ensure that swift action is taken to respond to allegations and substantiated cases of fraud.
- Make arrangements for investigating allegations of fraud, and ensure that vigorous and prompt investigations are carried out without delay.
- Upon receiving an investigation report, determine the appropriate disciplinary and/or legal action to be taken against perpetrators of fraud and supervisors whose failures have contributed to the commission of fraud, and ensure that appropriate action is taken to recover assets.
- If necessary, communicate with external parties affected by the fraud to reassure them that all necessary steps are being taken.

- Ensure timely follow-up and strengthening of preventive measures.
- Take appropriate measures in case of frivolous or bad faith allegations.
- Take appropriate measures if a City staff member is cleared of allegations made in good faith.

DEPARTMENT HEADS AND SUPERVISORS

- Assess the risks, including but not limited to fraud risks, involved in their area of responsibility and ensure that an adequate system of internal control exists and functions to address these risks.
- Ensure that controls are properly operated and complied with. Managers should regularly review the control system in their area of work to satisfy themselves that it continues to operate effectively.
- Encourage staff to report reasonable suspicions of fraud, treating all allegations seriously, and promptly reporting allegations to the City Manager.
- Keep records of any allegations as well as any subsequent actions taken.

CITY ATTORNEY

- Provide guidance to the City Manager on the course of action to be taken, the involvement of external experts or legal authorities, and the conduct of investigations.
- Provide guidance to the City Manager regarding the potential legal avenues or consequences once a fraud has been established through investigation, and the means available to recover assets and to restore the City of Henderson's reputation and goodwill.
- Communicate with and manage relations with external criminal lawyer in circumstances where criminal cases of fraud arise.

ALL CITY STAFF

- Conduct themselves lawfully and properly in the use of the City's resources.
- Remain alert to the possibility of fraud and report suspicious behavior to their direct manager or supervisor or the City Manager.
- If staff prefer to report anonymously they can do so through the confidential fraud Hotlines.

- Attend in-house training courses on Risk Management and Fraud Prevention.
- Sign and accept the Anti-Fraud Policy as an integral condition of employment with the City of Henderson.

VII. Contact Details

Contact details for the City of Henderson are found on the City of Henderson's website_____

In addition, the following contact details are provided.

The City of Henderson City Manager:

City Manager
Henderson City Hall
400 W. Main Street
Henderson, TX 75652
Office: (903) 657-6551

Ethics and Fraud Reporting

For online reporting: _____

Reporting hotline: _____



City Council

Agenda Item # 5.

SUBJECT: Consideration and possible action upon declaring certain property as surplus and authorizing staff to dispose of the same. (K. Kimbrell)

MEETING DATE: March 18, 2025

DEPARTMENT: Public Services/Parks and Recreation

CONTACT: Kirk Kimbrell, Public Services Director

RECOMMENDED CITY COUNCIL ACTION: Staff recommends that Council declare the items on the attached 2025 Auction Spreadsheet as surplus and authorize staff to dispose of the items.

ITEM SUMMARY: In order to sell or dispose of certain items that have outgrown their usefulness, Council must take action to declare the items surplus.

BACKGROUND INFORMATION: Directors were requested to identify items that were no longer needed, taking up space and which needed to be auctioned or disposed of, and submit a list of those items to the Director of Public Services.

SPECIAL CONSIDERATIONS: None

SUPPORTING MATERIALS:

1. 2025 Auction Surplus

Year	Description	VIN#	Department
2017	Dodge Charger	2C3DXAT7HH518606	Police Department
Unknown	Caterpillar 416D Backhoe	7SG00257	Public Services
Unknown	Ford DF0P1Z Backhoe	A425037	Public Services



City Council

Agenda Item # 6.

SUBJECT: Consideration and possible action upon the HEDCO financial's for the month of January 2025. (Gardella)

MEETING DATE: March 18, 2025

DEPARTMENT: HEDCO

CONTACT: Bret Gardella, HEDCO Director

RECOMMENDED CITY COUNCIL ACTION: To approve HEDCO financial's for the month of January 2025.

ITEM SUMMARY:

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. HEDCO Financials (Updated thru 01-31-20125)
2. Type B Financials

HEDCO - APPROVED BUDGET 2024-2025

	A	B	C	D	E	F	G	H	I	J	K
1	Last Edit Date:		February 13, 2025	TYPE A and B EDC		All expenditures expected to come from Type A bank account.					
2	Budget approved:		HEDCO - August 20, 2024	01-31-2025 Checking Acct. # 4911857 Balance			\$	212,964.47			
3	Budget approved:		September 3, 2024	01-31-2025 Money Market Acct. # 4011759 Balance			\$	727,841.60			
4	Budget amended:			01-31-2025 Type B Checking Acct. # 4271963 Balance			\$	5,752,047.17			
5				Total Account Balances			\$	6,692,853.24			
6				Approved	Final Budget		Approved Budget		Y-T-D		
7				Budget	Budget		BUDGET	3-Month Ended	2024-2025	% Of	
8	Acct.#		Description	2023-2024	2023-2024		2024-2025	1/31/2025	1/31/2025	Budget	Notes
9							12	3	3	0	Percent of year completed
10	REVENUE										
11	3010		Sales Tax Revenues Type B	1,910,000.00	2,061,058.17		1,900,000.00	213,186.74	590,835.93	31%	The City did not get the monies ACH'd into our account in time to reflect it on the Dec 2024 Bank Statements
12	3025		Interest Income - Type A	130,000.00	66,689.23		20,000.00	3,449.18	13,414.18	67%	
13	3025		Interest Income - Type B	69,000.00	94,074.36		115,000.00	21,150.07	63,194.82	55%	
14	3030		Land Sales		113,171.54		923,599.00				Projected land sale of the Jim Allen Estate to Arrington and Lot 6 to SWEPCO
15	3059		Lease Income - Texas Materials Group - 29.16 Ac.								
16	3090		Other (Misc) Revenue		5,000.00						
17			TOTAL REVENUE	2,109,000.00	2,339,993.30		2,958,599.00	237,785.99	667,444.93	23%	
18											
19	* Footnote		Note Reciveable from Rusk County Rural Rail District - Not Included in Budget Totals								Notes receivable accrue on the balance sheet vs.the budget at \$6,666.67 per month. Pmt. Deferred for 15 years until 2037.
20											

HEDCO - APPROVED BUDGET 2024-2025

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final Budget		Approved Budget		Y-T-D		
7				Budget	Budget		BUDGET	3-Month Ended	2024-2025	% Of	
8	Acct.#		Description	2023-2024	2023-2024		2024-2025	1/31/2025	1/31/2025	Budget	Notes
21	EXPENDITURES										
22	Economic Development Expenses										
23	6116		Henderson Canvas Products, Inc.								Job creation incentive, 6-jobs @ \$5,000 /job. Forgiveable loan executed March 2021. \$30,000 forgiveable Loan in A/R
24	6119		High Demand Job Training Grant #6	50,000.00	105,000.00		100,000.00				Placeholder - In the event we can apply in 2024-25
25	6120		Proj Provalus - Remodel Old City Hall Complex	270,000.00	379,637.19					0%	
26	6121		Provalus Utilities		22,000.00		36,000.00	3,811.11	8,320.00	23%	HEDCO responsible 2023-2024 and 2024-2025
27	6122		US 259 Infrastructure (Christus)	750,000.00			750,000.00			0%	Infrastruture for new Christus Clinic. Total exposure for the project is \$750,000
28	6123		Project K&L Recycling	190,000.00							
29	6124		Project SWEPCO	(173,599.00)							
30	6125		Provalus Parking Lot		9,330.00		100,000.00				Bid accepted for \$295,147 200,000 budgeted in 23-24
31	6190		Matching Grants for Buisness Retention - Industrial Pa	150,000.00			150,000.00			0%	New matching grant program for Henderson Industrial Park.
32	6200		Business Incentives for new or existing businesses	350,000.00			500,000.00			0%	Place Holder - Reserve for Incentive for New Businesses. \$5,000 per job x 100 jobs.
33			Misc Infrastructure- future projects				-				
34											
35			Total Economic Development Expenses	1,586,401.00	515,967.19		1,636,000.00	3,811.11	8,320.00	1%	
36											

HEDCO - APPROVED BUDGET 2024-2025

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final Budget		Approved Budget		Y-T-D		
7				Budget	Budget		BUDGET	3-Month Ended	2024-2025	% Of	
8	Acct.#		Description	2023-2024	2023-2024		2024-2025	1/31/2025	1/31/2025	Budget	Notes
37	Supplies, Office Expenses and Professional Services										
38	6501		Accounting (Monthly Bookkeeping + Annual Audit)	14,000.00	12,595.00		14,000.00		600.00	4%	PB&J Accounting, Auditor Morgan LaGrone CPA
39	6502		Insurance - General Liability	1,500.00	1,500.00		1,500.00			0%	City of Henderson Liability premium to HEDCO. Lump sum annual payment.
40	6503		Legal (Attorney)	35,000.00	29,235.57		25,000.00			0%	Legal fees - does not include HEDCO Attorney salary
41	6504		Office Expenses	2,500.00	2,547.96		3,000.00		1,227.09	41%	Office supplies, copy paper, printer cartridges, computers, printer, furniture, bookshelves, storage, etc.
42	6505		Postage & Shipping	250.00	250.00		400.00			0%	Stamps, Fed-Ex, UPS
43	6506		Property Tax	75.00	4,050.75		85.00			0%	Copy machine tax
44	6507		Telephone, Cell (Admin)	600.00	600.00		600.00		291.44	49%	Office Phone, Cell for Adm. Asst.
45	6508		Utilities -								Potential utilities in new building.
46	6509		Professional Services - Consulting Fees, Engineering, Design, Architectural (Part of Capital Expenses)	225,000.00	62,794.00		100,000.00			0%	New Business Park, Professional Services, Property Surveys, Engineering, Phase 1 Environmentals, Streets, Drainage, Sidewalks, Water, Sewer, Fiber, Natural Gas
47			Subtotal - Supplies, Office Expenses and Professional	278,925.00	113,573.28		144,585.00	-	2,118.53	1%	

HEDCO - APPROVED BUDGET 2024-2025

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final Budget		Approved Budget		Y-T-D		
7				Budget	Budget		BUDGET	3-Month Ended	2024-2025	% Of	
8	Acct.#		Description	2023-2024	2023-2024		2024-2025	1/31/2025	1/31/2025	Budget	Notes
48											
49	Personnel Expenses										
50	7001		Contract Labor - Executive Director (with City)	161,539.00	\$ 150,330.71		161,539.00		25,075.29	16%	Salary, Insurance, Retirement, Cell Phone, Car Allowance, W/H invoiced by City of Henderson,
51											
52	7010		Contract Labor - Dir. of Marketing/Business Dev.	89,500.00	83,461.59		102,500.00		8,313.52	5%	Salary, Insurance, Retirement, Cell Phone, Car Allowance, W/H invoiced by City of Henderson. Director of Marketing
53	7020		Contract Labor - Administrative Assistant	70,500.00	67,626.00		70,500.00		5,918.16	8%	
54	7021		Contract Labor - Admin Asst Part Time	30,000.00			10,000.00				Contract labor - Projected
55	7022		Contract Labor-Lawyer						2,769.24		has to have an amendment done; was left off of budget
56			Subtotal - Personnel Expenses	251,039.00	301,418.30		344,539.00	-	42,076.21	12%	
57											

HEDCO - APPROVED BUDGET 2024-2025

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final Budget		Approved Budget		Y-T-D		
7				Budget	Budget		BUDGET	3-Month Ended	2024-2025	% Of	
8	Acct.#		Description	2023-2024	2023-2024		2024-2025	1/31/2025	1/31/2025	Budget	Notes
58	Program Expenses										
59	7201		Website Annual License Fees	3,074.00	4,075.00		5,000.00			0%	Annual License Fee to ED Suite. Invoiced Nov 31 annually. Group M7 for 2024-2025
60	7202		Website Development, Maintenance, Upgrades, etc.	5,000.00	5,000.00		7,000.00			0%	Website CMS technology update (back end), new photo gallery, better mapping, new business park pages, updated property search tool, incentives tool - Website design updates by EDSuite
61	7203		Advertising and Marketing	70,000.00	29,251.14		70,000.00		4,114.00	6%	Print ads, Direct mail or email, Marketing travel, Trade shows, Sponsorships, Printed flyers & brochures, Marketing signage, Videos, Billboard, Public Notices, + Business Park Coming Soon Signs
62	7204		Meetings and Entertainment	12,000.00	6,500.00		10,000.00		599.32	6%	Meeting refreshments, BREP meals, Prospect Hosting, Industry Appreciation Luncheon
63	7205		Dues, Memberships & Subscriptions	10,000.00	12,317.83		12,000.00		5,417.50	45%	Chamber of Commerce, TEDC, Rotary, Team Texas, ICSC, NETEDR, Adobe AcrobatDC (2), Place Marketing, also Computer Programs & Subscriptions
64	7206		Training & Travel - Non-Marketing Conferences, Webinars, Seminars and Training (Including Travel), Admin. Asst. Mileage, Misc Consulting Fees	12,000.00	13,000.00		18,000.00		10,350.55	58%	TEDC Conferences, Training Workshops, Webinars, PFIA Training, Software Technical Assistance, Rusk County Days Austin Trip, Admin Assistant Mileage.
65	7207		Non Engineering Studies		7,500.00						Hotel Fesability Study
66	7208		Special Projects								
67	7209		BREP Matching Grant Program (Type B Program) (Placeholder)								Business Retention - Matching grants for current or new businesses in current industrial parks.
68			Subtotal - Program Expenses	112,074.00	77,643.97		122,000.00	-	20,481.37	17%	
69											

HEDCO - APPROVED BUDGET 2024-2025

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final Budget		Approved Budget		Y-T-D		
7				Budget	Budget		BUDGET	3-Month Ended	2024-2025	% Of	
8	Acct.#		Description	2023-2024	2023-2024		2024-2025	1/31/2025	1/31/2025	Budget	Notes
70	Repairs and Maintenance (Non-Capital Expenses)										
71	7302		Property Maintenance - Frisco Street Parcel (29 acres)	2,500.00	900.00						Maintenance (Mowing, Clearing, Trimming, water detention, etc)
72	7303		Property Maintenance - Taylor Street/Greenbelt	500.00	500.00		500.00				Greenbelt Maintenance
73	7304		Property Maintenance - Old Industrial Park		25,000.00		35,000.00				29-acre parcel mowing, rebuild electric service
74	7305		Property Maintenance - East Texas Regional Business Park	75,000.00	65,925.00		150,000.00	26,013.75	93,769.63	63%	Mowing, trimming, repairs & maintenance
75	7306		Monument and Wayfinding Sign - Industrial Park				50,000.00				Sign at CR 203 & Loop 571 Blacklands will allow in ROW
76			Property Maintenance,Jim Allen Estate	400,000.00			150,000.00				Clearing and maintenance
77	7307		Railroad Preventative Maintenance (Ties)								To facilitate NETRMA Grant for RR ties. \$240,000 reimbursement (Completed)
78	7309		Property Maintenance - Old City Hall Complex	10,000.00	5,274.83		5,000.00				Maintenance items not covered by Provalus agreement
79			Subtotal - Repairs and Maintenance (Non-Capital)	478,000.00	97,599.83		390,500.00	26,013.75	93,769.63	1875%	
80											
81	TOTAL EXPENSES			2,706,439.00	1,106,202.57		2,637,624.00	29,824.86	166,765.74	6%	
82											

HEDCO - APPROVED BUDGET 2024-2025

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final Budget		Approved Budget		Y-T-D		
7				Budget	Budget		BUDGET	3-Month Ended	2024-2025	% Of	
8	Acct.#		Description	2023-2024	2023-2024		2024-2025	1/31/2025	1/31/2025	Budget	Notes
83	CAPITAL OUTLAY										
84	7501		Purchase of Property for New Business Park	234,000.00	7,802.96		230,000.00			0%	24-25 Colley Property \$230,000 (SWAG)
85	7502		East Texas Reg. Business Park - Capital Expenditures - Utilities & Street Improvements, Land Clearing, Sidewalks, Pond improvements	1,037,933.50	2,897,119.01		800,000.00	2,700.00	6,290.00	1%	Estimates: Street lights \$600,000, signs \$140,000, fiber conduit \$60,000
86	7503		Grant Match for TCF Grant - Morris Street								Previous Year - TCF Program was Shelved by TX Ag Commission
87	7504		Speculative Building - Design and Construction				2,500,000.00			0%	Engineer, design and construct a 20,000 sq ft building.
88			CR203 Industrial Drive Improvements	2,000,000.00							Project estimated at \$4 million. Need participation by City and County
89		Total Capital Outlay		1,271,933.50	2,904,921.97		3,530,000.00	2,700.00	6,290.00	0%	
90											
91	TOTAL EXPENDITURES (Expenses + Capital Outlay)			3,978,372.50	4,011,124.54		6,167,624.00	32,524.86	173,055.74	3%	
92	Totals										
93		Total Revenues		2,109,000.00	2,339,993.30		2,958,599.00	237,785.99	667,444.93	23%	
94		(Less) Total Expenditures		3,978,372.50	4,011,124.54		6,167,624.00	494,389.19	494,389.19	8%	
95	Net Increase/Decrease In Unrestricted Net Assets			(1,869,372.50)	(1,671,131.24)		(3,209,025.00)	(256,603.20)	173,055.74	-5%	
96		Receivable for Loan - Rusk County Rural Rail District			-						Agreement to defer for 15 years until the year 2037.
97		Total Available to Contribute to Fund Balance		(1,869,372.50)	(1,671,131.24)		(3,209,025.00)	(256,603.20)	173,055.74	-5%	Operating income less operating expenses
98											
99	Potential Transfer From Fund Balance										Projected Expenditures In Excess of Annual Income
100											
101	FINAL BALANCE			-1,869,372.50	-1,671,131.24		-3,209,025.00	-256,603.20	173,055.74	-5%	

HEDCO - Type B Financials 2024-2025

	A	B	C	D	E	F	G	H	I
1	Last Edit Date: Feburary 13, 2025								
2									
3									
4									
5	Bank Account Balance				01/31/2025 Type B Acct. # 4271963	\$	5,752,047.17		
6									
7					APPROVED		Y-T-D		
8					BUDGET	3-Month Ended	2024-2025	% Of	
9	Acct.#		Description		2024-2025	1/31/2025	1/31/2025	Budget	Notes
10						3	3	100%	Percent of year completed
11	REVENUE								
12	3010		Sales Tax Revenues Type B		1,900,000.00	213,186.74	590,835.93	31%	City did not ACH monies in time to reflect on Jan. Statement
13	3025		Interest Income - Type B		115,000.00	21,150.07	84,344.89	73%	
14	3030		Land Sales		923,599.00				
15	3059		Lease Income-29.16 acres						
16	3090		Other (Misc) Revenue						
17			TOTAL REVENUE		2,938,599.00	234,336.81	675,180.82	23%	
18									
19	EXPENDITURES								
20	Economic Development Expenses								
21	6116		Henderson Canvas Products, Inc.						
22	6119		High Demand Job Training Grant #6		100,000.00				
23	6122		US 259 Infrastructure (Christus)		750,000.00				
24	6125		Provalus Parking Lot		100,000.00	36,049.87	38,599.87		
25	6191		Small Business Grant		100,000.00	1,309.44	1,309.44		
26	6190		Matching Grants for Business Retention -Ind. Park						

