

STATE OF TEXAS
COUNTY OF DENTON
TOWN OF DOUBLE OAK

The Double Oak Town Council met in regular session at 7:00 p.m. August 1, 2022, at the Double Oak Town Hall, located at 320 Waketon Road with the following members present to-wit:

Patrick Johnson	Mayor Pro-Tem
Connie Schoenrade	Deputy Mayor Pro-Tem
Casey Parsons	Council Member
Jean Hillyer	Council Member

Mayor Von Beougher and Council Member Scott Whisenhunt were absent. Also in attendance were Town Secretary Eileen Kennedy, Police Chief Ruben Rivas, Public Services Randall Anglin, and Administrative/IT Brian Shults.

Mayor Pro-Tem Johnson called the meeting to order at 7:00 p.m.

Council Member Hillyer gave the invocation and Council Member Parsons lead the pledge of allegiance to the American and Texas flags.

II. Consideration and action on accepting the resignation of Mayor Von Beougher.

Motion Schoenrade, second Hillyer to accept the resignation of Mayor Von Beougher.

AYE: Hillyer, Johnson, Schoenrade, Parsons
NAY: None
ABSTAIN: None

Motion Carried

Mayor Pro-Tem Johnson gave an explanation of the process to fill the vacancy of the Mayor. This will be on the August 15, 2022, agenda.

III. CLOSED SESSION

Pursuant to the Open Meetings Act, Chapter 551, the Town Council will meet in a Closed Executive Session in accordance with the Texas Government Code:

Texas Government Code Sec. 551.076, Deliberation Regarding Security Devices or Security Audits:

- a. Police Vehicle Connectivity equipment, software, and services through Texas Department of Information Resources.

Mayor Pro-Tem Johnson announced that since the Town Attorney was not present, this item will be tabled until a later date.

IV. Reconvene Open Meeting

1. Consideration and action on approving Police Vehicle Connectivity equipment, software, and services through Texas Department of Information Resources cooperative purchasing in an amount not to exceed \$10,000.00.

No action taken.

V. Citizens comments

Ed Mehlhaff, 201 Colonial Court, thanked Randall Anglin, Public Services, for his assistance with the gas leak at his home.

VI. Consent Agenda - All consent agenda items listed are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.

2. Consideration on minutes of July 18, 2022.

Motion Schoenrade, seconded by Hillyer to approve the minutes of July 18, 2022, with the following corrections:

Council Member Hillyer lead the pledge of allegiance to the American and Texas flags.

IV. Mayor, Council Members and Staff reports:

1. Mayor and Council-Deputy Mayor Pro-Tem Schoenrade thanked Brian Shults for his efforts in getting live streaming of council meetings.

***Mayor Pro-Tem Johnson** noted that the auditor has all the information needed for the SLFRF audit.*

*5. **Public Safety – DOPD Chief Rivas reported he had a candidate to fill one of his vacancies but before he could make an offer, the candidate was offered more money to work for Bartonville PD.***

AYE: Johnson, Schoenrade, Hillyer, Parsons

NAY: None

ABSTAIN: None

Motion Carried

VII. Mayor, Council Members and Staff reports:

3. Mayor and Council - Council Member Hillyer commented that she had attended the July 26, 2022, Town of Bartonville Council meeting.

4. Public Works - Code Enforcement – Animal Control - Randall Anglin, Public Services reported the mill/overlay projects had been previously approved at the June 2, 2022, council meeting. Mr. Anglin also reported that Shady Hill and Park Lane will new a new estimate because of natural culvert failure. Mr. Anglin met

with the engineers to look at a comprehensive drainage study since the last one was done in 2007. Halff will present to council when completed.

5. Administration – Town Secretary Eileen Kennedy reported that court staff will be in an all-day online training class on Friday, August 5.

6. Public Safety – Chief Ruben Rivas as if there were any questions regarding the July call report that was included in the agenda packet. Chief Rivas also mentioned that Waketon Road at Bridlewood would be closed for one day on August 2.

Assistant Fire Chief Kathy Heimerdinger reported the DOVFD had two firefighters deployed to the wildfires.

7. Roads and Drainage – an agenda item.

VIII. New business agenda (consideration and action):

At this time Mayor Pro-Tem Johnson skipped to agenda item 9.

9. Discussion, consideration, and action on an application received from Patricia Wellen asking for appointment to the Master Plan Committee and 50th Anniversary Committee.

Motion Hillyer, second Schoenrade to appoint Patricia Wellen to the Master Plan Committee and 50th Anniversary Committee.

AYE: Schoenrade, Hillyer, Parsons, Johnson

NAY: None

ABSTAIN: None

Motion Carried

Mayor Pro-Tem Johnson went back to the agenda order.

8. Discussion, consideration, and action on fiscal year 2022-2023 health insurance plan.

Rodney Dryden, Senior Vice President with HUB International, presented the various insurance quotes as well as the renewal rates with our current carrier, TML.

Council wanted more time to examine the renewal proposals and tabled the item until the August 15, 2022, council meeting.

