

**CITY OF SULPHUR SPRINGS, TEXAS
SPECIAL MEETING OF THE
CITY COUNCIL**

March 22, 2022

12:00 P.M.

Mayor John A. Sellers called the special session of the City Council to order at 12:05 p.m.
The following council members and staff were present:

Present: Mayor John A. Sellers
Councilman Jay W. Julian
Councilman Harold Nash Sr.
Councilman Oscar Aguilar
Councilman Gary Spraggins
Mayor Pro Tem Doug Moore

Absent: Councilman Freddie Taylor

Staff: Marc Maxwell, City Manager
Natalie Darrow, City Secretary
Nate Smith, City Attorney
Lesa Smith, Assistant City Manager/Finance Director
James Jordan, Utilities Director

CALL TO ORDER

Mayor John A. Sellers called the Special meeting of the Sulphur Springs City Council to order at 12:05 p.m.

PLEDGE AND INVOCATION

Mayor Sellers led in the pledge of allegiance to the United States Flag and the Pledge to the Texas Flag, and the invocation was led Councilman Nash.

**DISCUSSION/ACTION ON PURCHASE OF BACKHOE FROM SOUTH STAR JCB
UTILIZING SOURCEWELL CONTRACT NO. 040319-JCB**

Staff report was presented by Assistant City Manager/Finance Director Smith. This is the same recommendation as made at the regular March meeting. After discussion with staff, it was determined that the JCB is the best option for the City at this time. For fiscal year 2022, the purchase of a backhoe for the Water Distribution & Wastewater Collection department was budgeted at \$98,000 based on a quote received during budget preparations. The cost of

that particular backhoe has increased to well over \$120,000 with delivery not available for several months. Staff reached out to all other backhoe manufacturers that have contracts available through Sourcwell and requested quotes for backhoes. Comparisons of the quotes are attached to this agenda item. Staff recommends purchasing the JCB backhoe at a cost of \$106,953.50. This backhoe is available for immediate delivery and has a greater dig depth than the other backhoes. This extended dig depth will be beneficial as this will be utilized for the repair of water and sewer infrastructure. Sealed bids were not requested as this is recommended to be purchased using a Sourcwell Contract. Sourcwell is a national purchasing cooperative that streamlines the procurement process by developing RFPs and IFBs for national, competitive solicitations that meet or exceed local requirements. The Sourcwell price is \$39,551 less than the list price. The City occasionally utilizes purchasing cooperatives in lieu of requesting sealed bids. Chapter 271 of the Local Government Code authorizes cities to enter into cooperatives for the purpose of procuring goods and services. In December 2011, the City Council authorized the City Manager to join this national cooperative. Utilities Director James Jordan addressed the council and explained that the JCB backhoe was the best purchase. There was a brief discussion. Mayor Pro Tem Doug Moore moved to approve the purchase of the JCB Backhoe. Councilman Spraggins seconded and the vote was unanimous.

Motion carried.

DISCUSSION ACTION ON ACCEPTING THE FISCAL YEAR 2021 AUDIT

Assistant City Manager/Finance Director Smith presented the staff report In accordance with Texas Local Government Code Section 103.101, cities in Texas are required to conduct an annual independent audit of their financials within 180 days of the end of the Fiscal Year. The Fiscal Year 2021 Audit has been completed by the firm of K. Evans & Associates, CPA's. The auditors have issued an unmodified ("clean") opinion which means that the City's financial statements are presented fairly, in all material respects in conformance with the framework established by Government Accounting Standards Board (GASB). As a component unit of the City, the EDC's audited financials must be included in our report. At this time, that portion of the report is still being wrapped up. Once the final version of the report is available, it will be emailed to you individually and sent to the City Secretary. The entire annual comprehensive financial report will also be available on the City's website on the Finance Department's page.

<http://www.sulphurspringstx.org/departments/finance.php> The total assets of the City of Sulphur Springs exceeded its liabilities at the close of 2021 by \$64,394,804 which is an increase of \$5,919,465 over FY 2020. The increase can be attributed to an increase in revenue, both ongoing and one-time and a decrease in long-term liabilities. Of the \$64.3 million in assets, \$15,327,021 (unrestricted) may be used to meet the government's ongoing obligations to citizens and creditors. The General Fund balance increased by \$838,974 for an ending balance of \$4,892,503. Of that amount, \$4,379,601 is cash, with the rest being receivables. Kirk Evans from K. Evans & Associates, CPAs summarized the audit. Mr. Evans let the council know that Smith and employees were doing excellent work. Councilman Julian requested more information on the length of time the city has used their

firm and their qualifications. There was a brief discussion. Councilman Julian moved to accept the 2021 audit as presented. Councilman Nash seconded and the vote was unanimous.

Motion carried.

ADJOURN

With all business complete the meeting was adjourned at 12:20 p.m.