HEDCO - Type B Financials 2024-2025

	A	B	C	E	F	G	H	I
7				APPROVED		Y-T-D		
8				BUDGET	3-Month Ended	2024-2025	% Of	
9	Acct.#		Description	2024-2025	1/31/2025	1/31/2025	Budget	Notes
27	6200		Business Incentives for new or existing businesses		10,000.00	10,000.00		
28								
29			Total Economic Development Expenses	1,050,000.00	47,359.31	49,909.31	5%	
30								
31			Supplies, Office Expenses and Professional Services					
32	6501		Accounting (Monthly Bookkeeping + Annual Audit)	14,000.00	600.00	2,000.00		
33	6502		Insurance - General Liability	1,500.00				
34	6503		Legal (Attorney)	25,000.00				
35	6504		Office Expenses	3,000.00	745.26	926.10		
36	6505		Postage & Shipping	400.00	73.00	73.00		
37	6506		Property Tax	85.00	41.62	41.62		
38	6507		Telephone, Cell (Admin)	600.00	120.72	305.69		
39	6508		Utilities - HEDCO Offices					
40	6509		Professional Services - Consulting Fees, Engineering, Design, Architectural (Part of Capital Expenses)	100,000.00				
41			Subtotal - Supplies, Office Expenses and Professional Services	144,585.00	1,580.60	3,346.41	3,346.41	
42								
43			Personnel Expenses					
44	7001		Contract Labor - Executive Director (with City)	161,539.00	19,302.99	37,011.66		will need budget Amendment
45	7010		Contract Labor - Dir. of Marketing/Business Dev.	83,461.59	8,238.51	16,477.03		
46	7020		Contract Labor- Administrative Assistant	67,626.00	7,150.17	13,405.89		will need budget Amendment due to raise
47	7022		Contract Labor - Attorney	36,000.00	2,769.24	5,538.48		will need Budget Amend. Inedvertily left off
48			Subtotal - Personnel Expenses	245,000.59	37,460.91	72,433.06	30%	
49								
50			Program Expenses					

HEDCO - Type B Financials 2024-2025

	A	B	C	E	F	G	H	I
7				APPROVED		Y-T-D		
8				BUDGET	3-Month Ended	2024-2025	% Of	
9	Acct.#		Description	2024-2025	1/31/2025	1/31/2025	Budget	Notes
51	7201		Website Annual License Fees	5,000.00		2,500.00		
52	7202		Website Development, Maintenance, Upgrades, etc.	7,000.00	5,000.00	17,500.00		
53	7203		Advertising and Marketing	70,000.00	16,373.69	17,680.69		
54	7204		Meetings and Entertainment	10,000.00	592.78	592.78		
55	7205		Dues, Memberships & Subscriptions	12,000.00	2,887.46	3,139.46		
56	7206		Training & Travel - Non-Marketing Conferences, Webinars, Seminars and Training (Including Travel), Admin. Asst. Mileage, Misc Consulting Fees	18,000.00	7,130.36	7,723.51		
57	7207		Non Engineering Studies					
58	7208		Special Projects					
59	7209		BREP Matching Grant Program (Type B Program) (Placeholder)					
60			Subtotal - Program Expenses	122,000.00	31,984.29	49,136.44	40%	
61								
62			Repairs and Maintenance (Non-Capital Expenses)					
63	7302		Property Maintenance - Frisco Street Parcel (29 acres)					
64	7303		Property Maintenance - Taylor Street/Greenbelt	500.00				
65	7304		Property Maintenance - Old Industrial Park	35,000.00				
66	7305		Property Maintenance - East Texas Regional Business Park	150,000.00				
67	7306		Monument and Wayfinding Sign - Industrial Park	50,000.00				
68	7307		Railroad Preventative Maintenance (Ties)					
69	7308		Remodel CAC Bldg & Furnishings					
70			Subtotal - Repairs and Maintenance (Non-Capital)	235,500.00	-	-	0%	
71								
72			TOTAL EXPENSES	1,797,085.59	118,385.11	174,825.22	10%	
73								

HEDCO - Type B Financials 2024-2025

	A	B	C	E	F	G	H	I
7				APPROVED		Y-T-D		
8				BUDGET	3-Month Ended	2024-2025	% Of	
9	Acct.#		Description	2024-2025	1/31/2025	1/31/2025	Budget	Notes
74	CAPITAL OUTLAY							
75	7501		Purchase of Property for New Business Park	230,000.00				
76	7502		East Texas Reg. Business Park - Capital Expenditures - Utilities & Street Improvements, Land Clearing, Sidewalks, Pond improvements	800,000.00				
77	7503		Grant Match for TCF Grant - Morris Street					
78	7504		Speculative Building - Design and Construction	2,500,000.00				
79			Total Capital Outlay	3,530,000.00	-	-	0%	
80								
81	TOTAL EXPENDITURES (Expenses + Capital Outlay)			5,327,085.59	118,385.11	174,825.22	3%	
82								
83	Totals							
84			Total Revenues	2,938,599.00	234,336.81	675,180.82	23%	
85			(Less) Total Expenditures	5,327,085.59	118,385.11	174,825.22	3%	
86	Net Increase/Decrease In Unrestricted Net Assets			-2,388,486.59	115,951.70	500,355.60	-21%	
87			Total Available to Contribute to Fund Balance	-2,388,486.59	115,951.70	500,355.60	-21%	Operating income less operating expenses
88								
89	Potential Transfer From Fund Balance							Projected Expenditures In Excess of Annual Income
90								
91	FINAL BALANCE			-2,388,486.59	115,951.70	500,355.60		
92								



City Council

Agenda Item # 7.

SUBJECT: Consideration and possible action upon HEDCO 2024-2025 Budget Amendments. (Gardella)

MEETING DATE: March 18, 2025

DEPARTMENT: HEDCO

CONTACT: Bret Gardella, HEDCO Director

RECOMMENDED CITY COUNCIL ACTION: To approve HEDCO Budget Amendments.

ITEM SUMMARY:

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. 1st BUDGET AMENDMENT TYPE A & B, 2024 & 2025

Type A and Type B 2024-2025 BUDGET AMENDMENTS					
Acct.#	Description	Original Budget	Amt. Amended	To Make It:	Explanation
Expenses	All Type A Expenses				
6118	High Demand Job Training Grant	\$ -	\$31,000.00	\$ 31,000.00	Matching Grant w/ Kilgore College for Skill Boss Machines
6125	City Hall Complex Parking Lot	\$ 100,000.00	\$ 350,000.00	\$ 250,000.00	Per Neal he estimated that we would pay out 255k+ last year but we did not we only paid out around 5k
6191	Small Business Matching Grant	\$ -	\$ 100,000.00	\$ 100,000.00	Board Approved a Small Business Grant up to 100k a year
6504	Office Expenses	\$ 3,000.00	\$ 8,000.00	\$ 5,000.00	additional items for Bret's office, shredder, monitor stands
6507	Cell for 3 Employees	\$ 400.00	\$ 1,560.00	\$ 1,160.00	Cut out cell allowance for all staff and got Company phones
7001	Contact Labor-Executivce Director	\$ 161,539.00	\$ 204,234.83	\$ 42,695.83	New Director
7020	Contract Labor-Office Manager	\$ 70,500.00	\$ 73,950.00	\$ 3,450.00	Pay Increase
7021	Contract Labor-Grant Research/Writer				not changing amount only the name
7022	Contract Labor-Lawyer	\$ -	\$ 36,000.00	\$ 36,000.00	Inadvertently left off the Budget
7202	Website Development, Maintenance, Upgrades, etc	\$ 7,000.00	\$ 10,000.00	\$ 3,000.00	Changed Website Companies
7203	Advertising and Marketing	\$ 70,000.00	\$ 120,000.00	\$ 50,000.00	Recruitment Travel added and mural for building located at 101 N Jackson
7205	Dues, Memberships & Subscriptions	\$ 12,000.00	\$ 27,500.00	\$ 15,500.00	ICSC, IEDC, SEDC, EMDA, TEDC, First in Texas for Bret all added
7206	Training & Travel	\$ 18,000	\$ 50,000	\$ 32,000	
7305	Henderson Innovation Park-Property Maintenance	\$ 150,000.00	\$ 225,000.00	\$ 75,000.00	Additional Work being done to maintain the park
7502	Henderson Innovation Park-utilities, Street Improvements, Land Clearing, Sidewalks, Pond Improvements, Fiber Conduit, Solar	\$ 800,000.00	\$ 1,572,000.00	\$ 772,000.00	Price Increase for Lighting, Solar, Fiber Conduit and adding the Smart Flower
	Expenses Totals	\$ 1,392,439.00	\$2,809,244.83	\$ 1,416,805.83	



City Council

Agenda Item # 8.

SUBJECT: Consideration and possible action upon a feasibility study for possible infracture to get water to Henderson from Lake Striker with Stokes and Associates. (Hortman)

MEETING DATE: March 18, 2025

DEPARTMENT: Public Utilities

CONTACT:

RECOMMENDED CITY COUNCIL ACTION:
ITEM SUMMARY:

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. Item 8 Striker Water Feasibility Report Work Order

EXHIBIT A
MASTER AGREEMENT
TO FURNISH CONSULTING SERVICES TO
CITY OF HENDERSON, TEXAS
WORK ORDER NO. 010-2508
LAKE STRIKER RAW WATER FEASIBILITY REPORT

The work described below shall be completed in accordance with the Master Agreement to Furnish Consulting Services to the City of Henderson, Texas, dated April 29, 2008.

SCOPE OF WORK

Lake Striker Dam, completed in 1957, and reservoir are owned and operated by Angelina-Nacogdoches Counties Water Control & Improvement District No. 1 (ANCWCID). The dam is located approximately 18 miles southwest of Henderson on the border of Rusk and Cherokee Counties. Lake Striker was constructed for municipal and industrial water supply purposes. The ANCWCID Board is made up of 2 representatives from Angelina County, 2 representatives from Nacogdoches County, and 1 representative from Rusk County.

The City of Henderson currently makes an annual payment to reserve raw water rights in Lake Striker Reservoir. The City's water rights, totaling approximately 8,289 ac-ft/yr (7.4 million gallons per day), are administered through a 10-year Agreement with ANCWCID. The City has expressed an interest in building the infrastructure necessary to convey this approximate 7.4 MGD water to Henderson to enhance their overall raw and treated water reliability.

The Engineer has met with the Owner and determined the Scope of Work and the services to be rendered prior to preparation of this Work Order. The Engineer shall prepare a Feasibility Report for delivering approximately 7.4 MGD of raw water to the City's existing and/or new water treatment infrastructure necessary to meet short-term and long-term water needs for the citizens of Henderson.

Items to be considered shall include the following:

1. Meet with the Mayor, City Manager and Staff to determine short-term and long-term water goals.
2. Review the Texas Water Plan to establish long-term water needs based on population projections.
3. Meet with the ANCWCID Board and Staff members to discuss this potential Project.
4. Evaluate an existing ANCWCID raw water intake structure for compatibility that currently serves raw water to a biomass power plant near Sacul, Texas.
5. Evaluate the potential for a new raw water intake structure size and location near Lake Striker Dam.
6. Evaluate raw water pump station(s) size and location.
7. Evaluate raw and treated water transmission main(s) size and location.
8. Evaluate optional high level ground storage tank(s) size and location.
9. Evaluate the potential for construction of a new water treatment facility near the southside of the City.
10. Prepare Estimates of Probable Costs for each alternative.
11. Prepare a Feasibility Report including maps and exhibits.
12. Evaluate funding sources for financing options.

PERIOD OF PERFORMANCE

The ENGINEER shall perform its services with due and reasonable diligence, consistent with sound professional practice, and make every effort to meet the client's expectations for completion of the work. It is anticipated that the Feasibility Report can be completed within 150 days of approval of this work order.

COMPENSATION

The Engineer shall be compensated a fixed fee amount of Seventy-Five Thousand U.S. dollars (\$75,000) for completion of this work order. Payments shall be made monthly by the Owner in accordance with requests made by the Engineer as defined in the Master Agreement.

SIGNATURES

IN WITNESS WHEREOF, the Parties execute below on this ____ day of _____ 2025.

CITY OF HENDERSON, TEXAS	STOKES & ASSOCIATES, INC.
	
Honorable Henry Pace, Mayor	Neal Holland, President



City Council

Agenda Item # 9.

SUBJECT: Consideration and possible action upon a Shooting Range work order with Stokes and Associates to provide services. (Brown)

MEETING DATE: March 18, 2025

DEPARTMENT: Police Department

CONTACT:

RECOMMENDED CITY COUNCIL ACTION:
ITEM SUMMARY:

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. Exhibit A Shooting Range Work Order

EXHIBIT A
MASTER AGREEMENT
TO FURNISH CONSULTING SERVICES TO
CITY OF HENDERSON, TEXAS

WORK ORDER NO. 010-2511
HPD OUTDOOR SHOOTING RANGE AND FACILITY MASTER PLAN

The work described below shall be completed in accordance with the Master Agreement to Furnish Consulting Services to the City of Henderson, Texas, dated April 29, 2008.

SCOPE OF WORK

Representatives from the City of Henderson (OWNER) have met with the Engineer (S&A) to develop a plan for construction of a new outdoor shooting range. The purpose of this work will be to support local law enforcement with their proficiency and advanced tactical training skills, emphasizing safe handling, marksmanship, and tactical application, with ongoing training and qualification requirements.

BASIC DESIGN

In general, the ENGINEER'S work shall include civil, architectural, and electrical design services for: 1) design of an earthen embankment system, in conformance with the attached conceptual map exhibit and the NRA rules for gun range safety and etiquette. The shooting range will include a covered shooting station with structural concrete foundation and a lighted shooting course for night training, and 2) master plan and feasibility report for a Shooting Range Building to include a Range Officer's office, 50-person meeting/training room, men's and women's restrooms, break room, general storage space, indoor shooting range, parking and applicable public utility infrastructure.

PRELIMINARY DESIGN

1. The ENGINEER shall obtain copies of any plans, reports, permits or other pertinent information relating to the Project from the Owner.
2. The ENGINEER shall perform field measurements in accordance with the Scope of Work above to determine the bid units and limits of the work.
3. The Engineer shall conduct a 75% and 90% plan review of each with the Owner's staff prior to bidding.

CONSTRUCTION ENGINEERING

1. The Engineer shall assist the Owner in conducting a pre-construction conference with the selected Contractor detailing the various aspects of the Project and contract requirements.
2. The Engineer shall review any material submitted by the Contractor in accordance with the technical specification that is to be incorporated into the Project.
3. The Engineer shall review and recommend monthly pay requests submitted by the Contractor. Each pay request shall be forwarded to the Owner for payment.

4. The Engineer shall make periodic inspections of the work, typically at least once per week, to verify that the Project is being constructed in accordance with the plans, specifications and contract documents.
5. The Engineer shall prepare any Change Order that affects the Project. Change Orders that alter the Scope of Work shall be considered as additional work and the Engineer shall be compensated at the hourly rate specified in the Master Agreement. All change orders shall be approved by the Owner prior to issuance to the contractor.
6. The Engineer shall assist the Owner with final inspection and Project closeout.

PERIOD OF PERFORMANCE

The ENGINEER shall perform its services with due and reasonable diligence, consistent with sound professional practice, and make every effort to meet the client's expectations for completion of the work. It is anticipated that the design plans and feasibility report can be completed within 150 days of approval of this work order.

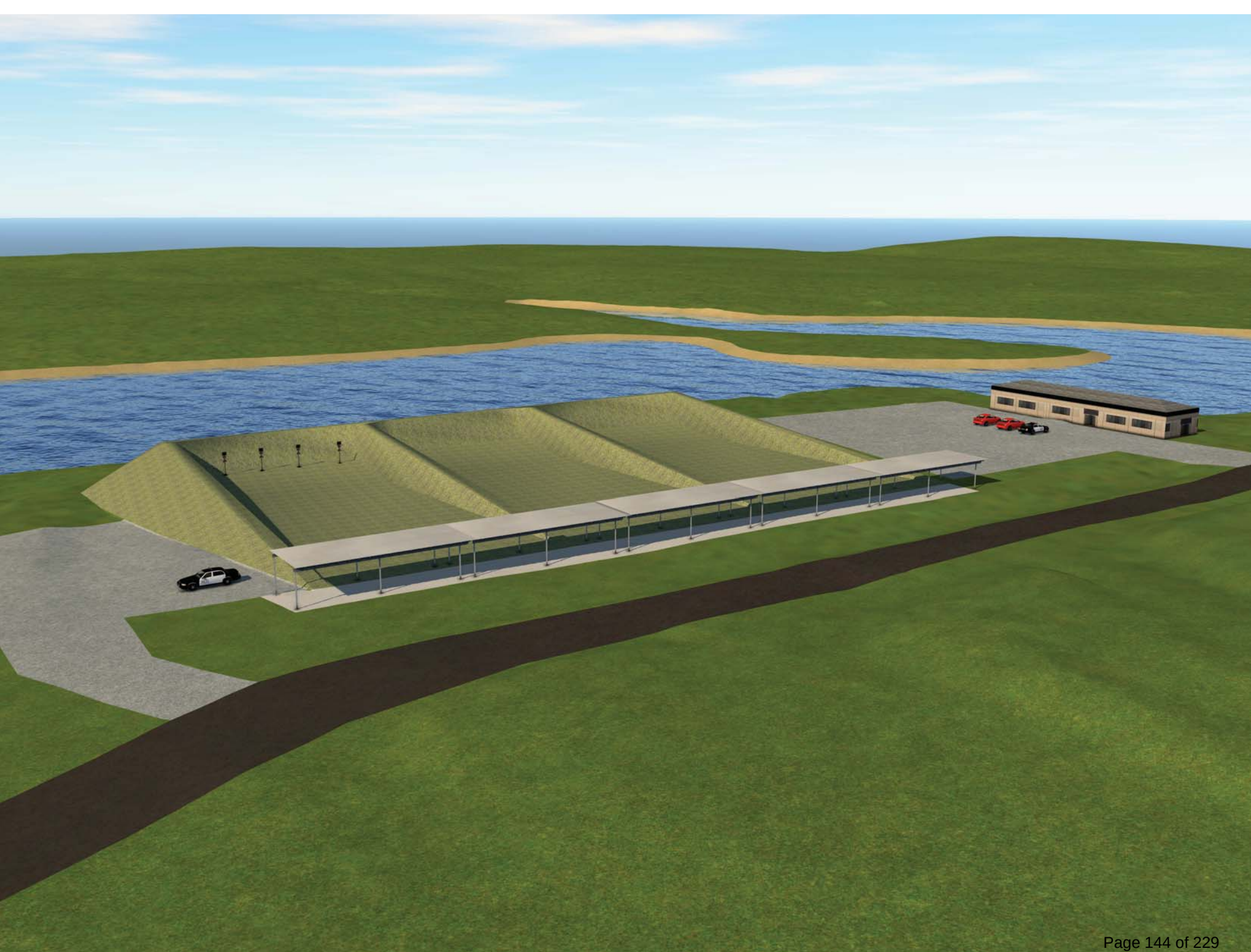
COMPENSATION

The Engineer shall be compensated a fixed fee amount of sixty eight thousand dollars (\$68,000) for completion of this work order. Payments shall be made monthly by the Owner in accordance with requests made by the Engineer as defined in the Master Agreement.

SIGNATURES

IN WITNESS WHEREOF, the Parties execute below on this ____ day of _____ 2025.