10. Discussion, consideration update on current Town Audit of SLFRF Funds

Carl Deaton, auditor with Hankins, Eastup, Deaton, Tonn & Seay, presented the report on the handling of the SLFRF funds.

A copy of his report is attached.

11. Discussion, consideration, and action regarding the Denton County Commissioners County Bond Election for Denton County Road Improvement Program Workshop held by the Commissioners court on Tuesday July 26th.

Mayor Pro-Tem Johnson reported he and Mayor Beougher had attended the workshop Denton County had on July 26. Mayor Pro-Tem Johnson then showed a PowerPoint presentation from the Denton County Transportation Road Improvement Program 2022.*

The following citizens voiced their pros and cons regarding the project:

Andrew Weaver, Kathy Heimerdinger, Ginger Brittain, JoAnn Meyer, Jill Glover, Mike Donnelly, Jim Hanson, Greg Schoenrade, Bonnie Morrow.

Police Chief Rivas and Public Services Anglin gave their opinions.

No action taken.

12. Discussion, consideration, and action on Kings Road and McMakin road improvements proposed for inclusion in 2022 Denton County Road Bond.

Council Member Hillyer reported she had attended the Bartonville Council meeting on July 26 and stated the town council does not support of the expansion or resurfacing of McMakin Road.

No action taken.

13. Discussion, consideration, and action on a proposal from Midway Sealcoating for crack sealing in the amount of \$25,400.

Motion Schoenrade, seconded by Hillyer to approve the proposal from Midway Sealcoating for crack sealing in the amount of \$25,400.

AYE: Johnson, Hillyer, Parsons, Schoenrade

NAY: None

ABSTAIN: None

Motion Carried

14. Discussion and consideration on an Agreement for Fire Protection Services.

Moved to a future agenda and no action taken.

15. Discussion and consideration on creating of a Purchasing Policy and Procedures Ordinance to document the following: approval process, signature limits and spending limits of elected officials and town employees and other encompassing documentation regarding bidding and emergency spend of Town Funds as well as relations with vendors.

Mayor Pro-Tem Johnson spoke to the importance of a Purchasing Policy and Procedures Ordinance and a presentation will be on a future agenda.

16. Discussion on 2022-2023 fiscal year budget and tax rate.

All the revenue line items were discussed and set Sunday, August 7 at 1:00 p.m. for a budget workshop.

17. Council – staff announcements and comments
None

18. Adjournment

With no further business to come before the Council, motion Johnson, second Hillyer, the meeting was adjourned at 10:51 p.m.

APPROVED this the 15th day of August 2022



Approved:

Patrick Johnson

Patrick Johnson, Mayor Pro-Tem

Attest:

Eileen Kennedy

Eileen Kennedy, Town Secretary

Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977
TEL. (940) 387-8563
FAX (940) 383-4746

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED UPON PROCEDURES**

To the Town of Double Oak
Double Oak, Texas

We have performed the procedures enumerated below, which were agreed to by the Town of Double Oak, related to the Town of Double Oak's disbursement and accounting for the State and Local Fiscal Recovery Funds (SLFRF) received from the US Department of the Treasury (the "Treasury") passed through the Texas Department of Emergency Management (TDEM). The Town of Double Oak's management is responsible for the management of the SLFRF funds. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Background

The Town received \$380,103.65 of SLFRF funds from TDEM on August 23, 2021 as a 50% draw on the \$760,207.30 total SLFRF funds awarded to the Town. Disbursements paid from October 7, 2021 through June 10, 2022 were charged to the SLFRF funds to show disbursement of the \$380,103.65 in full.

In May, 2021 the Treasury published the Interim Final Rule describing eligible and ineligible uses of the SLFRF funds. The Final Rule was published in January, 2022 to take effect on April 1, 2022. The Final Rule provided broader flexibility and greater simplicity in the program as to eligible uses of the funds. Any use of the funds that are consistent with the Final Rule were allowable regardless of when the SLFRF funds were used.

The following details the procedures performed and the results obtained:

Agreed Upon Procedures Performed and Results

1. Procedure - Examine the supporting documentation for the disbursements charged to the Town's SLFRF funds to determine that sufficient and appropriate documentation exists.

Result:

- For each non-payroll disbursement charged to the SLFRF funds, we obtained and examined the invoice supporting the disbursement and agreed the amount paid and description of the item paid to the invoice with no exceptions.
 - For each payroll disbursement charged to the SLFRF funds, we examined the employee time sheet, where applicable, and agreed the hours paid to the time sheet. For the payroll disbursements for premium pay, we examined the paycheck stub and noted that all appropriate tax withholdings were made.
2. Procedure - Compare the disbursements charged to the Town's SLFRF funds to the statutory guidance published in the Treasury's Interim Final Rule and Final Rule to determine whether or not the disbursements were eligible uses of the funds.

