



**CITY COUNCIL WORKSHOP MEETING  
CITY OF BALCH SPRINGS  
APRIL 2, 2019  
6:00 PM**

**MINUTES**

**Identification of a quorum.**

Present: Councilmember Shelby  
Councilmember Segroves  
Councilmember Tucker  
Mayor Pro Tem Hill  
Mayor Gorwood

Absent: Councilmember Moon  
Councilmember Rushing

**A quorum was present and Mayor Gorwood called the meeting to order at 6:00PM.**

Staff: Suzy Cluse, City Manager  
Cindy Gross, City Secretary  
Bianca Redmon, Chief Financial Officer

**1. Presentation by BKD, LLP regarding the City's Audit for FY 2018.**

David Coleman and Andrew Sherwood with BKD LLP., presented the City's Audit for fiscal year ending September 30, 2018:

Audit results:

- Unmodified "Clean Opinion"
- Independent Auditors report on Basic Financial Statements.
- Financial Statements are performed in accordance with Government Auditing Standards.

Audit Scope and Results:

- Significant Accounting Policies
- Management Judgments and Accounting Estimates - valuation of cash equivalents and investments, valuation allowance for doubtful accounts, useful lives of capital assets, actuarial assumptions used to estimate the total other postemployment benefits liability and actuarial assumptions used to estimate the net pension liability.

Governmental Funds:

- Primary Tax revenues - Property tax revenue increased \$655K or 10.5% due to an increase in taxable assessed values, Sales tax increased \$319K or 7% due to increased commerce in the City, and Franchise fees increased \$44K or 4.4%.

- Program expenses by function - Public safety cost increased due to \$250K in salaries and \$150K in health and pension benefits, and Capital outlay costs in 2016 were for non-recurring large equipment costs, and in 2017 there were related to road improvements.
- Utility Fund - Water rates increased in October 2017 resulting in increased operating revenues of \$1M or 9%. operating costs increased \$499K or 5% due to increases in Dallas sewage costs of \$184K or 13%, and increased water purchase costs of \$96K or 7%
- General Fund - Ending unassigned fund balance for the General Fund was \$2.36M, Approximately 59 days of FY2018 general fund expenditures. Current year net change in total fund balance is \$745K and Current year operating results beat the budget by \$1.2M
- Water and Sewer Fund - Unrestricted Net Position is essentially the “usable” portion. Change net position was \$1.0M for FY2018; water rates were increased in October 2017, and water and sewer activity income is heavily influenced by weather patterns.
- Pension Texas Municipal Retirement System - Net pension liability is \$6.3 Million, percentage of the total pension liability 82.54% and Supplemental Death benefits fund Liability \$358K.

**2. Adjourn.**

Mayor Gorwood adjourned the workshop at 6:39pm.

**PASSED AND APPROVED AT A REGULAR MEETING HELD ON MAY 13, 2019.**