CITY OF HENDERSON, TEXAS	STOKES & ASSOCIATES, INC.
	<i>Neal Holland</i>
Honorable Henry Pace, Mayor	Neal Holland, President





City Council

Agenda Item # 10.

SUBJECT: Consideration and possible action upon the second reading of Ordinance 2025-02-01 amending the Zoning map for the City of Henderson, changing the zone from General Industrial to a High Density Multi-Family District for a property located on N. Van Buren across from Lakewood Cemetery. (Jimerson)

MEETING DATE: March 18, 2025

DEPARTMENT: City Secretary

CONTACT: Cheryl Jimerson

RECOMMENDED CITY COUNCIL ACTION: Approval of the second reading of Ordinance 2025-02-01 for a zoning change.

ITEM SUMMARY: At a meeting of the P& Z held February 11th 2025 the board decided to make a recommendation to the Council on the zoning change from Industrial to Multi-family.

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. 2025-02-01 Tenbrink Zoning Change and Variance Ordinance
2. Ordinance 2025-02-01 Tenbink Deed Description
3. Ordinance 2025-02-01 Tenbink Plat

ORDINANCE NO. 2025-02-01

AN ORDINANCE OF THE CITY OF HENDERSON, TEXAS, TO REZONE PROPERTY CURRENTLY ZONED GENERAL INDUSTRIAL (I2) TO HIGH-DENSITY MULTI-FAMILY (M3) AND GRANT REQUESTED VARIANCES TO THE HENDERSON ZONING ORDINANCE ARTICLE 2, SECTION 2.20 TO CONSTRUCT A 600 SQUARE FOOT SHOP/GARAGE FOR OPERATING A STORAGE FACILITY AND CONSTRUCT A PRIVATE SINGLE-FAMILY RESIDENCE OF APPROXIMATELY 2,000 SQUARE FEET IN A HIGH-DENSITY MULTI-FAMILY DISTRICT (M3) ZONE.

WHEREAS Mr. Perry Tenbrink requested to rezone property currently zoned General Industrial (I2) to High-Density Multi-Family (M3). The property is described as:

**BLK 540 Less 1.5 Acres
(Across from Lakewood Cemetery on HWY 323)
E.B. Warren Survey
Henderson, TX**

WHEREAS Mr. Tenbrink also requested and applied for a Special Use/Exception that would permit him to build a Single-Family Residence of approximately 2,000 square feet in a High-Density Multi-Family District (M3) Zone pursuant to Article 2, Section 2.19 of the City of Henderson's Zoning Ordinance for High-Density Multi-Family (M3) Zone..

WHEREAS the SW boundary is zoned M3 and the Comprehensive Plan, on page 31 recommends the area to be Community Residential.

WHEREAS an application and request was received from Mr. Tenbrink requesting a variance to the Henderson Zoning Ordinance, Article 2, Section 2.20 (accessory structures) found in Section 5.07 to build a 600 square foot (approximately) Shop/Garage. Article 2.20 (M3) District Development Standards refers to Residential Accessory Structure under Article 5.07. The property is described as:

**BLK 540 Less 1.5 Acres
(Across from Lakewood Cemetery on HWY 323)
E.B. Warren Survey
Henderson, TX**

WHEREAS the Planning and Zoning Commission met on January 14, 2025 and granted the request for a zoning change for property located on HWY 322/North Van Buren, across from Lakewood Cemetery to change the current zoning from General Industrial (I2) to High Density Multi-Family (M3).

WHEREAS on January 14, 2025, the Henderson Board of Adjustments granted Mr. Tenbrink's requested variances.

WHEREAS these requests are in the best interest of the City as both property tax and water revenue will be collected on this now unimproved lot.

WHEREAS there is currently no sewer available to the property and he has stated on the record of the Planning and Zoning Commission meeting that he understands this and will install an aerobics system until the city has sewer available and that he further understands that he would then be required to hook up to the city sewer system and discontinue the use of the aerobics system.

WHEREAS this change in zoning and granting of requested variances would have a positive impact on the City of Henderson in that both property taxes and future water sales would be collected on the now unimproved lot.

WHEREAS Mr. Tenbrink acknowledged on the record of the meetings of both the Henderson Zoning Commission and the Henderson Board of Adjustments that he is aware that his residence will be built adjacent to a now-existing industrial facility which has both high-intensity lighting and frequent loud construction noises and he is willing to construct a residential building, aware of the same, and will not make noise or nuisance complaints to the City of Henderson.

WHEREAS said affected property is described as follows:

See Attachments “A” and “B”

WHEREAS the City Council finds it to be in the best interest of the City of Henderson to approve the rezoning of this property as requested and grant the variances as applied for and approved.

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

**BLK 540 Less 1.5 Acres
(Across from Lakewood Cemetery on HWY 323
E.B. Warren Survey
Henderson, TX**

Block 540, Less 1.5 acres is hereby rezoned from General Industrial (I2) to High-Density Multi-Family (M3).

CITY COUNCIL CONSIDERED THIS THE 18TH DAY OF FEBRUARY 2025.

PASSED, APPROVED AND ADOPTED by an affirmative vote of all members of the City Council on this the 18 day of March, 2025.

APPROVED:

ATTEST:

Henry Pace, Mayor

Cheryl Jimerson, City Secretary



DDM Surveying, Inc.

July 30, 2024
Perry Tenbrink and Carolyn Tenbrink
1.314 Acres

Being a 1.314 acre parcel of land located on State Highway No. 323 (SH 323) within the corporate limits of the City of Henderson, Texas, and being situated in the E.B. Warren Survey, Abstract No. 835, Rusk County, Texas, and being out of a 6.652 acre tract, deced from Casey Lending, L.L.C. to Perry Tenbrink and Carolyn Tenbrink in Volume 3857 Page 726 of the Official Public Records of Rusk County Texas (OPPRC), said 6.652 acres being the residue of a called 9-7/8 acres as described in the deed from Mrs. S.S. Bagley to Thomas J. Muckleroy, executed May 10, 1900 and recorded in Volume 109, Page 471, of the Deed Records of Rusk County, Texas (DRRC), and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found at the Southeast corner of said 6.652 acres, common with the Southwest corner of the Felix Jenkins called 8.6024 acres (Block #16) as described in Volume 299, Page 63, DRRC;

THENCE South 49° 07' 49" West with the South line of said 6.652 acres, common with the North line of the Karp (Q) Holdings called 1.521 acres as described in Volume 3272, Page 147, OPPRC a distance of 234.91 feet to a 1/2" iron rod found in the East Right-of-Way (ROW) line of said SH 323, marking the Southwest corner of said 6.652 acres;

THENCE North 52° 39' 20" West, with the West line of said 6.652 acres, with said ROW line a distance of 244.26 feet to a 5/8" iron rod set at the Northwest corner of this tract, being the Southwest corner of a 5.338 acres, surveyed this same date;

THENCE North 60° 33' 46" East with the South line of said 5.338 acres, across said 6.652 acres, a distance of 327.88 feet to a 5/8" iron rod set, marking the Southeast corner of said 5.338 acres, and being in the West line of said Felix Jenkins 8.6024 acres;

THENCE South 29° 06' 14" East with the West line of said 8.6024 acres, common with the East line of said 6.652 acres, of 177.92 feet to the BEGINNING and CONTAINING 1.314 acres.

All bearings and coordinates are based on the Texas Coordinate System of 1983, North Central Zone.

I hereby certify that this legal description and the accompanying plat of even date represents the facts found during the course of an actual survey made on the ground under my supervision in July, 2024.

D. Dwayne Miley, R.P.L. #4164
20240605 1.314 Acres



DDM Surveying, Inc.

July 30, 2024
Perry Tenbrink and Carolyn Tenbrink
5.338 Acres

Being a 5.338 acre parcel of land located on State Highway No. 323 (SH 323) within the corporate limits of the City of Henderson, Texas, and being situated in the E.B. Warren Survey, Abstract No. 835, Rusk County, Texas, and being out of a 6.652 acre tract, deced from Casey Lending, L.L.C. to Perry Tenbrink and Carolyn Tenbrink in Volume 3857 Page 726 of the Official Public Records of Rusk County Texas (OPPRC), said 6.652 acres being the residue of a called 9-7/8 acres as described in the deed from Mrs. S.S. Bagley to Thomas J. Muckleroy, executed May 10, 1900 and recorded in Volume 109, Page 471, of the Deed Records of Rusk County, Texas (DRRC), and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found at the Northeast corner of said 6.652 acres, the Southeastmost Southeast corner of the Mustang Drilling, LTD, called 14.767 acres as described in Volume 2486, Page 832, of the Official Public Records of Rusk County, Texas (OPPRC), and the Northwest corner of the Felix Jenkins called 8.6024 acres (Block #16) as described in Volume 299, Page 63, DRRC;

THENCE South 29° 06' 14" East with the East line of said 6.652 acres, and the West line of said 8.6024 acres a distance of 447.82 feet to a 5/8" iron rod set in same to mark the Southeast corner of this tract, being the Northeast corner of a 1.314 acre tract surveyed this same date;

THENCE South 60° 33' 46" West across said 6.652 acres, with the North line of said 1.314 acres, a distance of 327.88 feet to a 5/8" iron rod set in the West line of said 6.652 acres, common with the East Right-of-Way (ROW) line of said SH 323 to mark the Southwest corner of this tract, also being the Northwest corner of said 1.314 acres;

THENCE North 52° 39' 20" West with the West line of said 6.652 acres, and with said ROW line, a distance of 244.26 feet to a 5/8" iron rod found at the Northwest corner of this tract, being in the South line of the Karp Properties, L.L.C. called 10.47 acres (Tract One) as described in Volume 3729, Page 433, OPPRC;

THENCE North 73° 47' 30" East with the North line of said 6.652 acres, the South line of said 10.47 acres, and continuing with the South line of the Jason D. Lockridge and Trishan Lockridge called 10.00 acres as described in Volume 3543, Page 765, OPPRC a distance of 608.99 feet to a 1/2" iron rod found at the Southeast corner of said 10.00 acres, and the Southwest corner of said 14.767 acres;

THENCE North 80° 22' 37" East continuing with the North line of said 6.652 acres, and the South line of said 14.767 acres a distance of 4.16 feet to the BEGINNING and CONTAINING 5.338 acres.

All bearings and coordinates are based on the Texas Coordinate System of 1983, North Central Zone.

I hereby certify that this legal description and the accompanying plat of even date represents the facts found during the course of an actual survey made on the ground under my supervision in July, 2024.

D. Dwayne Miley, R.P.L. #4164
20240605 5.338 Acres



NOTES

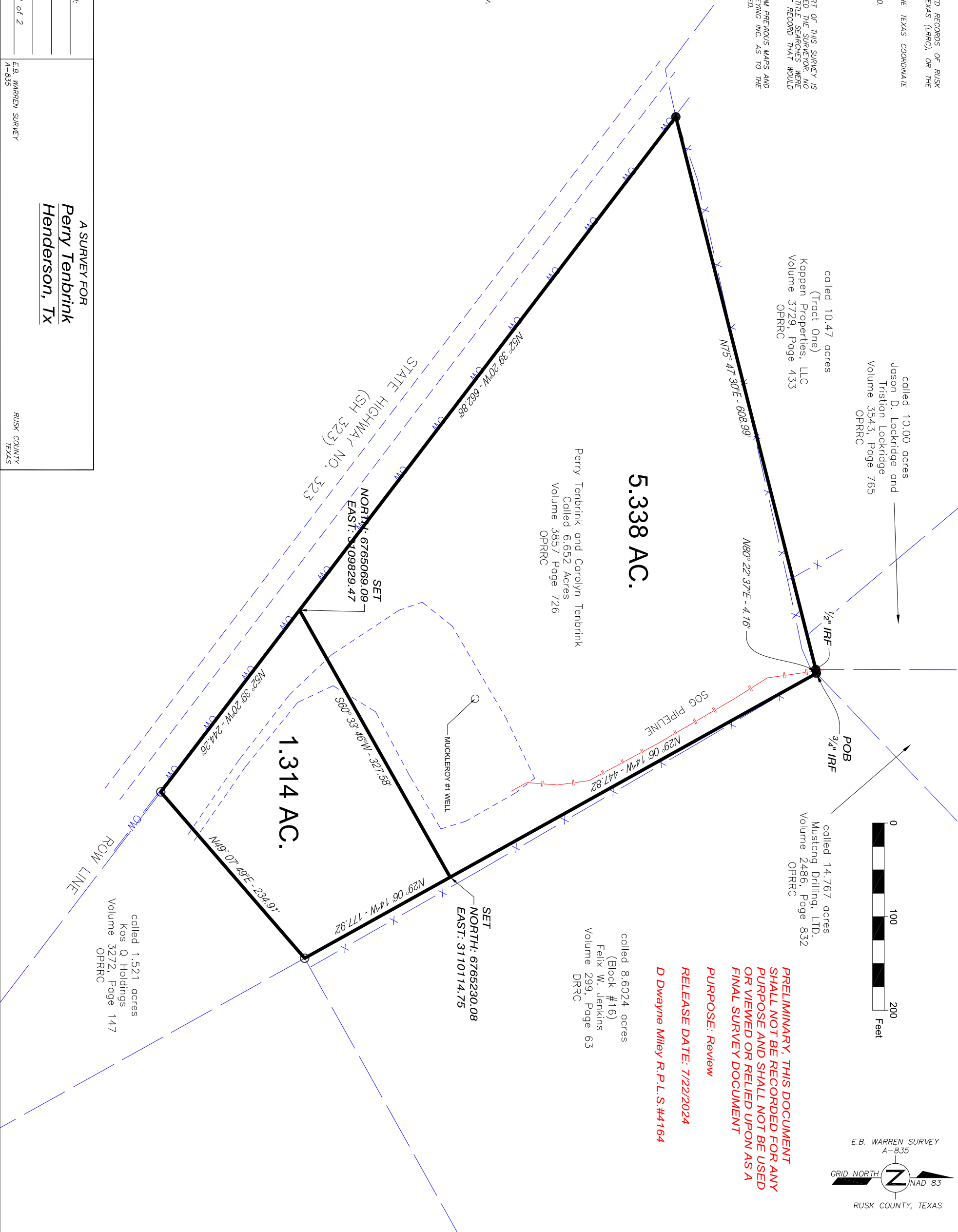
- VOLUME AND PAGE REFERENCES SHOWN HEREON ARE TO THE DEED RECORDS OF RUSK COUNTY, TEXAS (DRRC), THE LAND RECORDS OF RISK COUNTY, TEXAS (LRRC), OR THE OFFICIAL PUBLIC RECORDS OF RISK COUNTY, TEXAS (OPRRC).
- DIRECTIONAL CONTROL BASED UPON GPS DATA CONVERTED TO THE TEXAS COORDINATE SYSTEM OF 1983, NORTH CENTRAL ZONE.
- LINEAR DIMENSIONS ARE IN U.S. SURVEY FEET UNLESS OTHERWISE NOTED.
- SEE LEGAL DESCRIPTION DATED 7/22/24 .
- DENOTES 1/2" IRON ROD, SET, (IRS) UNLESS OTHERWISE NOTED.
- ● DENOTES 1/2" IRON ROD, FOUND, (IRF) UNLESS OTHERWISE NOTED.
- EVERY DOCUMENT OF RECORD REVIEWED AND CONSIDERED AS A PART OF THIS SURVEY IS NOTED HEREON. ONLY THE DOCUMENTS NOTED HEREON WERE SUPPLIED THE SURVEYOR. NO ABSTRACT OF TITLE, NOR TITLE COMMITMENT, NOR RESULTS OF TITLE SEARCHES WERE FURNISHED THE SURVEYOR. THERE MAY EXIST OTHER DOCUMENTS OF RECORD THAT WOULD AFFECT THESE PARCELS.
- EXISTING UTILITIES SHOWN ARE APPROXIMATE LOCATION GENERATED FROM PREVIOUS MAPS AND SURVEY DATA. NO GUARANTEE IS GIVEN OR IMPLIED BY DDM SURVEYING INC. AS TO THE EXACT LOCATION OR IF ALL UNDERGROUND UTILITIES HAVE BEEN LOCATED.

LEGEND

- SURVEYED LINE
DEED LINE
FENCE
ROADWAY
OVERHEAD ELEC.

I, D. Dwayne Milley, Registered Professional Land Surveyor, Rusk County Texas, do hereby certify that this plat represents the results of a survey completed on the ground under my supervision in July 2024.

D. Dwayne Miley, R.P.L.S. No.4164





City Council

Agenda Item # 11.

SUBJECT: Consideration upon the first reading of Ordinance 2025-03-01 changing the City of Henderson's zoning map from Low Density Single-Family Residential (R1) Zone to General Commercial (C2) Zone on a property known as 2500 S. Evenside Street for WCG Properties. (Jimerson)

MEETING DATE: March 18, 2025

DEPARTMENT: Administration

CONTACT: Cheryl Jimerson

RECOMMENDED CITY COUNCIL ACTION: Staff recommends consideration of the first reading of Ordinance 2025-03-01 approving the request to Changing the zone to C2 from R1 will be following the 2050 Comprehensive Plan that was put in place.

ITEM SUMMARY: Consider any changes that may need to be made to this ordinance before the second reading that will approve the ordinance.

BACKGROUND INFORMATION: The Planning and Zoning Commission of the City of Henderson has recommended the application of WCG Properties. They are requesting a zoning change at 2500 S. Evenside on this undeveloped lot at a meeting held February 18th.

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. WCG Properties LTD Application
2. 2500 S Evenside Map



APPLICATION TO AMEND THE PLANNING AND ZONING MAP OR TEXT

Applicant WCG PROPERTIES LTD PO BOX 1061 HENDERSON TX 75653
(Name) (Address, City and Zip)
903-657-1466 BPropes@texasbnk.com
(Phone) (E-Mail Address)

Property Owner WCG PROPERTIES LTD PO BOX 1061 HENDERSON TX 75653
(Name) (Address, City and Zip) (Phone)

(903) 658-7777

Section 7 of the Henderson Zoning Ordinance

☐ Request a Zoning map amendment to rezone property as described (rezoning) section 7.12
_____ Currently Zoned

☐ Request a Zoning text amendment to Article 2

Describe and explain in detail why it is being requested. (Use additional sheets if necessary)

Requesting property to be rezoned from R-1 Residential to C-2 General Commercial for
marketing and attracting future commercial development.

The description of the property involved in this request is as follows:

Legal Description of Property Parcel 24905 - SE PT OF LT 1 BLK 890 J SMITH AND PT OF LT 3 BLK 890 A R-1
(Lot, Block, and Subdivision or Abstract, Survey, Tract and Section) (Current Zone)

Street Address 2500 S. Evenside Proposed Use C-2

Has any previous application been filed in connection with these premises? ☐ Yes ☒ No

If Yes when: _____ for what purpose: _____

Are there deed restrictions to this property? ☐ Yes ☒ No

If yes, please provide a copy of the deed restrictions with the application.

What is the applicant's interest in the premises affected? Owner

(Agent or Lessee must provide a letter from the owner authorizing this request)

(Owner, Agent, Lessee)

(Applicant's Signature)

11/20/2024

(Date)

FOR OFFICE USE ONLY

APPLICATION FEE: \$150.00

CASE NO: 20241120-1

PERMIT NO: _____

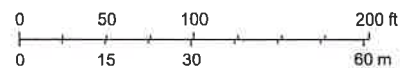
2500 S Evenside



11/27/2024, 9:07:30 AM

Parcels

1:1,000



Map data © OpenStreetMap contributors, Microsoft, Facebook, Inc. and its affiliates, Esri Community Maps contributors, Map layer by Esri



City Council

Agenda Item # 12.