General information – the Town charged disbursements in the following categories to the SLFRF funds:

- Premium pay to essential workers, and related benefits
- Sick pay to essential workers who contracted COVID, less related workers compensation reimbursements received
- Drainage infrastructure projects/repairs
- Technology-related costs
- Hygiene and cleaning costs
- Police vehicle purchase

Applicable rules regarding non-payroll eligible uses:

- recipients had the option to make a one-time decision to elect a "Standard Allowance" of up to \$10 million, not to exceed the award allocation, to establish the revenue loss experienced by the Town. The option to make this one-time decision was provided during the April 30, 2022 reporting deadline.
- Recipients can use SLFRF funds on government services up to the revenue loss amount. Government services generally include any service traditionally provided by a government unless Treasury has stated otherwise. Some common examples of government services are:
 1. Road building and maintenance, and other infrastructure

2. Health services
3. General government administration
4. Provision of police and other public safety services, including purchase of police vehicles

Applicable rules regarding payroll eligible uses:

- SLFRF funds may be used to provide premium pay to eligible workers performing essential work during the pandemic. Premium pay may be awarded to eligible workers up to \$13 per hour. Premium pay must be in addition to wages or compensation the eligible workers otherwise received. Premium pay may not exceed \$25,000 for any single worker during the program.
- the eligible worker must perform essential work, meaning work that involves regular, in-person interaction with the public or with coworkers of the individual that is performing the work. Eligible workers include workers needed to maintain continuity of operations of essential critical infrastructure sectors. These include emergency response and local government workforce.
- eligible workers performing essential work and receiving premium pay during the COVID-19 public health emergency must meet one of three requirements:
 1. The eligible worker receiving premium pay is earning (with the premium included) at or below 150% of their residing state or county's average annual wage for all occupations on an annual basis, OR
 2. The eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions, OR
 3. The Town must submit written justification to Treasury.
- The Town may not deposit SLFRF funds into a pension fund.

Results:

- We examined the initial annual Project and Expenditures Report filed by the Town for the period ending March 31, 2022 and confirmed that the Town elected to use the standard allowance equal to the amount of the Town's grant of \$760,207.30, thus establishing that as the amount of the Town's revenue loss.
- Based on the Town's election to use the standard allowance to spend on government services, it was determined that the Town's disbursements for costs in the categories of drainage infrastructure projects/repairs, technology-related costs, hygiene and cleaning costs, and the police vehicle purchase are all eligible uses of the SLFRF funds.
- The Town's use of SLFRF funds for the employer match of social security taxes related to premium pay paid by the Town is an eligible use under the government services provision. However, the Town's use of SLFRF

funds for the employer contribution to the Texas Municipal Retirement System related to premium pay paid by the Town is not an eligible use, based on the final rule provision that prohibits SLFRF funds from being deposited into a pension fund.

- The premium pay paid to each of nine employees of \$25,000 divided by the maximum \$13 per hour means each employee who received premium pay must have worked a minimum of 1,923 hours to be eligible for the maximum premium pay amount. We examined time sheets and Quickbooks payroll reports for each of the nine employees and confirmed that each had worked at least 1,923 hours during the year ended March 31, 2022.
- The nine Town employees who received premium pay all meet the definition of an eligible worker based on the work each performs.
- Concerning the additional eligibility requirements, six of the nine employees qualify as an eligible worker because they are eligible for and are paid overtime when applicable.
- The remaining three employees are salaried employees who are exempt from the Fair Labor Standards Act overtime provisions and do not qualify under that provision for premium pay. We obtained from the Bureau of Labor Statistics the latest occupational wage information (May, 2021 being the latest month available) showing the average annual wage for all occupations on an annual basis for the State of Texas. That figure of \$58,020 times 150% equals \$87,030. Each of the three salaried employees earned (with the \$25,000 premium pay included) more than \$87,030 on an annual basis and thus are not considered an eligible worker under this provision either.

3. Procedure - Obtain and examine the reports filed by the Town related to its use of the SLFRF funds to determine if the reports were timely filed and accurately reflect the Town's use of funds.

Applicable rules regarding reporting:

- a one-time interim report with expenditures covering the period from March 3, 2021 to July 31, 2021 should be filed within 60 days after first receiving funding if the date of award was between July 15, 2021 and October 15, 2021.
- an initial annual Project and Expenditures Report covering the period from March 3, 2021 to March 31, 2022 was required to be submitted by April 30, 2022. Subsequent annual reports will cover one calendar year and must be submitted by April 30.

Result:

- TDEM emailed the Town on July 21, 2021 notifying it that their award of SLFRF funds had been approved. We did not find that the one-time interim report for the period March 3, 2021 to July 31, 2021 was filed, though the Town's expenditures of SLFRF funds during that period were zero.
- We obtained and examined the initial annual Project and Expenditures Report filed by the Town related to its use of the SLFRF funds for the period March 3, 2021 to March 31, 2022. The report showed \$63,432.85 cumulative expenditures through March 31, 2022. We also obtained the Town's Quickbooks accounting software report showing the detail disbursements charged to the SLFRF funds during the period August 23, 2021 (the date the Town received the funds) through March 31, 2022. That report shows \$73,299.71 spent during the period, a difference of \$9,866.86.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the disbursements charged to the SLFRF funds. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Town of Double Oak, and is not intended to be, and should not be, used by anyone other than the specified parties.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas
August 1, 2022