SUBJECT: Consideration upon the first reading of Ordinance 2025-30-02 changing the City of Henderson's zoning map from Low Density Single-Family Residential (R1) Zone to General Commercial (C2) Zone. The property is described as PT OF LT 1 BLK 890, 13.357 Acres J Smith Survey, located near the corner of HWY 79 S. and S. Evenside for BIH LLC. (Jimerson)

MEETING DATE: March 18, 2025

DEPARTMENT: City Secretary

CONTACT: Cheryl Jimerson

RECOMMENDED CITY COUNCIL ACTION: Consideration on the first reading of a zoning change for BIH LLC located near the corner of HWY 79 and S. Evenside.

ITEM SUMMARY:

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. BIH Survey and Field Notes Near corner of 79 and Evenside
2. 2025-03-02 Bane Zoning Change-FINAL (002)



DDM, Surveying, Inc.

February 18, 2020

Emanuel Glockzin

13.475 Acres

13.475 acres being all of a called 13.357 acres as conveyed to Russell D. Marshall by Donal Brooks and Glenda Brooks in an instrument dated August 30, 2002 and recorded in Volume 2340 Page 831 of the Official Public Records of Rusk County, Texas (OPRRC), situated in the J. Smith Survey A-709 on U.S. Highway No. 79 (US 79) within the corporate limits of The City of Henderson, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at an existing steel spike found at the base of an existing $\frac{1}{2}$ " iron rod found (disturbed), said spike found marking the Southwest corner of said 13.357 acres, common with the Southeast corner of a called 9.3498 acres as conveyed to Fannie Aileen Green in an instrument recorded in Volume 2015 Page 34 OPRRC, common with the Northeast corner of a lot conveyed to Billy G. Green and wife, Fannie A. Green in an instrument recorded in Volume 770 Page 95 of the Deed Records of Rusk County, Texas (DRRC), common with the Northwest corner of a lot conveyed to Chester Howard Martin in an instrument recorded in Volume 1763 Page 520 of the Land Records of Rusk County, Texas (LRRC), whence bears an existing chain link fence corner post (CLFCP) found for reference South $69^{\circ} 13'$ East a distance of 1.37 feet;

THENCE with the West boundary line of said 13.357 acres, common with the East boundary line of said 9.3498 acres North $42^{\circ} 20' 06''$ West a distance of 941.84 feet to a $\frac{1}{2}$ " iron rod set (all iron rods set with cap marked "DDM SURVEY BOUNDARY") to mark the Northwest corner of said 13.357 acres, same being in the South boundary line of a called 99.48 acres as conveyed to Jerry Norman and Freda Norman in an instrument recorded in Volume 2661 Page 173 OPRRC;

THENCE with the North boundary line of said 13.357 acres, common with the South boundary line of said 99.48 acres, all being along the general course of an existing wire fence as follows:

North $76^{\circ} 53' 54''$ East a distance of 257.74 feet, and

North $78^{\circ} 12' 14''$ East a distance of 232.80 feet to an existing 6" wooden fence corner post found, and

North $83^{\circ} 32' 57''$ East a distance of 162.15 feet to a $\frac{1}{2}$ " iron rod set to mark an outside ell corner of said 13.357 acres;

THENCE with the upper East boundary line of said 13.357 acres, common with the West boundary line of a called 2.09 acres as conveyed to Billy Wayne Propes in an instrument recorded in Volume 2060 Page 492 OPRRC South $13^{\circ} 21' 17''$ East a distance of 177.63 feet to an existing $\frac{1}{2}$ " iron pipe found marking an inside ell corner of said 13.357 acres, common with the Southwest corner of said 2.09 acres, whence bears an existing $\frac{3}{4}$ " iron pipe found for reference North $50^{\circ} 19'$ West a distance of 2.68 feet;

THENCE with the North boundary line of said 13.357 acres, common with the South boundary line of said 2.09 acres North $82^{\circ} 37' 42''$ East a distance of 519.78 feet to an existing $\frac{1}{2}$ " iron rod found marking the Southeast corner of said 2.09 acres, common with the Southwest corner of a lot conveyed to Billy Wayne Propes and wife, Pat Propes in an instrument recorded in Volume 997 Page 502 DRRC;

THENCE continuing with the North boundary line of said 13.357 acres, common with the South boundary line of said Propes lot North $82^{\circ} 03' 58''$ East a distance of 44.23 feet to an existing $\frac{3}{4}$ " iron pipe found marking the Northeast corner of said 13.357 acres, common with the Northwest

corner of a called 0.34 of an acre as conveyed to Patricia Ann Marshall in an instrument recorded in Volume 983 Page 103 DRRC;

THENCE with the East boundary line of said 13.357 acres, common with the West boundary line of said 0.34 of an acre South 14° 27' 54" East a distance of 99.98 feet to an existing ½" iron rod found marking the Southwest corner of said 0.34 of an acre, common with the Northwest corner of a called 0.313 of an acre as conveyed to Aaron Ray Barnes in an instrument recorded in Volume 3239 Page 693 OPRRC;

THENCE continuing with the East boundary line of said 13.357 acres, common with the West boundary line of said 0.313 of an acre South 13° 46' 51" East a distance of 99.56 feet to an existing CLFCP found marking an outside ell corner of said 13.357 acres, common with the Southwest corner of said 0.313 of an acre, common with an angle corner in the North boundary line of a called 0.91 of an acre as conveyed to Billy Wayne Propes in an instrument recorded in Volume 2708 Page 128 OPRRC;

THENCE with a boundary line of said 13.357 acres, common with the North boundary line of said 0.91 of an acre South 81° 56' 33" West a distance of 26.92 feet to an existing ½" iron rod found marking an inside ell corner of said 13.357 acres, common with the Northwest corner of said 0.91 of an acre;

THENCE with the East boundary line of said 13.357 acres South 10° 43' 26" East a distance of 262.02 feet to an existing ½" iron rod found marking the Southeast corner of said 13.357 acres, being in the North Right-of-Way (ROW) line of said US 79;

THENCE with the South boundary line of said 13.357 acres, common with the North ROW line of said US 79 as follows:

South 55° 38' 28" West a distance of 20.07 feet to an existing concrete ROW monument found (disturbed), and

South 61° 20' 27" West a distance of 79.86 feet to an existing ½" iron rod found marking an outside ell corner of said 13.357 acres, common with the Southeast corner of a called 0.344 of an acre as conveyed to Charles Ray Hart in an instrument recorded in Volume 3456 Page 342 OPRRC;

THENCE with a boundary line of said 13.357 acres, common with the East boundary line of said 0.344 of an acre North 34° 09' 18" West a distance of 152.01 feet to an existing ¾" iron pipe found marking an inside ell corner of said 13.357 acres, common with the Northeast corner of said 0.344 of an acre;

THENCE with the South boundary line of said 13.357 acres, common with the North boundary line of said 0.344 of an acre South 56° 02' 15" West a distance of 100.36 feet to an existing car axle found marking the Northwest corner of said 0.344 of an acre, common with the Northeast corner of a lot conveyed to Billie Ruth Ballenger in an instrument recorded in Volume 2088 Page 822 OPRRC;

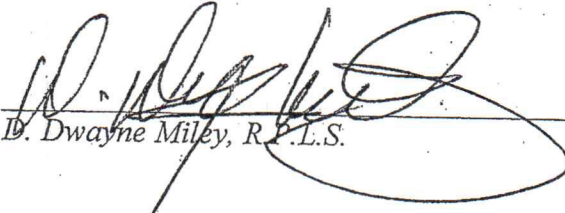
THENCE continuing with the South boundary line of said 13.357 acres, common with the North boundary line of said Ballenger lot South 55° 21' 39" West a distance of 109.72 feet to an existing ½" iron rod found marking the Northwest corner of said Ballenger lot, common with the Northeast corner of a called 0.34 of an acre conveyed to Katherine M. Coates in an instrument recorded in Volume 3092 Page 664 OPRRC;

THENCE continuing with the South boundary line of said 13.357 acres, common with the North boundary line of said Coates 0.34 of an acre South 55° 57' 03" West a distance of 100.02 feet to an existing ½" iron rod found marking the Northwest corner of said Coates 0.34 of an acre, common with the Northeast corner of a lot conveyed to Michaels S. Moore in an instrument recorded in Volume 2026 Page 93 OPRRC;

THENCE continuing with the South boundary line of said 13.357 acres, common with the North boundary line of said Moore lot South $55^{\circ} 53' 09''$ West a distance of 99.98 feet to an existing CLFCP found marking the Northwest corner of said Moore lot, common with the Northeast corner of said Martin lot;

THENCE continuing with the South boundary line of said 13.357 acres, common with the North boundary line of said Martin lot South $56^{\circ} 05' 36''$ West a distance of 199.65 feet to the BEGINNING and CONTAINING 13.475 acres.

I, D. Dwayne Miley, Registered Professional Land Surveyor, No. 4164-Texas, do hereby certify that this description represents the results of a survey completed on the ground under my supervision in February, 2020. See plat dated 2/18/2020.


D. Dwayne Miley, R.P.L.S.

20200203

D:\2020\20200203 - Glockzin 13 Ac\13.475 acres.docx

ORDINANCE NO. 2025-03-02

AN ORDINANCE OF THE CITY OF HENDERSON, TEXAS, TO REZONE PROPERTY CURRENTLY ZONED RESIDENTIAL (R1) TO GENERAL COMMERCIAL (C2) NEAR THE CORNER OF SOUTH EVENSIDE AND HIGHWAY 79 SOUTH ON AN UNDEVELOPED LOT.

WHEREAS Bane Investment Holdings, LLC requested a property located near South Evenside street and the corner of Highway 79 South to be rezoned from Residential (R1) to General Commercial (C2) for marketing and attracting future commercial development. The property is described as:

**Parcel 60629 - PT LOT1 BLK 890
(At the Corner of S. Evenside and HWY 79)
13.475 acres being all of a called 13.357 acres recorded in Volume 2340 Page 831m
situated in the J. Smith Survey A-709 on
U.S. Highway No. 79 within the corporate limits of
The City of Henderson, TX**

WHEREAS the Planning and Zoning Commission met on February 11, 2025 and recommended approval of the request for a zoning change for the above-referenced property from the current zoning of Residential (R1) to General Commercial (C2).

WHEREAS these requests are in the best interest of the City as both property tax and water revenue will be collected on this now undeveloped lot.

WHEREAS this change in zoning would have a positive impact on the City of Henderson in that both property tax revenue and future water sales can be collected on the now unimproved lot.

WHEREAS changing this zone to General Commercial (C2) will follow the 2050 Comprehensive Plan that was put in place.

WHEREAS said affected property is fully described as follows:

See Attachments “A” and “B”

WHEREAS the City Council finds it to be in the best interest of the City of Henderson to approve the rezoning of this property as requested by Bane Investment Holdings LLC and recommended by the Planning and Zoning Commission of the City of Henderson.

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

**Parcel 60629 - PT LOT1 BLK 890
(At the Corner of S. Evenside and HWY 79 S.)**

is hereby rezoned from Residential (R1) to General Commercial (C2).

CONSIDERED BY THE CITY COUNCIL on this the 18th day of March 2025

PASSED, APPROVED AND ADOPTED by an affirmative vote of all members of the City Council on this the _____ day of _____, 2025.

APPROVED:

Mayor

ATTEST:

City Secretary



City Council

Agenda Item # 13.

SUBJECT: Consideration upon the first reading of Ordinance 2025-03-03 changing the City of Henderson's zoning map from Medium Density Single-Family Residential (R2) Zone to General Commercial (C2) Zone. The property is described as, LT 8A BLK 1134, Tall Pines Estates, directly behind United Ag and Turf. (Jimerson)

MEETING DATE: March 18, 2025

DEPARTMENT: City Secretary

CONTACT:

RECOMMENDED CITY COUNCIL ACTION: This ordinance has not been completed at this time and may need to be tabled until the April 15th Council Meeting.

ITEM SUMMARY:

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. 520 HWY 79 United Ag and Turf



APPLICATION TO AMEND THE PLANNING AND ZONING MAP OR TEXT

Applicant Matt Ellis on behalf of United Ag and Turf 520 HWY 79
(Name) (Address, City and Zip)
903-6587285 mattellis@unitedagt.com
(Phone) (E-Mail Address)

Property Owner Coufal-Prater Equipment LLC/ Leased to United Ag and Turf 520 HWY 79 Henderson, TX 75652 903-658-7285
(Name) (Address, City and Zip) (Phone)

Section 7 of the Henderson Zoning Ordinance

☒ Request a Zoning map amendment to rezone property as described (rezoning) section 7.12
X Currently Zoned

☐ Request a Zoning text amendment to Article 2

Describe and explain in detail why it is being requested. (Use additional sheets if necessary)

United Ag and Turf purchased parcel ID 76396, adjoining the back of the Spirit Reality property leased by United Ag and Turf located at 520 HWY 79 S.

The parcel is zoned R2 and needs to be changed to C2 for the company to be able to continue with their expansion.

The description of the property involved in this request is as follows:

Legal Description of Property LT 8A BLK 1134 Tall Pines Estates Subdivision R2
(Lot, Block, and Subdivision or Abstract, Survey, Tract and Section) (Current Zone)

Street Address 520 HWY 79 Proposed Use expansion of United Ag and Turf facility

Has any previous application been filed in connection with these premises? ☐ Yes ☒ No

If Yes when: _____ for what

purpose: _____ Are there deed restrictions to this property? ☐ Yes ☒ No

If yes, please provide a copy of the deed restrictions with the application.

Agent for United Ag and Turf

What is the applicant's interest in the premises affected? _____
{Agent or Lessee must provide a letter from the owner authorizing this request} (Owner, Agent, Lessee)

(Applicant's Signature)

(Date)

FOR OFFICE USE ONLY

APPLICATION FEE: \$150.00

CASE NO: _____

PERMIT NO: _____ Page 162 of 229



City Council

Agenda Item # 14.

SUBJECT: Consideration and possible action upon Resolution 2025-03-01 for a rate increase from CenterPoint Energy for forty-five days (45). (Jimerson)

MEETING DATE: March 18, 2025

DEPARTMENT: Administration

CONTACT: Cheryl Jimerson

RECOMMENDED CITY COUNCIL ACTION: Staff recommends approval of Resolution 2025-03-01 suspending a proposed rate increase for 45 days that CenterPoint Energy has filed with the Railroad Commission.

ITEM SUMMARY: The Company proposes to increase the customer charge used to calculate the customer's monthly bill by the amount within the attachment. The proposed Rate Adjustment effective date is April 19, 2025. This can be suspended for 45 days.

See page 2 of the attachment for the rates.

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. Centerpoint Grip Filing 2025
2. 2025-03-01 Resolution Denying CenterPoint-Rate Increase for 45 days



February 18, 2025

CenterPoint Energy
1111 Louisiana Street
Houston, TX 77002-5231
P.O. Box 2628
Houston, TX 77252-2628

Mayor and City Council
City of Henderson
Henderson, Texas

Hand-Delivered

Re: Notice of CenterPoint Energy's 2025 GRIP Filing for the Houston, Texas Coast,
South Texas and Beaumont/East Texas Geographic Rate Areas

Dear Madam or Sir:

This correspondence notifies the City of Henderson (the "City") that CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company"), has filed tariffs and supporting documents with the Railroad Commission of Texas (the "Commission") consistent with Section 7.7101 of the Commission's Gas Services Division Rules and Section 104.301 of the Texas Utilities Code to establish the annual gas reliability infrastructure program ("GRIP") interim rate adjustment (the "IRA") for the customers located in the Company's Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas, which includes the City. Because the City has ceded its original jurisdiction over CenterPoint's gas utility rates to the Commission pursuant to Section 103.003(a) of the Texas Utilities Code, the Commission will establish the applicable IRA and the City does not need to take any action.

CenterPoint consistently supplies its customers in the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas with safe and dependable natural gas service by prudently investing in additions and upgrades to its delivery system. The Company will continue to prudently invest in its infrastructure in order to improve its natural gas service to its customers and to anticipate and meet their needs under all operating conditions. The GRIP program enables a gas utility such as CenterPoint to begin recovery of its incremental capital investment in the system, subject to a prudence review in its next rate case. This reduces regulatory lag and incentivizes needed investment.

Pursuant to applicable law, the proposed IRA will become effective on April 19, 2025, unless the Commission acts to suspend that date for a period of up to forty-five (45) days. The IRA approved by the Commission will be applied to the current monthly customer charge and will remain in effect until superseded by the earlier of (1) the effective date of the Company's next annual IRA for the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas; or (2) the issuance of a final order in a formal rate-setting proceeding for the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas.

As detailed in the attached schedules and supporting material, the Company invested \$654,119,475 in its Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas from October 2023 through December 2024, and the applicable IRA is:

TABLE 1 - Houston and Texas Coast Geographic Rate Areas

Rate Schedule	Current Customer Charge	Proposed 2025 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
R-2099-I-GRIP 2025; R-2099-U-GRIP 2025 Residential	\$19.50 per customer per month	\$2.88 per customer per month	\$22.38 per customer per month	\$2.88 per customer per month
GSS-2099-I-GRIP 2025; GSS-2099-U-GRIP 2025 General Service Small	\$30.00 per customer per month	\$5.14 per customer per month	\$35.14 per customer per month	\$5.14 per customer per month
GSLV-630-I-GRIP 2025; GSLV-630-U-GRIP 2025 General Service Large Volume	\$390.00 per customer per month	\$61.20 per customer per month	\$451.20 per customer per month	\$61.20 per customer per month

TABLE 2 - South Texas and Beaumont/East Texas Geographic Rate Areas

Rate Schedule	Current Customer Charge	Proposed 2025 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
R-2099-I-GRIP 2025; R-2099-U-GRIP 2025 Residential	\$25.00 per customer per month	\$2.88 per customer per month	\$27.88 per customer per month	\$2.88 per customer per month
GSS-2099-I-GRIP 2025; GSS-2099-U-GRIP 2025 General Service Small	\$48.00 per customer per month	\$5.14 per customer per month	\$53.14 per customer per month	\$5.14 per customer per month
GSLV-630-I-GRIP 2025; GSLV-630-U-GRIP 2025 General Service Large Volume	\$230.00 per customer per month	\$61.20 per customer per month	\$291.20 per customer per month	\$61.20 per customer per month

Along with and in support of the proposed IRA, CenterPoint includes an electronic copy of the GRIP filing made with the Commission which includes the following:

- (a) An earnings monitoring report showing the Company's earnings for the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas during the 2024 calendar year (under the "Earnings Monitoring Report" section of the enclosed electronic copy of the filing).
- (b) An Interim Rate Adjustment Application containing accounting schedules and project reports for the GRIP Adjustment Period including a description of (i) the projects undertaken during the GRIP Adjustment Period (ii) the investment to provide utility service in the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas, which were both completed and placed in service during the GRIP Adjustment Period, (iii) the Company's prior utility investments in the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas that were either retired or abandoned during the GRIP Adjustment Period, and (iv) the cost, need and customers benefited by those investments and retirements located in IRAs 12, 13, 14 and 15 which are voluminous and are being provided in electronic form only.
- (c) The Company's calculations of the GRIP Adjustment amount to go into effect on the later of the Planned Effective Date or the end of any suspension period imposed (under the "Interim Rate Adjustment Application" section of the enclosed electronic copy of the filing).
- (d) Affidavits by Kristie Colvin, Terri Wilson Lester and Brad Tutunjian (under the "Affidavits" section of the enclosed electronic copy of the filing).
 - Ms. Colvin's affidavit verifies (i) that the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas' books and records are kept in accordance with the rules of the Commission and (ii) that the reports enclosed accurately reflect the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas' books and records related to the information in those reports.
 - Ms. Lester's affidavit verifies the notice of the GRIP filing through customer bill inserts.
 - Mr. Tutunjian's affidavit concerns the reimbursement of relocation expenses.

Notice of the Company's GRIP filing will be provided to affected customers in the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas by bill

insert or by separate mailing within 45 days after it is filed with the Commission in accordance with the applicable law.

Instead of a binder with a hard copy of the filing, the Company has provided the equivalent in electronic form in the folder called Electronic Copy of Filing.

Although only the unincorporated tariffs are applicable to cities under the Commission's jurisdiction, the Company has also included in its filing package both incorporated and unincorporated tariffs.

Please do not hesitate to contact me with any questions you may have regarding this filing.

Sincerely,



Keith L. Wall
Director of Regulatory Affairs

Attachments

cc: Mr. Brad Tutunjian
Mr. Darrell Williams
Ms. Gracy Rodriguez

DELIVERED TO:

_____, _____ of
NAME OFFICE (Mayor, City Secretary, etc.)

the City of Henderson on this ____ day of February 2025.

SIGNATURE

RESOLUTION NO. 2025-03-01

RESOLUTION BY THE CITY OF HENDERSON, TEXAS (“CITY”) SUSPENDING FOR FOURTY-FIVE (45) DAYS THE STATEMENT OF INTENT TO INCREASE RATES FILED BY CENTERPOINT ENERGY RESOURCES CORPORATION, D/B/A, CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS, FOR ITS BEAUMONT/EAST TEXAS DIVISION, ON OR ABOUT APRIL 19TH 2025; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (the “Company”), filed an application for an Interim Rate Adjustment/Gas Reliability Infrastructure Program (“GRIP”) with the Railroad Commission of Texas and with the cities in the Company’s Beaumont/East Texas Division on; and

WHEREAS, the City of Henderson is in the Beaumont/East Texas Division and has ceded original jurisdiction to the Commission pursuant to GURA § 103.003(a). CenterPoint Texas intends to implement the revised gas tariffs on a division-wide basis for customers in the Company’s Beaumont/East Texas Division effective April 19, 2025, which is 45 days from the date of this filing; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HENDERSON, TEXAS THAT:

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. CenterPoint’s proposed increase in rates is hereby **SUSPENDED FOR FOURTY-FIVE (45) DAYS**.

Section 3. A copy of this resolution shall be sent to CenterPoint's local representative.

Section 4. The meeting at which this resolution was voted on was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 5. This resolution shall become effective from and after its passage.

PASSED AND APPROVED this 18th day of March, 2025

Henry Pace, Mayor

ATTEST:

Cheryl Jimerson, City Secretary



City Council

Agenda Item # 15.

SUBJECT: Consideration and possible action upon a recommendation from the Board of Adjustments to reinstate Reggie Weatherton to a vacant seat on the Board. (Jimerson)

MEETING DATE: March 18, 2025

DEPARTMENT: City Secretary

CONTACT: Cheryl Jimerson

RECOMMENDED CITY COUNCIL ACTION: Staff recommend an appointment of a vacancy on the BOA for the remainder of this term.

ITEM SUMMARY: Alan Stanly had to resign his position on the Board due to relocation. A previous member of the Board, Reggie Weatherton, would like to be reinstated into the vacancy. The term will need a two-year re-appointment in November 2025.

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS: None



City Council

Agenda Item # 16.

SUBJECT: Consideration and possible action upon a minor plat request subdividing 307 Forrest Street and combining lots for 306 Joseph Street. (Breitenberg/Jimerson)

MEETING DATE: March 18, 2025

DEPARTMENT: Community Development

CONTACT: Cheryl Jimerson

RECOMMENDED CITY COUNCIL ACTION: Staff recommends approval of this minor plat application that would allow the property owner to convey a portion of the property at 307 Forrest St to the property owner of 306 Joseph Ave. Staff recommends approval of this minor plat application.

ITEM SUMMARY: The final re-plat of this property shows a new property line drawn on the east/northeast side of the property located at 307 Forrest St, represented as Lot 2A, Block 7 Glendale Park Add. No. 2 in the survey. The triangular portion to the east/northeast created by the new boundary would be conveyed to the property owner of 306 Joseph Ave, represented as Lot 2B, Block 7 Glendale Park Add. No. 2. In effect, this portion of property would be removed from Mr. Mansfield's side yard and became part of Ms. Thirkill's backyard.

BACKGROUND INFORMATION: Mr. Mansfield inherited the property at 307 Forrest St from his deceased father. His father had a verbal agreement with Ms. Thirkill that allowed her to park a vehicle and trailer on the east/northeast portion of his lot. Mr. Mansfield spoke with Ms. Thirkill and expressed his intention to sell the house and lot at 307 Forrest. He explained she would no longer be allowed to park any vehicles or equipment there. Ms. Thirkill made Mr. Mansfield

an offer to buy this portion of the property from him so that she could continue to use it for this purpose. After it was originally surveyed, it was determined that a standalone parcel would not meet the minimum lot size requirements for the R2 zone. Staff proposed the solution of attaching this piece of the lot to her existing parcel at 306 Joseph Ave to meet developmental standards.

SPECIAL CONSIDERATIONS: If the minor plat application is approved and the land is conveyed to Ms. Thirkill, she intends to submit a fence permit application to erect a 6' privacy wood fence around the property line of her new backyard.

SUPPORTING MATERIALS:

1. 307 Forrest and 306 Joseph Final Plat 021325

1. UNLESS OTHERWISE NOTED, DEED REFERENCES SHOWN ARE TO THE DEED, LAND, OR OFFICIAL PUBLIC RECORDS OF RUSK COUNTY, TEXAS (OPRC).
2. BEARINGS SHOWN ARE BASED UPON NAD 83. TEXAS NORTH CENTRAL ZONE, GRID NORTH DISTANCES SHOWN IN U.S. SURVEY FEET.
3. ONLY THE DOCUMENTS REFERENCED HEREON WERE USED DURING THE COURSE OF THIS SURVEY. NO TITLE COULD BE PROVIDED TO THE SURVEYOR, THERE MAY EXIST OTHER DOCUMENTS THAT WOULD AFFECT THIS SURVEY.
4. ACCORDING TO FEMA FIRM PANEL NO. 480401C2002, EFFECTIVE 09/29/2010, THIS PROPERTY LIES WITHIN ZONE "X", AREAS OF MINIMAL FLOOD HAZARD
5. ZONED R-2, MEDIUM DENSITY RESIDENTIAL, PRIMARY STRUCTURE SETBACKS AS FOLLOWS, FRONT - 30', SIDE - 7.5', REAR - 20'
6. NOTICE: SELLING A PORTION OF THIS ADDITION BY METES AND BOUNDS IS A VIOLATION OF CITY ORDINANCE AND STATE LAW AND IS SUBJECT TO FINES AND WITHHOLDING OF UTILITIES AND BUILDING PERMITS



OWNER'S STATEMENT

I, William Mansfield AM OWNER of Lot 2, Block 7 Glendale Park Addition No. 2 as described in Volume 1692, Page 771 of the Land Records of Rusk County, Texas and do accept this as its Plan for the subdividing into lots and blocks and do dedicate to the public forever the streets, alleys, and easements as shown hereon.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas,

this the _____ day of _____, 2_____.

SIGNATURE

SIGNATURE

DATE _____

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

this the _____ day of _____, 2_____.

SIGNATURE

SIGNATURE

DATE _____

CERTIFICATE OF CITY MANAGER

I hereby certify that all requirements of the "Subdivision Ordinance and Zoning Ordinance" concerning submission and approval of information and data to the City Manager as required for Final Plat approval have been complied with for the hereon referenced subdivision.

APPROVED AND ACCEPTED BY THE CITY COUNCIL OF HENDERSON, TEXAS

on this the _____ day of _____, 2_____

City Manager

Mayor

Date _____

City Secretary

SURVEYOR'S STATEMENT

I, Collin H. Miley, R.P.L.S No. 6841, do hereby certify that the above plat was prepared from an actual survey made by me on the ground during February, 2025.

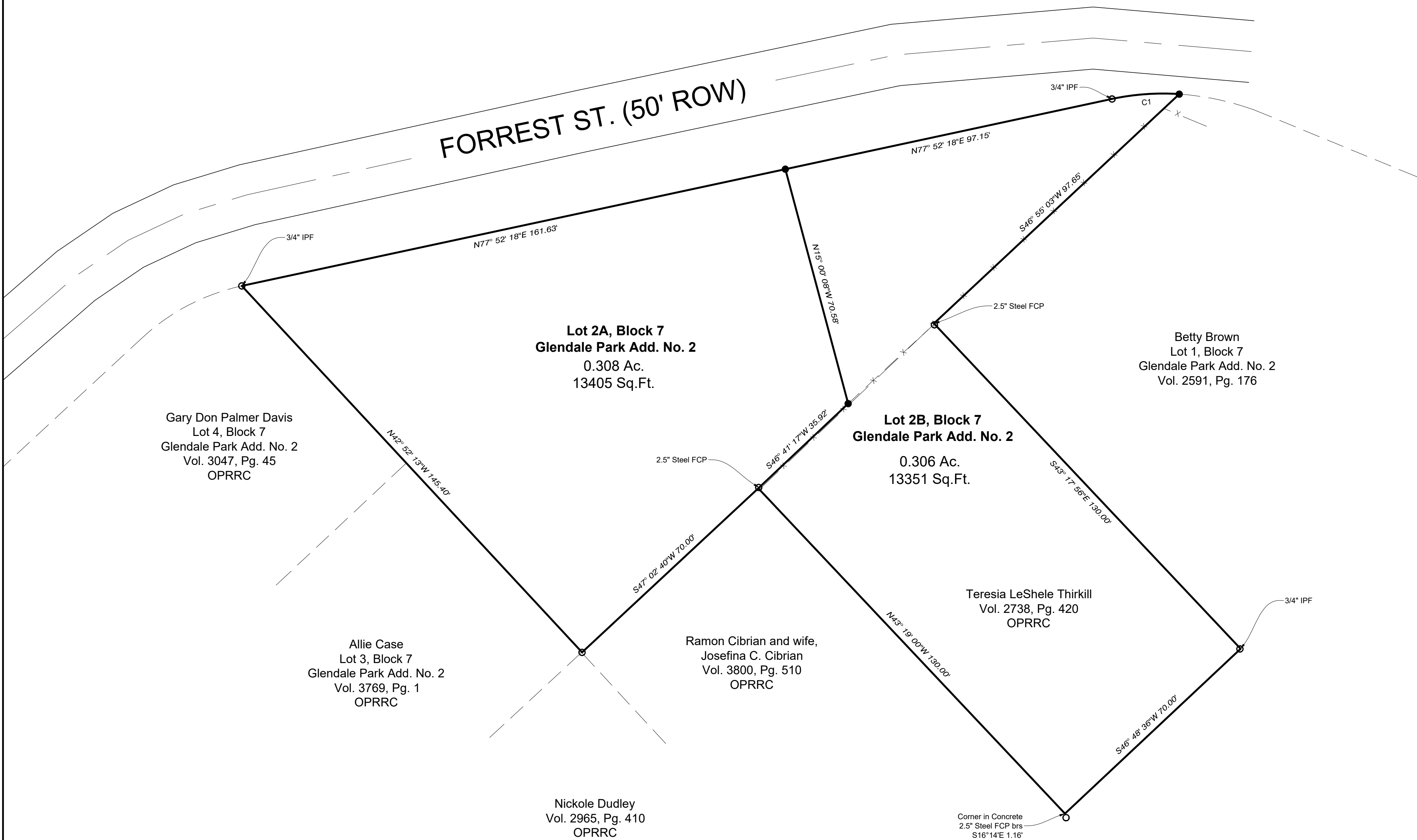
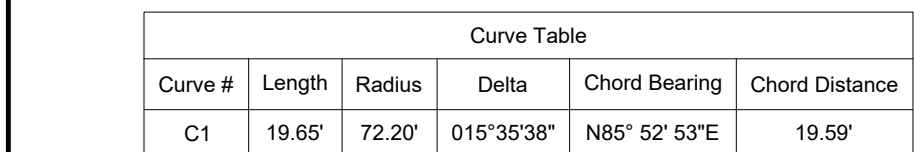
GIVEN UNDER MY HAND AND SEAL

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

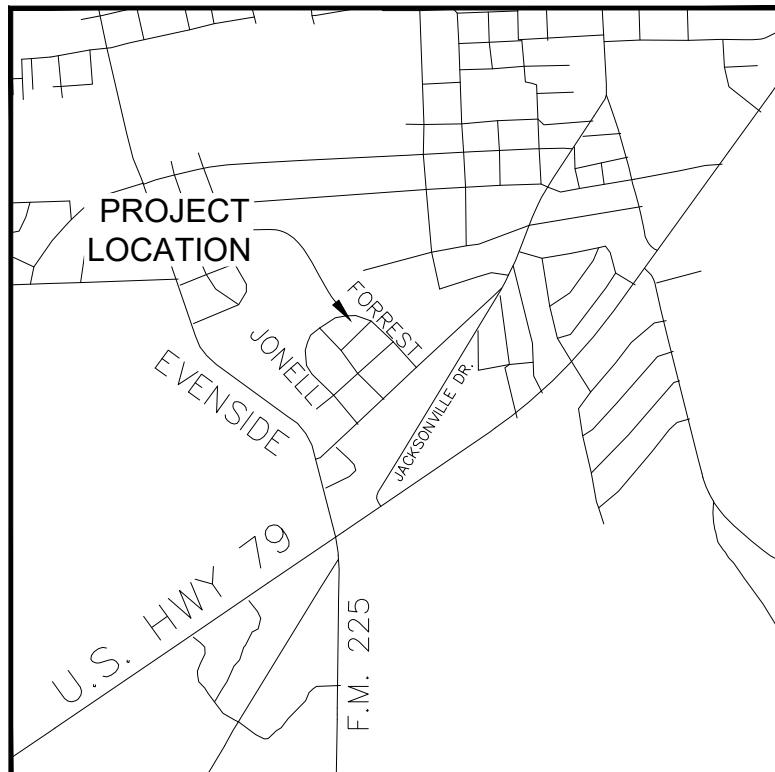
this the _____ day of _____, 2

This the _____ day of _____, 2_____.

SIGNATURE



VICINITY MAP
n.t.s.





City of Henderson

Monthly Report

To: Mayor and City Council Members

From: Jay Abercrombie, City Manager

March 18, 2025, Council Meeting

April 1st is just around the corner! I know.... it's hard to believe that we are halfway through our budget year already. The start of 2025 has kept us moving through our second quarter at a rapid pace. I'm proud of how our team has been working to meet the priorities set by Council in this year's budget. Now it's almost time for our leadership to start their double duty assignments which include preparation for the 2025-2026 budget. Some of these conversations have already started. In fact, they really never stop! We continue to look at numerous opportunities to get the best value for every tax dollar collected from our rate payers. That mission will never change!

2025-2026 Budget Process – As mentioned above, the budget work never stops. Our budget worksheets will go out to department heads on April 1st to start the process for 2025-2026. Each department will work on the details of their line items through April and will submit their work by the end of the month. May is the month in which I will have one-on-one meetings with each Director or Coordinator to review every dollar within their department. This is the first time in which Karen as Finance Director will input the full initial expenditure draft together with last year's revenue to compare. This point is where my work truly begins.

Audit – The 2023-2024 Audit draft is complete and under review. The final audit should be available and presented to Council at this month's meeting by Gollob Morgan Peddy and Co PC.

Legislative Update- The 89th Texas State Legislature Regular Session has begun. We continue to monitor the session closely and have update calls weekly with our TCMA and TML partners and committees. Bills being filed are on pace to hit the 10,000 mark. Historically, specifically recently, about 20% – 25% of bills filed relate in some way to cities and how we exist and work daily. The focus over the last three sessions has been on property tax relief. The main focus has been related to school districts, however, cities and counties have been brought into the mix. Bills related to appraisal caps, and revenue caps continued to be filled.

Two sessions ago new laws were passed that moved the cap of 8% to 3.5% related to new revenue over the previous year. This has been difficult to process and keep up with inflation and

the general cost of doing business. This session we are hearing of the Governor's priorities being to move that 3.5% to 0%. This would mean that there could be no new revenue for the General Fund over the previous year. As the cost of everything goes up, the City of Henderson would not be able to capture any new revenue to fund Police, Fire, Animal Protection, Street Department, Storm Sewer and Drainage, etc. These services aren't decreasing in cost related to material and labor. Tough decisions will need to be made in future budgets if this thinking moves forward. We will continue to monitor closely and keep you updated and educated.

Mayor Pace and I will not be at this Council meeting as we are attending a City of Henderson and Rusk County day at the Capitol. This visit is short notice, but we hope it will be successful and will allow us to have a larger delegation go with us next session. I look forward to meeting with Senator Hughes, Representative Shofner and other legislators on how we can work with them to better pass laws the HELP the City of Henderson and Rusk County.

Water Treatment Plant

Randy Boyd is continuing maintenance work on the water plant. He and his team have been cleaning and replacing one of the filter bays over the last week. The Henderson Rotary Club had their meeting last week on location at the plant and Randy did a great job of giving a small tour and giving details on the history of the water plant and how it operates. We look forward to other Civic Clubs or school entities using the water plant as a meeting space. It is a great education for our citizens and community.

Comprehensive Plan Implementation – Water -

David Hortman and Davis Brown have been working with City Engineer Neal Holland on plans for the City's water future. As per many conversations during the Comprehensive Plan development, the continuity of our water system for our residents and neighbors was high on the priority list. Neal continues to work up a scope of work and cost to put together a plan to receive water from Lake Striker.

Update on water meter upgrades and replacement – We are still working on the last few meters to finalize installation. Ultimately, it's just the cleanup status of the final active/inactive meter count. We are also working to find the best solution to have certain areas communicate with the transponders and collectors better. Some geographical locations have proven to be difficult to get a signal to and from. Low lying areas need an elevated collector to help resolve the issue. We are now moving to cellular connectivity to complete the process and other avenues and options have proven to be ineffective. We now have permission from HISD which allows us to place a small collector on a small tower at their Admin building on Crosby Drive. We also have permission to use the building at the Henderson Country Club to attach another collector. We will use cellular communication for the remaining low-lying areas.

Reminder -The process of the full meter change out has taken considerably longer than expected. Most of the delay was in the beginning with meter supply issues. Due to this lengthy process, we are asking Performance Services to do marketing and training again for our water customers and for staff internally as it relates to the new customer portal and other internal software and reporting.

Another part of this project was the pressure monitoring for water mains. We can set monitoring equipment on main water lines that monitor pressure that can help determine if leaks exist and when used long enough, it can even produce data that predicts potential water leaks in the future with weakening of pipe walls.

Street Contract – Just a reminder from last report - The construction of the current street contract is well underway. The process is done in phases that are mainly separated by underground infrastructure such as water and sewer lines being upgraded and replaced before the rebuilding of the street begins. These activities are done by separate contractors due to the specialty of their work. Most of the underground infrastructure work is complete, however we are still working on drainage systems in the Big Oak Subdivision area as the groundwater continues to be a major factor in that location. Once this is complete, the street contractor will be able to mobilize equipment and get to work quickly on the rebuild and surface completion of the streets. We know this can sometimes be an inconvenience to our residents in these areas, so we continue to ask for patience as our contractors work to complete this contract efficiently.

Street rebuilding work should start next week pending weather. Buford Lane and St Paul St. should be the first streets for those contractors.

Hazard Mitigation Grant – City Hall generator Project

Just leaving this here for a reminder. Engineering and architects are underway on this project. We applied for the Hazard Mitigation Grant through FEMA about two years ago. This grant would be to help fund the cost of a generator to be located at City Hall. The grant is a 90/10 split with the City only covering the 10% cost. The project has an estimated cost of \$720,000 so the City's portion would be \$72,000.

We received notification that we have been approved for funding this grant. Neal Holland and Stokes Associates are working through the engineering and planning with dirt projected to be turned in June. Once complete, we will have a generator on site at our major city government hub that will be powered by natural gas during any loss of electricity. This is important for continuity of emergency communications and network servers. As with most grant funded projects, this may take a little while to complete, but we will work as fast as they allow us to get this working quickly.

Recycling – (Just leaving this here as a reminder) Most of you probably saw the tragic news of the regional recycling place, Rivers Recycling Facility, burned to the ground on the evening of June 12th, 2024, and is a total loss. This facility is the location that every solid waste provider in the East Texas region uses for their recycling. We are urging our recycling customers to continue separating materials as the facility is being rebuilt. Our understanding is that the new facility will be built and online by the fall of 2025. We will update as we have more information.

GIS

We continue to map all our infrastructure including streets, water & sewer lines, valves, manholes, fire hydrants and many other items. Most of the effort has been focused on our water and sewer mains recently. David Hortman along with other staff have been working at each cross section of

the City to verify locations, diameter, material and flow of every line. This will allow us to finally get to a utility rate survey that shows us the true cost for treatment and delivery of water for every gallon. Per David, we are extremely close to having the data we need to start this process.

Another reason for the proper location is to merge our work order system with the mapping. This will streamline work processes, saving time and money for rate payers and taxpayers. The software already exists and is just waiting for us to update the map with proper data. Public Services is starting to slowly be trained in how we will use this technology on a daily basis. Kirk Kimbrell will accompany me to the annual ESRI mapping conference this year to learn more about how our departments can utilize this technology in the future. We appreciate our partnership with the City of Longview, which unlocks our potential to work more efficiently using GIS.

Strategic Insight Team (SIT)– I announced last month the creation of a new employee lead team that will be used to help make important policy decisions and will make recommendations to the leadership on areas of focus that will lead to an even better workplace and culture for the City of Henderson. This group will meet when needed to provide valuable feedback from our core employees to ensure we hear what needs can be met as an employer. The makeup of the SIT will have representation from all departments outside of administration and will consist of 8 members initially.

The initial 2 meetings were extremely successful as they learned the details and reasons behind the committee and what they were charged with moving forward. The team has already had discussions on a policy change that will be recommended in next month's Council meeting. They will be making a meaningful impact on our City of Henderson employment culture and I'm excited to work with them!

My role as TCMA President– I will travel to Amarillo next week for my presidential visit to Region 1 of TCMA. This will leave only one Regional visit for my year and that visit should happen in April.

Serving as TCMA President continues to be an amazing experience as I get to visit with other regions and professional managers across the state. I have been able to lead Board meetings quarterly with representatives around the state of Texas. I've been able to connect with City Managers around our country regionally as well through my role and partnership with ICMA. The next Board meeting is exciting because I get to host it in my hometown of Henderson. We will also work through our Strategic Plan for TCMA over the next 2 years. This will put our Boardmembers in Henderson for an extra day. I look forward to hosting this group at our Community Center at Fair Park.

One of the most rewarding things to do as President of TCMA is to travel to visit all 10 regions during the year, I've had the ability to meet with 8 of the Regions to date and look forward to the last two this month and next month. I am so thankful for the support of our Mayor and City Council that allows me to be involved at this level of my State Association. The relationships built with other City Managers and leaders across the state and country have proved to be a great resource for our community.

****I'm just leaving the next couple topics here from the previous report as a reminder.**

Team Building and Recruitment – Our Executive Leadership team continues reviewing and developing ways we can engage with our team members to continue the effective communication that is happening across all departments and levels. We are also vigorously looking for ways to continue our recruitment of all levels of employment needs. The non-salary benefits we offer as a City have always been a key tool in working in the public sector. We are now finding out that this is not necessarily the case any longer. The City of Henderson strives to be the absolute best employer in Rusk County and East Texas. We do this by continually monitoring our industries in local government and using the best training and up to date technology available.

Leadership Training and Peer Industry Networking – My goal for our team is to become more professionally trained and networked with peers. The best way for this to happen is to be a part of the state or regional affiliated associations in each department's respective industry. I continue to make this a priority with our Directors and exceptional area leaders within the City. We have a couple of Director's take the initiative to start or rebuild local regional groups to meet monthly or quarterly to discuss all things related to their jobs and departments.

Here is a brief look at a few things on my calendar for the month of February:

- Feb 3 - Attended a water availability meeting.
 Reviewed Downtown revitalization grant opportunity.
- Feb 4 - Met with Enterprise Fleet and discussed the future of our vehicle fleet.
 Attended the Chamber Banquet.
- Feb 5 - Attended a Task Force meeting for ICMA/TCMA Agreement
- Feb 6 - Attended a TCMA Advocacy meeting on Legislative update from TML.
 Attended the United Way Board Meeting
- Feb 7 - Set up and attended the Rusk County Ducks Unlimited banquet.
- Feb 11 - Attended the P&Z Meeting.
 Met with Regional TDEM rep.
 Attended a Mardi Gras planning meeting.
- Feb 12 - Met with Brian Davis (Consultant) on energy efficiency for city facilities.
- Feb 13 - Attended a TCMA Advocacy meeting on Legislative update from TML.
 Attended TCMA Mental Health Task Force Meeting virtually.
 Attended and participated in Main Street Board Annual Retreat.
- Feb 14 - Attended a welcome reception for new HISD Superintendent

Attended retirement party for Dean Centers at Gabriel Jordan Chevrolet

- Feb 18 - Met with Bret from Henderson Economic Development
Chamber Board Meeting
Council/EDC Workshop
Regular Council Meeting
- Feb 19 - Attended the Cemetery Board Meeting
- Feb 20&21- Traveled with David Hortman to Granbury attending TCMA Manager's Clinic
Attended Legislative update with TCMA Advocacy committee and TML.
- Feb 21 - Attended TCMA Region 6 In Houston as TCMA President
- Feb 24 - Attended our Executive Leadership Growth and Accountability Meeting
- Feb 25 - Led the Department Head meeting in WAR Room with leadership.
Mayor and I met with new Superintendent Brian Bowman
- Feb 27 - Attended Coffee with Cops at Herschel's

Again, thank you to the Council for your progressive leadership that allows things to happen in Henderson that some thought never possible!

Please feel free to contact me at any time if you have a question regarding any department or concern within the City.

Cell – 903-571-2917 Email: jabercrombie@hendersontx.us

Respectfully Submitted, Jay Abercrombie, City Manager

HENDERSON FIRE DEPARTMENT



Fire Prevention and Public Relations

2/6/2025. B shift Lieutenant, Dane Krohn and Firefighter Colin Coats had the pleasure of having lunch with Miles Jordan. He is a first grader at Wylie Elementary and he had saved up all of his Wylie Cub bucks for lunch with Henderson Fire Department. You can tell by the smiles that a fun time was had by everyone. Good job Miles!!!

2/26/2025, A-shift was asked to do a fire prevention program for the ladies at the Henderson Christian Women's Job Corp. The ladies asked questions and were very appreciative that we came and explained fire prevention. It was a great training for all.

2/27/2025, Chief Sonny Ybarra, Asst. Chief Jeff Stoddard and B shift attended Coffee with Cops at Herschels. Not only was the breakfast great, the company was as well. We enjoy joining the Henderson Police Department and meeting the citizens.

2/27/2025, B-Shift had the Life Skills class from Middle School come for a tour of the station. The kids had a good time and firefighter Caleb Pike did a great job explaining and showing what the Fire Dept does day to day.

February 2025

Call Log

- Fire Calls: 54
- Medical Calls: 20
- Total Calls: 74
- Inspections: 97
- Hydrants: 0

2/27/2025, B-Shift was asked to judge for a chili cook-off at Pine Lodge Assisted Living. We always have a good time doing this and the residents enjoy seeing the firefighters.

2/28/2025, C-Shift was also asked to judge for a chili cook-off at Brookdale.

Training:

- Lieutenant Ben Martin attended a NIMS 300 class in Quitman 1/31-2/3/2025.
- Firefighter Travis Baldrige took skills and tested for Driver/Operator in Sulpher Springs 2/5/2025. He also passed the state test.
- Firefighters Austin Lee and Caleb Pike took skills and tested for Investigator in Sulpher Springs 2/21/2025. Caleb has passed the state test. Austin is taking his in March.
- Firefighters Conner Alexander and Matthew Sundeen took a Vehicle Rescuer Class at the Carthage Fire Department on 2/21-2/23/2025.







HENDERSON FIRE DEPARTMENT

401 West Main St.
Henderson, Texas 75654
903-657-6551

Sonny Ybarra, Fire Chief
Jeff Stoddard, Assistant Fire Chief

MONTHLY REPORT FOR FEBRUARY 2025

<u>TYPE OF CALL</u>	<u>CITY</u>	<u>COUNTY</u>
<i>OTHER FIRES (Industrial/other)</i>	0	0
<i>STRUCTURE FIRES</i>	3	0
<i>VEHICLE FIRES</i>	1	2
<i>GRASS FIRES</i>	0	2
<i>ELECTRICAL FIRES</i>	1	0
<i>COOKING FIRES (KITCHEN)</i>	0	0
<i>POWER LINES</i>	1	0
<i>SMOKE CHECKS</i>	4	0
<i>ACCIDENTS (JAWS)</i>	0	0
<i>MVC'S (No Extrication)</i>	3	3
<i>AIRCRAFT STAND-BY</i>	0	0
<i>FUEL SPILLS/GAS LEAKS</i>	2	1
<i>RESCUE</i>	0	1
<i>MEDICAL CALLS</i>	15	5
<i>ALARM MALFUNCTIONS</i>	3	0
<i>FALSE ALARMS</i>	6	0
<i>DISPATCHED AND CANCELED ENROUTE</i>	4	2
<i>UNAUTHORIZED BURNING</i>	4	0
<i>CONTROL BURN (COUNTY ONLY)</i>	2	1
<i>ASSIST OTHER DEPARTMENTS</i>	2	1
<i>MISCELLANEOUS CALLS/PUBLIC SERVICE</i>	2	4
TOTAL	53	22
MILEAGE	138.5	186.6
MANHOURS	138.5	57
TOTAL CALLS		74
TOTAL MILEAGE		325.1
TOTAL MANHOURS		195.5
TRAINING	Paid 47 Vol 22	Total 69
INSPECTIONS		97
FIRE PREVENTION PROGRAMS		1
PUBLIC RELATIONS EVENTS		5
HYDRANT MAINTENANCE		0
WATER USAGE		15,500



City of Henderson

February 2025

Emergency Calls Compliance

Compliance
95%

Calls
120

Late
6

Run# - 13675 – Priority 1 – Inter-facility
Total Response Time – 15 minutes 31 seconds

Delay due to Controller didn't have a unit posting toward COH.

Run# - 17256 – Priority 1 – Inter-facility
Total Response Time – 21 minutes 26 seconds

Delay due to multiple calls in the area.

Run# - 17273 – Priority 1 – Inter-facility
Total Response Time – 11 minutes 03 seconds

Delay due to multiple calls in the area.

Run# - 16559 – Priority 2 – Seizures
Total Response Time – 16 minutes 04 seconds

Delay due to multiple calls in the area.

Run# - 21276 – Priority 2 – Inter-facility
Total Response Time – 12 minutes 48 seconds

Delay due to crew bad route.

Run# - 21395 – Priority 2 – Psychiatric
Total Response Time – 10 minutes 50 seconds

Delay due to call taker error.



Memo

To: Jay Abercrombie, City Manager

From: Chad Taylor, Chief of Police

cc: Cheryl Jimerson, City Secretary

Date: March 4, 2025

Re: Henderson Police Department Monthly Report

Attached to this memo please find the monthly activity and training report from the Police Department for February.

Mayor and Members of the City Council,

I hope this letter finds you well. I am writing to provide an update on the activities and events that the Henderson Police Department participated in during the month of February. It has been a busy and productive month, marked by community engagement and recognition of the outstanding work highlighting one of our officers.

1. Officer of the Year Award

On February 4th Corporal Josiah Lemelin was honored with the prestigious Officer of the Year Award at the Henderson Area Chamber of Commerce Banquet. This recognition highlights Corporal Lemelin's dedication, hard work, and unwavering commitment to serving our community. His exemplary performance is a testament to the professionalism and excellence we strive for within our department.

2. Ribbon Cutting

Our department also participated in a ribbon-cutting ceremony for a new local business, Comwire, attended by Sgt. Charles Helton. The event, held on February 11th, was an excellent opportunity for the Police Department to show support for local businesses and strengthen the bond between law enforcement and the community we serve.

3. **Coffee with Cops at Herschel's Restaurant**

On February 27th, the Henderson Police Department hosted a well-attended "Coffee with Cops" event at Herschel's Restaurant. This informal gathering allowed members of the community to engage directly with officers in a relaxed setting, share concerns, ask questions, and learn more about the work we do. We were thrilled to see such positive participation, and it's always encouraging to see residents taking an active interest in strengthening our community ties.

4. **Participation in a chili cook off at Pine Lodge and Brookdale**

Sgt Charles Helton and Sgt Russel Smith assisted in judging a chili cook off at Pine Lodge on February 27th. Sgt Helton assisted with a second chili cook off at Brookdale the following day.

These events are just a few examples of the continued commitment of the Henderson Police Department to building positive relationships with the community. We will continue to engage with residents, support local businesses, and recognize the hard work and achievements of our officers.

Other than my normal duties as Chief of Police, I have been preparing for our budget process by researching better and more efficient ways for our department to serve our community, working on developing leaders within our organization, and continuing to explore more ways to attract the right candidates for employment at our department..

Thank you for your time and attention. Should you have any questions or require further details, please do not hesitate to reach out. Please see the pictures below. The training and monthly reports are attached.

February 4, 2025– Chief Chad Taylor with Detective Josiah Lemelin winning Officer of the Year for 2024.



February 11, 2025 – Sgt. Charles Helton at the Ribbon Cutting for Comwire.



February 27, 2025 – Chief Chad Taylor at Coffee with a Cop at Herschel's.



February 27, 2025 Pine Lodge assisted living Chili Cook Off with Sgt. Charles Helton and Sgt. Russell Smith.



February 28, 2025 – Brookdale Chili Cook Off with Sgt. Charles Helton.





Henderson Police Department

800 Lake Forest Parkway

Henderson, Texas 75652

Phone: 903-657-3512 Fax: 903-657-3345

Integrity ° Respect ° Accountability ° Courage ° Professionalism ° Dedication ° Service

2/28/2025

To: City Council
From: Chad Taylor, Chief
Ref: Training Report

Training report for the month of February

Total number of officers with license certification **0**

Total number of officers moved from certificate to basic- 0

Total number of officers moved from basic to intermediate – 0

Total number of officers moved to advanced – 0

Total number of officers moved to master- **1**

Total number of officers in the cadet program- 0

Total number of Telecommunicators with a temporary license – **1**

Total number of Telecommunicators moved from temporary license to basic-0

Total number of Telecommunicators moved from basic to intermediate-0

Total number of Telecommunicators moved from advance to master-0

Total Proficiency level moves - 0

Approximate hours of training for the month of February-**250.20**

Information provided by Sgt. Charles Helton – Training/Community Outreach Coordinator



Henderson Police Department

800 Lake Forest Parkway

Henderson, Texas 75652

Phone: 903-657-3512 Fax: 903-657-3345

Integrity ° Respect ° Accountability ° Courage ° Professionalism ° Dedication ° Service

FEB 2025 Open Record Report

Request	ORR Received	ORR Completed	ORR Open
OAG Rulings	0	0	0
ORR US Gov.	1	1	0
ORR State Gov.	11	11	0
ORR Local Gov.	2	2	0
ORR Subpoena	0	0	0
ORR Civilian	25	25	0
ORR Attorney	8	8	0
CR-3 Crash Reports	19	19	0
Total Requests	66	66	0

Information provided by Stacey Strong – Records Administrator



Henderson Police Department

800 Lake Forest Parkway

Henderson, Texas 75652

Phone: 903-657-3512 Fax: 903-657-3345

Integrity ° Respect ° Accountability ° Courage ° Professionalism ° Dedication ° Service

FEB 2025 ORR Revenue

Description	Qty	Unit price	Discount	Total
Crash Reports		\$5.00		\$
Crash Reports	3	\$6.00		\$18.00
ORR Attorney		\$		\$
ORR Civilian	6	\$5.00		\$30.00
LexisNexis	14	\$5.00		\$75.00
Total				\$123.00

Information provided by Stacey Strong – Records Administrator

REV 2023/SJS

Balance Sheet

Henderson PD Records

Feb-25

Balance summary

No. 7193 CASH	\$6.00
NO.7194 CK 3114732751 LN	\$5.00
NO. 7195 CASH	\$6.00
NO. 7196 CASH	\$6.00
NO. 7197 CK 3016932552	\$5.00
NO. 7198 CASH	\$20.00
NO. 7199 CK 3128291851	\$5.00
NO. 7200 CK 3136684151	\$5.00
NO. 7201 CASH	\$5.00
NO. 7202 CK 3125755951	\$5.00
NO. 7203 CK 3155505351	\$5.00
NO. 7204 CK 3152993651	\$5.00
NO. 7205 CK 3147700651	\$5.00
NO. 7206 CK 3145337552	\$5.00
NO. 7207 CK 3145248251	\$5.00
NO. 7208 CK 3146882151	\$5.00
NO. 7209 CK 5762	\$5.00
NO. 7210 CK 0006284	\$5.00
NO. 7211 CK 3166132252	\$5.00
NO. 7212 CK 3163918151	\$5.00
NO. 7213 CK 3162295651	\$5.00

Balance

\$123.00

Open Records Report

2-1-2025 to 2-31-2025

DATE(S)	Record Requestor	HOURS	Charges
1/31/25	OR25-CR32411919M	20.00	6.00
1/31/25	OR25-2500659FMM	60.00	COMPLETED
2/4/25	OR25-2406484SLF	60.00	COMPLETED
2/4/25	OR25-2500914LN	20.00	5.00
2/4/25	D. SAGOE NO RECORD	60.00	COMPLETED
2/4/25	OR25-CR32501060DM	20.00	COMPLETED
2/6/25	OR25-11506848FBINICS	180.00	COMPLETED
2/6/25	OR25-2411640TDR	20.00	COMPLETED
2/6/25	OR25-2500613DPS	20.00	COMPLETED
2/6/25	OR25-2309830DS	230.00	COMPLETED
2/6/25	OR25-2501320	20.00	COMPLETED
2/7/25	OR25-201910129MPD	180.00	COMPLETED
2/7/25	OR25-CR32411741 NO. 7196	60.00	6.00
2/7/25	OR25-CR325009230D NO. 7195	60.00	6.00

DATE(S)	Record Requestor	HOURS	Charges
2/19/25	OR25-2306453II	120.00	COMPLETED
2/19/25	OR25-2210695VL	60.00	COMPLETED
2/19/25	OR25-23001768BG	120.00	BILLED 117.00
2/19/25	OR25-2301463PF	210.00	BILLED 175.50
2/21/25	OR25-2303161BS	180.00	BILLED 149.50
2/25/25	OR25-2501885SO - ACTIVE CASE	120.00	COMPLETED
2/25/25	OR25-2501826TDP	60.00	COMPLETED
2/19/25	OR25-2501016RBL AMEND	60.00	COMPLETED
2/25/25	OR25-2501759JS	40.00	COMPLETED
2/21/25	OR25-022125ATHENA	60.00	COMPLETED
2/21/25	OR25-022125MA	60.00	COMPLETED
2/26/25	OR25-2501847DFPS	60.00	COMPLETED
2/27/25	OR25-CR32501578LN NO.7213	60.00	5.00 / 6.00
2/27/25	OR25-CR32501016LN NO.7212	60.00	5.00 / 6.00
2/27/25	OR25-CR32501581LN NO. 7211	60.00	5.00 / 6.00
2/26/25	OR25-022625MCS	60.00	COMPLETED
2/26/25	OR25-0226254K4F	60.00	COMPLETED
2/26/25	OR25-2300614DFPS	60.00	COMPLETED
2/25/25	OR25-2501826TDP	60.00	COMPLETED
2/25/25	OR25-2501759JS	60.00	COMPLETED

Denotes OAG Ruling

INFORMATION PROVIDED BY STACEY STRONG - RECORDS ADMINISTRATOR

	Feb	Mar	April	May	June	July	Aug		Oct	Nov	Dec	Jan	Feb	Mar	April	May		July
			2023									2024						
CALLS FOR SERVICE	970	1092	1047	1077	1102	1133	1150	1180	1057	1019	1218	1033	974	996	1134	1261	1104	1038
OFFICER INITIATED CFS	371	364	331	304	362	424	432	514	460	454	591	393	435	435	418	500	411	358
DISPATCHED CFS	599	728	716	773	740	709	718	666	597	565	627	640	539	561	716	761	693	680
TRAFFIC CITATIONS	53	94	29	74	64	73	117	96	133	152	104	80	78	74	106	113	82	74
WRITTEN WARNINGS	231	241	134	185	170	225	224	285	178	182	324	244	262	263	245	320	233	198
ARREST	31	31	28	27	38	23	37	38	31	22	42	19	28	34	31	24	25	22
ACCIDENTS	35	39	41	39	46	37	28	30	35	21	35	45	23	35	39	36	34	28
DWI ARREST	1	1	1	0	1	2	1	2	0	2	5	2	2	2	1	1	4	0
(included above)																		
INCIDENT REPORTS																		
SENT TO CID	179	240	204	233	280	212	206	191	202	148	197	176	148	159	218	186	190	210
ASSIGNED	179	240	204	233	280	212	206	191	202	148	197	176	148	159	218	186	190	210
SUSPENDED	59	120	141	59	141	117	174	110	72	90	91	85	63	63	87	104	85	80
CLEARED	55	111	102	89	70	127	107	105	95	77	103	102	73	74	123	65	83	71
BURGLARY	3	7	10	23	15	13	6	13	12	10	6	1	10	9	6	7	6	11
ROBBERY	0	2	1	1	0	1	2	1	2	2	0	0	0	0	4	0	0	0
ASSAULT	15	41	29	32	28	21	31	27	26	18	26	29	24	23	22	23	32	12
POCS / POM*	3	2	2	1	2	1	6	8	4	5	2	2	5	4	0	3	2	4
SEXUAL ASSAULT	2	0	3	2	3	1	1	1	0	1	0	0	2	1	3	2	0	1

* Includes marijuana, cocaine, etc.

Aug	Sept	Oct	Nov	Dec	Jan	Feb
					2025	
1081	1076	1255	1139	1163	1162	1029
372	356	457	428	531	541	451
709	720	798	711	632	621	578
82	83	81	60	81	68	51
217	183	311	320	483	384	309
27	44	28	41	30	30	33
33	36	38	38	39	24	22
2	2	1	1	5	1	1
173	231	213	161	174	164	173
173	231	213	161	174	164	173
125	79	108	67	74	72	70
111	97	117	77	84	70	71
13	11	16	8	7	5	13
0	2	0	0	0	0	1
19	30	19	33	20	22	21
0	0	1	4	5	9	9
1	1	2	0	2	0	1

|

**Compatibility Report for Copy of Jan 2022 Monthly Report -
.xls
Run on 02/02/2022 16:35**

If the workbook is saved in an earlier file format or opened in an earlier version of Microsoft Excel, the listed features will not be available.

Minor loss of fidelity

**# of
occurrences** **Version**

Some cells or styles in this workbook contain formatting that is not supported by the selected file format. These formats will be converted to the closest format available.	17	Excel 97-2003
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Henderson Animal Center and Protection

Monthly Report

Month of: February

Year: 2025

Inside City Limits

Number of Dogs:	3	Year to Date:	33
Number of Cats:	2	Year to Date:	47
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	5	Year to Date:	80

ACOPU

Number of Dogs:	10	Year to Date:	64
Number of Cats:	8	Year to Date:	34
Number of Others:	1	Year to Date:	24
TOTAL Number of Animals:	19	Year to Date:	122

Outside City Limits

Number of Dogs:	12	Year to Date:	27
Number of Cats:	4	Year to Date:	22
Number of Others:	1	Year to Date:	1
TOTAL Number of Animals:	17	Year to Date:	50

Rusk County Sheriff's Department

Number of Dogs:	0	Year to Date:	9
Number of Cats:	0	Year to Date:	0
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	0	Year to Date:	9

City of Overton

Number of Dogs:	0	Year to Date:	0
Number of Cats:	0	Year to Date:	0
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	0	Year to Date:	0

City of Tatum

Number of Dogs:	0	Year to Date:	1
Number of Cats:	0	Year to Date:	0
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	0	Year to Date:	1

City of New London

Number of Dogs:	0	Year to Date:	0
Number of Cats:	0	Year to Date:	0
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	0	Year to Date:	0

TOTAL of Animals Received

Number of Dogs:	25	Year to Date:	124
Number of Cats:	14	Year to Date:	103
Number of Others:	2	Year to Date:	25
TOTAL this Month:	41	Year to Date:	252

Animals Reclaimed

Number of Dogs:	2	Year to Date:	20
Number of Cats:	1	Year to Date:	3
Number of Others:	0	Year to Date:	0
TOTAL this Month:	3	Year to Date:	23

Animals Adopted

Number of Dogs:	20	Year to Date:	75
Number of Cats:	12	Year to Date:	102
Number of Others:	1	Year to Date:	4
TOTAL this Month:	33	Year to Date:	181

<i>Monthly Adoption Breakdown:</i>	<i>Dogs Adopted:</i>	11	<i>Dogs Rescued:</i>	9
	<i>Cats Adopted:</i>	2	<i>Cats Rescued:</i>	10
	<i>Others Adopted:</i>	0	<i>Others Rescued:</i>	1

Animals Euthanized

Number of Dogs:	1	Year to Date:	15
Number of Cats:	0	Year to Date:	4
Number of Others:	0	Year to Date:	0
TOTAL this Month:	1	Year to Date:	19

<i>Monthly Euthanasia Breakdown</i>	<i>Sick:</i>	<i>Injured:</i>	<i>Aggressive:</i>
<i>Dogs:</i>	1	0	0
<i>Cats:</i>	0	0	0
<i>Other: (Non-Wildlife)</i>	0	0	0

<u>Animals Held for Rabies Quarantine:</u>	0	Year to Date:	3
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<u>Animals Tested for Rabies:</u>	0	Year to Date:	10
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<u>Animal Complaints Received:</u>	554+	Year to Date:	2,841 +
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<u>Deceased on Arrival (disposal):</u>	1	Year to Date:	18
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<u>Died in Care:</u>	0	Year to Date:	14
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Animal Protection Activity

Warnings Issued:	16	Year to Date:	71
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Citations:	1	Year to Date:	7
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Calls for Service during hours:	53	Year to Date:	404
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Calls for Service after hours:	0	Year to Date:	13
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Seizures:	3	Year to Date:	3
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Wildlife Euthanasia (sick or injured):	1	Year to Date:	2
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Wildlife Release:	1	Year to Date:	14
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Traps Set:	9	Year to Date:	153
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Animal Center and Protection Activity Report



February
2025

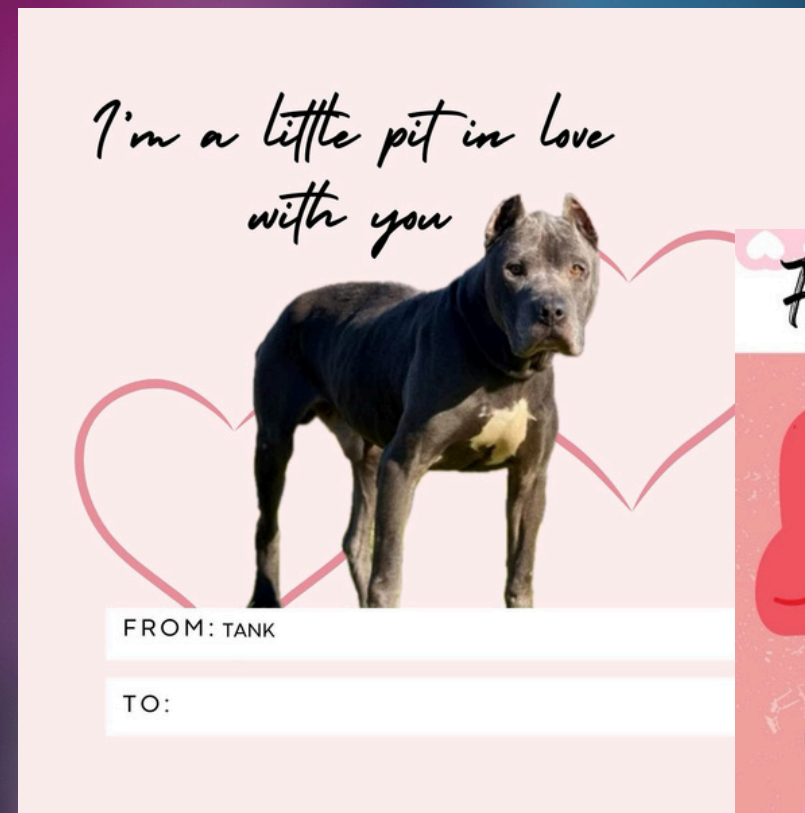
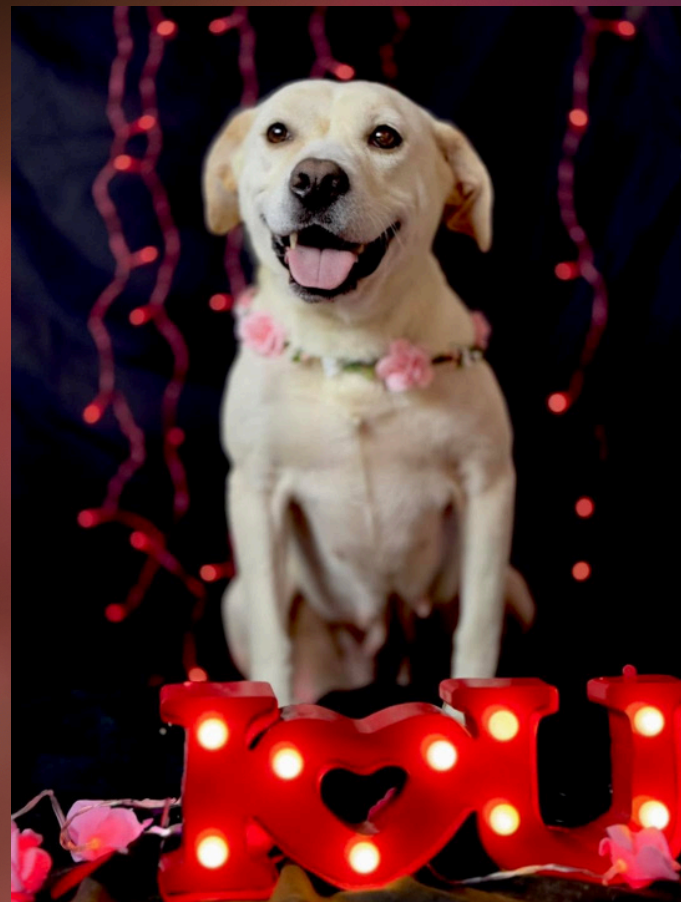




Love is in the air...

The staff prepare for Valentine's Day and have been working hard getting the dogs ready for their adopters!







Carlisle's
3rd grade
class came
to tour the
center and
bring
much
needed
donations.



Strays for Days

Our officers have been very busy taking care of citizen and animal needs.
We've also had an over abundance of dumped animals this month.



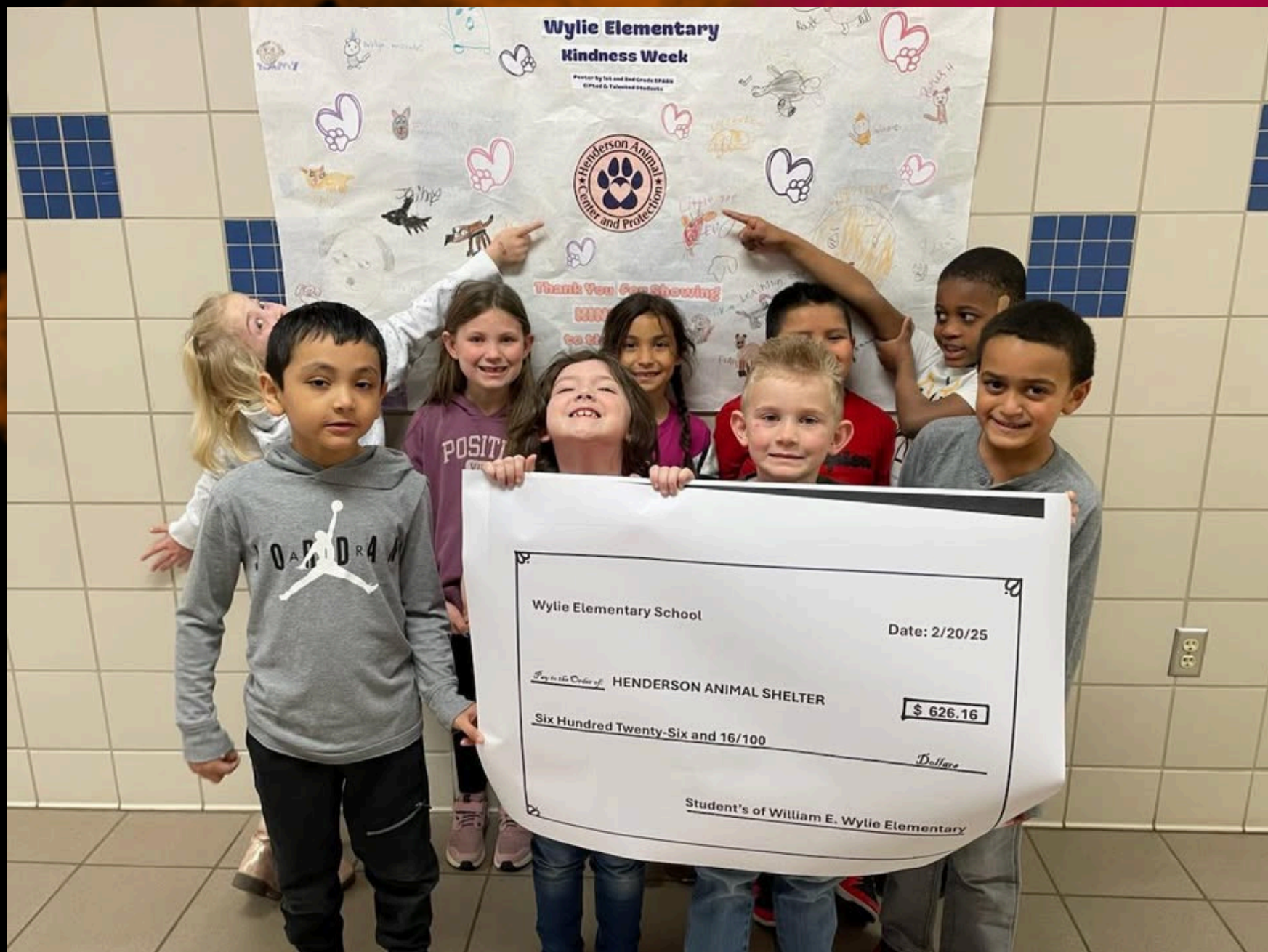


Adoptions

We were
so grateful
to
everyone
who
donated
new beds
for our
shelter
pups!



Wylie Elementary School students raised
\$626.16 in FOUR days for our center for
their Kindness Week!!!





We put out reminders to the public on how to effectively use proper reporting methods to help expedite assistance in animal related matters.

The pups prepared for Mardi-Paws!







Community Development Department

300 West Main Street

Henderson, Tx 75652

Phone: 903-392-0786

Monthly Report

To: Mayor and City Council Members

From: Cliff McElfresh

RE: Summary for the Month of February 2025

MONTHLY TOTALS BUILDING CONSTRUCTION VALUE:	February 2025	\$316,000.00
MONTHLY TOTALS BUILDING CONSTRUCTION VALUE:	February 2024	\$1,591,450.00
ANNUAL TOTAL BUILDING CONSTRUCTION VALUE:	TO DATE 2025	\$1,057,500.00
ANNUAL TOTAL BUILDING CONSTRUCTION VALUE:	Thru February 2024	\$1,862,356.00

BUILDING INSPECTORS REPORT

CODE ENFORCEMENT REPORT

Building Inspections	21	Food Establishment Inspections	15
Electrical Inspections	23	Food Truck/Trailer Permits	0
Plumbing Inspections	34	High Grass & Weeds	6
Mechanical Inspections	4	Junk Vehicles	
Meetings	14	Illegal Signs	37
Phone calls	63	Sub-Standard Structure Inspections/Notifications	
Residential Plan Review	3	Illegal Dumping /Road debris/Illegal storage	0
Commercial Plan Review	3	Restaurant Grease Trap Inspection	10
Sign Permits Review	1	meetings	6
Certificate of Occupancy	7	zoning	4

Commercial Building Permits Issued	3
Residential Building Permits Issued	6
Commercial Roof Permits issued	0
Residential Roof Permits Issued	0
Demo Permits Issued	0
Residential Fence Permit Issued	0

Submitted by: Cliff McElfresh, Community Development Mgr.

Date:03/13/2025

Henderson City Council Monthly Report
Public Services and Parks and Recreation Department
February 2025
Meeting Date: March 18, 2025

The Public Services and Parks and Recreation Department is pleased to submit the following report summarizing key activities and accomplishments for the month of February 2025. Our team has worked diligently to enhance city infrastructure, maintain public spaces, and prepare for seasonal operations.

Key Accomplishments:

1. City Hall Upgrades

- Installed two new televisions at City Hall to improve communication and public information access.
- Completed electrical work for HEDCO at City Hall, ensuring reliable power supply and operational efficiency.

2. Parks and Cemetery Maintenance

- Conducted tree trimming at the Old City Cemetery to enhance safety and preserve the historic site.
- Initiated mowing operations for parks, cemeteries, and city-owned properties to maintain aesthetics and accessibility as spring approaches.
- Launched the annual turf management program to promote healthy grass growth across recreational areas.

3. Infrastructure Repairs and Improvements

- Repaired the bridge at the Sports Complex, restoring safe access for visitors and athletes.
- Performed street repairs throughout town to address potholes and improve road conditions.
- Replaced various street signs throughout Henderson to ensure clear navigation and compliance with safety standards.
- Conducted drainage work across multiple areas to mitigate flooding risks and improve stormwater management.

4. Public Services Facilities Enhancements

- Constructed a dry materials storage shed at the Public Services Warehouse to improve organization and protect supplies.
- Built an air compressor building at the Surface Water Treatment Plant to support operational needs and equipment longevity.
- Removed filter media from filters at the Surface Water Treatment Plant as part of routine maintenance to ensure water quality.

5. Annual Preparations

- Began preparing items for the annual city-wide auction, including surplus equipment and materials, to maximize revenue and efficiency.

6. Equipment and Fleet Maintenance

- Serviced vehicles and equipment across the department to ensure reliability and readiness for spring and summer workloads.

Looking Ahead:

The department will continue to prioritize seasonal maintenance, infrastructure improvements, and community-focused projects in the coming months. We remain committed to enhancing the quality of life for Henderson residents through efficient public services and well-maintained recreational spaces.

Respectfully Submitted,

Kirk Kimbrell Director of Public Services
Public Services and Parks and Recreation Department

Public Utilities Monthly Report

Mayor/Council

Randy and I met with representatives from Jacob Water Supply to discuss the possibility of releasing a small piece of property just outside our CCN to the City of Henderson to provide water and sewer services in the area. During our discussions, we also discussed Jacob Water Supply tapping into the city's water system and setting a water meter to provide an emergency supply during drought conditions or other critical situations. The conversation was productive, and we are evaluating the necessary steps to move forward with both the property release and the emergency water supply option.

Davis and I met with the City Engineer to discuss initiating a feasibility study on supplying raw water to the City of Henderson from Lake Striker. Our conversation focused on evaluating potential infrastructure needs, costs, and regulatory considerations for the project. This study will help determine the viability of using Lake Striker as a long-term water source and identify the best approach for securing a reliable supply for the city's future growth and sustainability.

Emergency repairs were made on a sewer main in front of Tia's Juanita's due to a collapsed line in the middle of US Hwy 79 N. John Wrights crews responded quickly to assess the situation and begin repairs to prevent further damage and service disruptions. His crew worked diligently to restore the sewer line as quickly as possible while minimizing impacts on local businesses. Approximately 750 ft of sewer line was replaced.

A major water main break occurred in front of Sandler's after a delivery truck accidentally backed over a fire hydrant, causing significant damage. Crews worked for over 7 hours to repair the break and restore service. The incident resulted in an estimated loss of approximately 400,000 gallons of water.



To: City of Henderson Council Members
Jay Abercrombie, City Manager

From: Karen Arnall, Finance Director

Subject: Monthly Report

Date: March 12, 2025

- Investment Report for Jan 2025-see attached report
- Hotel-Motel Occupancy Tax for Jan 2025-see attached report

Water/Sewer/Garbage Billing Recap Month Ending 1/31/2025

Type of service	Amount Billed	Consumption Billed	Count	
Garbage	\$ 172,534.63	-	5,466	-
Sales tax on garbage	\$ 12,929.79	-		-
Sewer Charges	\$ 299,906.10	46,447,648	4,441	-
Water Charges	\$ 326,269.91	77,120,348	4,773	
Sprinkler	\$ 7,821.58	1,390,600	369	-
Penalty	\$ 13,301.79	-	1049	-
Water Taps	\$ 600.00	-	1	-
Sewer Taps	-	-	-	-
Service Chg/Back Flow	\$ 447.75	-	5	
Total Billing	\$ 883,811.55	124,958,596	16,104	

**INVESTMENT SUMMARY REPORT
OCTOBER 1, 2024-JANUARY 31, 2025**

FUND	AMOUNT					INT		
	INVESTED	Oct	Nov	Dec	Jan	TOTAL	RECEIVED	Y-T-D
	OCT 1,2024	Change	Change	Change	Change	INVESTED	IN JAN	INTEREST
GENERAL FUND	71,154	124,329.00	51,749.00	48,038.00	-34,845.00	260,425	3,579	11,494
GF-RESTRICTED	67,002	0.00	0.00	0.00	1,896.00	68,898		
GF-MIN. RESERVE	1,000,000	-500,000.00	-200,000.00	200,000.00	1,000,000.00	1,500,000		
GF-MISC A/R	210,000	0.00	0.00	0.00	0.00	210,000		
GENERAL -DEBT	478,885	-244,244.00	329,260.00	97,451.00	424,019.00	1,085,371	2,077	5,581
GENERAL CONSTR.	97,069	-75,520.00	71,687.00	-6,850.00	6,135.00	92,521	237	832
EQUIPMENT REPL	246,750	985.00	-96,779.00	516.00	129,486.00	280,958	594	2,952
STREET & DRAINAGE	2,053,332	28,937.00	-9,451.00	-7,386.00	34,720.00	2,100,152	6,374	28,236
CEMETERY FUND	85,290	562.00	743.00	941.00	1,936.00	89,472	216	903
ANIMAL SHELTER	53,328	504.00	-2,301.00	1,321.00	-1,448.00	51,404	124	538
W/S FUND	71,271	-58,184.00	217,244.00	229,259.00	-129,649.00	329,941	1,993	6,227
W/S MIN.RESERVE	300,000	-100,000.00	0.00	0.00	0.00	200,000		
W/S- DEBT SERVICE	25,489	71.00	65.00	64.00	246,125.00	271,814		
W/S-RESTRICTED	108,223	0.00	0.00	0.00	3,062.00	111,285		
W/S CONSTR.	8,445	29.00	1,505.00	30.00	-521.00	9,488	29	122
MAIN STREET	14,892	-9,340.00	-3,058.00	-918.00	15,743.00	17,319	16	74
TOURISM	158,698	22,222.00	-4,815.00	790.00	-9,262.00	167,633	423	1,235
CIVIC CENTER	85	0.00	0.00	1.00	0.00	86	1	1
INSURANCE RESERVE	11,775	33.00	29.00	29.00	28.00	11,894	28	119
2018 BOND SERIES	388,306	-6,372.00	-688.00	-109,398.00	-1,309.00	270,539	641	3,175
TOTALS	5,449,994	-815,988.00	355,190.00	453,888.00	1,686,116.00	7,129,200.00	16,331	61,489

This report is in compliance with our investment strategies as approved by council and the Public Investment Act.

Director of Finance, Karen Arnall

City Manager, Jay Abercrombie

**Hotel-Motel Occupancy Tax
Monthly Reporting for
Jan 2025**

DATE RECEIVED	TAX FOR MONTH	HOTEL NAME	TAXABLE MONTHLY RECEIPTS	7% TAX	1% RETAINER	AMOUNT PAID
2/19/2025	Jan	Baymont Inn	74,347.66	5,204.34	52.04	5,152.30
2/5/2025	Jan	Budget Inn (Sawan LLC)	21,714.51	1,520.02	15.20	1,504.82
2/21/2025	Jan	Economy Inn	7,139.36	499.76		499.76
2/2/2025	Jan	Holiday inn Express(Jayani Investments)	135,871.00	9,510.97	95.11	9,415.86
2/2/2025	Jan	Woodlawn Hills (Patel & Sons LTD)	31,625.00	2,213.75	22.14	2,191.61
2/13/2025	Jan	Motel 6	81,867.09	5,730.70	57.31	5,673.39
		Totals	352,564.62	24,679.52	241.80	24,437.73

CITY OF HENDERSON SOCIAL MEDIA

2025 February



Facebook | City of Henderson, TX - Government

Page overview

Last 28 days

Discovery

Post reach	34,444
Post engagement	9,544
New Page Followers	7,486

Interactions

Reactions	1,059
Comments	104
Shares	120
Photo views	3,361
Link clicks	1,110

Top post

Last 28 days



Views

11,141

Reach

6,720

Interactions

70

Link clicks

2

Views

Followers vs. non-followers

41%
Followers



59%
Non-followers

CITY OF HENDERSON SOCIAL MEDIA

2025 February



Facebook | City of Henderson, TX - Police Department

Views

Views

263.4K ↑ 799.6%

From followers 38% ↓ 44.1%

From non-followers 62% ↑ 93.8%

Reach

Facebook reach

61.3K ↑ 962.2%

From followers 8,861 ↑ 161.1%

From non-followers 51,931 ↑ 2.2K%

Interactions

Content interactions

2.4K ↑ 1.2K%

From followers 1,277 ↑ 698.1%

From non-followers 1,117 ↑ 5.8K%

Follows

Follows

223 ↑ 328.8%

Unfollows 88 ↑ 214.3%

Net follows 135 ↑ 462.5%



Facebook | City of Henderson, TX - Animal Center

Views

Views

183.5K ↓ 28.3%

From followers 61% ↓ 4.7%

From non-followers 39% ↑ 8.3%

Reach

Facebook reach

28.9K ↓ 11.5%

From followers 6,864 ↑ 10.6%

From non-followers 22,122 ↓ 15.4%

Interactions

Content interactions

4.2K ↓ 44.9%

From followers 3,310 ↓ 44.8%

From non-followers 858 ↓ 45.5%

Follows

Follows

88 ↓ 17.8%

Unfollows 27 ↓ 28.9%

Net follows 61 ↓ 11.6%

CITY OF HENDERSON SOCIAL MEDIA

2025 February



Facebook | City of Henderson, TX - Heritage Syrup Festival

Views

Views

3K ↑ 11.2%

From followers 74% ↓ 6.3%

From non-followers 26% ↑ 23.8%

Reach

Facebook reach

1.8K ↓ 4.8%

From followers 908 ↓ 22.2%

From non-followers 975 ↑ 21.4%

Interactions

Content interactions

49 ↑ 48.5%

From followers 44 ↑ 83.3%

From non-followers 5 ↓ 44.4%

Follows

Follows

14 ↑ 40%

Unfollows 11 ↓ 21.4%

Net follows 3 ↑ 175%



Facebook | City of Henderson, TX - Fire Department

Views

Views

11K ↑ 366.6%

From followers 59% ↑ 110.7%

From non-followers 41% ↓ 43.1%

Reach

Facebook reach

3K ↑ 502%

From followers 1,210 ↑ 1.2K%

From non-followers 1,839 ↑ 346.4%

Interactions

Content interactions

210 ↑ 100%

From followers 159 —

From non-followers 51 —

Follows

Follows

9 ↑ 12.5%

Unfollows 5 ↓ 28.6%

Net follows 4 ↑ 300%

HEDCO SALES TAX RECEIPTS HISTORY

Sales Month	Check Received Month	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
AUGUST	OCTOBER	108,069	99,446	113,001	94,789	119,769	136,754	163,729	172,110
SEPTEMBER	NOVEMBER	132,067	124,141	138,028	142,246	141,434	177,944	208,295	210,169
OCTOBER	DECEMBER	100,965	95,324	114,866	113,405	113,333	143,064	167,491	189,000
NOVEMBER	JANUARY	96,254	100,353	110,701	110,843	112,738	145,911	168,489	204,304
DECEMBER	FEBRUARY	123,378	147,969	139,736	141,342	161,211	185,516	227,918	198,983
JANUARY	MARCH	101,565	97,139	105,806	113,262	116,200	140,154	138,614	158,683
FEBRUARY	APRIL	97,772	102,039	102,197	106,063	99,301	127,489	169,500	163,252
MARCH	MAY	151,778	148,855	141,682	147,519	168,499	230,335	229,210	209,555
APRIL	JUNE	99,509	128,332	111,569	130,329	143,875	157,730	180,538	168,813
MAY	JULY	98,978	111,018	118,162	150,050	147,755	155,829	206,674	177,461
JUNE	AUGUST	111,408	141,389	135,709	169,353	168,612	192,135	235,730	222,159
JULY	SEPTEMBER	93,383	114,001	124,498	115,717	139,587	161,760	178,760	198,941
TOTAL		1,315,126	1,410,006	1,455,955	1,534,918	1,632,314	1,954,621	2,274,948	2,273,431
Average Monthly Sales Tax:		109,594	117,501	121,330	127,910	136,026	162,885	189,579	189,453
Annual % Change Over the Previous Year		-0.09	7.21%	3.26%	5.42%	6.35%	19.75%	16.39%	-0.07%

Sales Month	Check Received Month	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
AUGUST	OCTOBER	185,605	-	-	-	-	-	-	-
SEPTEMBER	NOVEMBER	192,044	-	-	-	-	-	-	-
OCTOBER	DECEMBER	213,187	-	-	-	-	-	-	-
NOVEMBER	JANUARY	183,825	-	-	-	-	-	-	-
DECEMBER	FEBRUARY	-	-	-	-	-	-	-	-
JANUARY	MARCH	-	-	-	-	-	-	-	-
FEBRUARY	APRIL	-	-	-	-	-	-	-	-
MARCH	MAY	-	-	-	-	-	-	-	-
APRIL	JUNE	-	-	-	-	-	-	-	-
MAY	JULY	-	-	-	-	-	-	-	-
JUNE	AUGUST	-	-	-	-	-	-	-	-
JULY	SEPTEMBER	-	-	-	-	-	-	-	-
TOTAL		774,661	-	-	-	-	-	-	-
Average Monthly Sales Tax:		64,555	-	-	-	-	-	-	-
Annual % Change Over the Previous Year		-0.66	-100.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

CIVIC CENTER/PAVILION MONTHLY REPORT

FEBRUARY

2025

CIVIC CENTER

Rental

Entire Hall	5	Black History Gala, Chamber Banq, 8th Gr Valentine Dance, T Johnson, Region 7 Robotic Competition, Ebenezer Church, Rusk Co Extension, Bowman Oil, B Graham,
1/3 Hall	4	
2/3 Hall	1	Brown Reunion
Reception Room	8	RWDM Church x4, Ren. Club, T Johnson, C Gossett, L Arndt,
Board Room	4	Body Shop Wellness x2, Duke x2
TOTAL		22

PAVILIONS

Rental

Yates Park		
Fair Park		
Lake Forest-Lion	1	Arzate
Lake Forest-Mann		
Lake Forest-Azalea		
Lake Forest-Gazebo		
Lake Forest-Plaza		
TOTAL		1





MAIN STREET

The Main Street Advisory Board held its annual retreat this month. Each of the four committees presented focus areas and plans for the coming year, with their primary focus set on increasing arts offerings and family friendly services and businesses in the downtown district. The board is developing a brief survey to be distributed at downtown businesses and in City water bills to gather feedback about what residents want to see in their downtown.

We have designed and ordered new rack cards to publicize downtown events, which should be arriving soon.

TOURISM

A great deal of time in February was devoted to planning and working on the City's Mardi Gras celebration on March 1. This event had been hosted by the Main Street Advisory Board in the past, but they opted out of continuing the event and are exploring other fundraising opportunities. Stephanie Kimbrell oversaw planning, with the assistance of Alexa Duke and Phedra Johnson, as well as Public Services, Fire Department, and the City Manager. Alexa recorded radio spots on QX-FM, KDOK, and KWRD to promote the event.

After several meetings with staff at the Depot Museum, we have designed the 2025 Heritage Syrup Festival brochure which is being printed now for distribution at the Dallas Travel and Adventure Show in March as well as distribution to travel centers around the state and region.

We designed new scratch pads to give away at upcoming travel shows and events and have them available at the Civic Center for anyone who would like one.

CALENDAR EVENTS

February	5	Publicity planning at KWRD	20	Mardi Gras planning meeting
		Mardi Gras planning meeting	21	Travel Texas Alliance legislative update
	11	Mardi Gras planning meeting	25	Placer AI visitor spend demo
	12	Record radio spots	26	Syrup Fest brochure meeting
		Syrup Fest brochure meeting		Mardi Gras planning meeting
	13	Midmorning Coffee Break	27	Record Spring travel ads
		MS Board retreat		



February 19, 2025

The Henderson Cemetery Board met on the above date at 10:00 a.m. Members present included Neva Hand, Lisa Wallace, Scott Crawford, and Elidia Ramirez.

Admin Assistant Supervisor/Accounts Payable/Purchasing Coordinator/Cemetery Coordinator, Laura Farquhar served as the Board Secretary.

The motion was made by member Scott Crawford and seconded by Neva Hand with a unanimous vote to approve the minutes from the November 20, 2024, meeting.

Graham Hall- looks good.

Flanagan- looks good.

Lakewood- The City has a CD that is not labeled. The CD has 67,000.00 in it. Jay Abercrombie, City Manager, stated that he is perfectly find labeling it as cemetery. Russell Brown, City Attorney, suggested talking to David Alford to see if he has any documentation of when the cemetery was deeded to the City. David Alford will need to give clearance to amend the deed. Scott Crawford, Board Member, also wants Russell Brown, City Attorney, to ask who runs the money. The City or the board?

Kirk Kimbrell, Public Service Director, is going to check into making Lakewood a double space cemetery. He will do his best to find out information. Eventually the cemetery will run out of space.

Old City- Kevin still hasn't completely finished the road yet. He has been working on setting the old headstones back up that were knocked over.

Elidia Ramirez made the motion to adjourn the meeting. Lisa Wallace seconded the motion. Meeting adjourned at 10:49 a.m.

Next meeting will be May 21, 2025, at 10:00 a.m.

Chairman John Dulin

City of Henderson
Main Street Department
1500 Lake Forest Parkway
Henderson, Texas 75652



Telephone: 903-392-8232
Fax: 903-657-7327
www.mainstreethenderson.com

MINUTES
HENDERSON MAIN STREET ADVISORY BOARD WORKSHOP & MEETING
Thursday, February 13, 2025 – 3:00 pm, Henderson Country Club
1143 TX-43, Henderson, Texas 75652

Board Members Attending:

Kelly Bumgardner	Brooke Dover
Misty Evans	Bonnie Geddie
Leon Harris	Michael Loosier

Board Members Absent:

Ben Patterson

Ex-Officio Members Attending:

Alexa Duke	Tourism/Main St. Coord.	Stephanie Kimbrell	Civic Center Manager
Jay Abercrombie	City Manager		

The Board had a very productive workshop, discussing committee functions and setting priorities for each for the coming year.

The monthly meeting was called to order by President Harris at 5:28 p.m.

1. Jan. 28, 2025 Minutes were unanimously approved as presented on a motion from Loosier and a second from Evans.
2. January 2025 Financials were unanimously approved as presented on a motion from Loosier and a second from Bumgardner.
3. Geddie moved and Bumgardner seconded the adoption of new transformation strategies of “Arts” and “Family Friendly”. The motion carried unanimously.
4. A zoning change request for downtown commercial district to be submitted to City was tabled on a motion from Bumgardner and a second from Loosier.
5. Committee Reports had been reviewed during the workshop and were not presented during the meeting.
6. The next board meeting was set for Tuesday, March 25, 2025, time to be determined, at L4 Property Group. We will be taking photos of each board and staff member for digital media use.
7. The meeting was adjourned at 5:43 p.m. on a motion from Loosier and a second from Dover.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'A. Duke'.

Alexa Duke
Tourism & Main Street Coordinator