

COMMISSIONERS COURT MINUTES, SPECIAL SESSION, SEPTEMBER 18, 2023

The Terrell County Commissioners Court met on Monday, the 18<sup>th</sup> day of September 2023, at 10:00 A.M. in the commissioner's courtroom of the county courthouse in the city of Sanderson, Texas. Notices of the meeting place were timely posted at a site readily accessible to the general public at all times. They remained posted for at least seventy-two hours preceding the scheduled time of this meeting, in compliance with the Open Meetings Act.

The Hon. Dale Carruthers, County Judge, called the meeting to order. The following members of this Court and Officers of the County were present:

Hon. Adam Johnson	Commissioner Pct. 1
Hon. Lupe Garza	Commissioner Pct. 2
Hon. Arnulfo Serna	Commissioner Pct. 3
Hon. Gene Chavez	Commissioner Pct. 4

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Hon. Raeline Thompson	County and District Clerk
Deputy Pamela Blaylock	County Treasurer's Office
Hon. Thaddeus Cleveland	County Sheriff
Hon. Kenneth Bellah – Zoom	County Attorney

Commissioner Johnson gave the Invocation and led the commissioner's court in the Pledge of Allegiance to the United States flag, followed by the Pledge of Allegiance to the Republic of Texas Flag.

**Resolution to apply for a line of Credit Loan from Pecos County State Bank** – Commissioner Johnson motioned to wait on approval from the Attorney General. Commissioner Serna seconded the motion with the stipulation the loan be used for bills and salaries only calling for a vote; all members answered "nay"

Commissioner Johnson motioned to wait for approval from the Attorney General Government Code Title 9 Public Securities Section 1431.001 and Section 1431.004. Commissioner Serna seconded the motion with the stipulation the loan be used for bills, salaries, payroll, and utilities calling for a vote; all members answered "aye," and the motion carried.

GOVERNMENT CODE TITLE 9  
PUBLIC SECURITIES

Sec. 1431.001. DEFINITIONS. In this chapter:

- (1) "Anticipation note" means a note issued under this chapter.
- (2) "Eligible countywide district" means a flood control district or a hospital district the boundaries of which are substantially coterminous with the boundaries of a county with a population of three million or more or a hospital district created in a county with a population of more than 1.2 million that was not included in the boundaries of a hospital district before September 1, 2003.
- (3) "Eligible school district" means an independent school district that has an average daily attendance of 190,000 or more as determined under Section 48.005, Education Code.
- (4) "Governing body" means the commissioners court of a county or the governing body of a municipality, eligible school district, or eligible countywide district authorized to issue anticipation notes on behalf of an issuer.

(5) "Issuer" means a county, municipality, eligible school district, or eligible countywide district issuing an anticipation note.

(6) "Public work" for an issuer that is a municipality or county has the meaning assigned by Section 271.043, Local Government Code.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Amended by Acts 2001, 77th Leg., ch. 1183, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 164 (S.B. 1107), Sec. 2, eff. September 1, 2007.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 3.082, eff. September 1, 2019.

Acts 2023, 88th Leg., R.S., Ch. 644 (H.B. 4559), Sec. 53, eff. September 1, 2023.

Acts 2023, 88th Leg., R.S., Ch. 1126 (H.B. 4082), Sec. 1, eff. September 1, 2023.

Sec. 1431.004. USES OF ANTICIPATION NOTE PROCEEDS. (a) An issuer, other than an eligible school district, may use the proceeds of an anticipation note to pay:

(1) a contractual obligation incurred or to be incurred for:

(A) the construction of a public work;

(B) the purchase of materials, supplies, equipment, machinery, buildings, lands, and rights-of-way for the issuer's authorized needs and purposes; or

(C) a professional service, including a service by a tax appraisal engineer, engineer, architect, attorney, mapmaker, auditor, financial advisor, or fiscal agent;

(2) operating or current expenses; or

(3) the issuer's cumulative cash flow deficit.

(b) The governing body of an eligible school district may use the proceeds of an anticipation note to pay an obligation incurred or to be incurred for:

(1) a purpose described by Subsection(a)(1)(C), (2), or (3); or

(2) the purchase of materials, supplies, equipment, or machinery for an issuer's authorized needs and purposes.

(c) For the purposes of this section, the cumulative cash flow deficit is the amount by which the sum of an issuer's anticipated expenditures and cash reserve reasonably required to pay unanticipated expenditures exceeds the amount of the issuer's cash, marketable securities, and money in an account that may be used to pay an issuer's anticipated expenditures, other than:

(1) money in an account the use of which is subject to legislative or judicial action or that is subject to a legislative, judicial, or contractual requirement that the account be reimbursed; or

(2) the proceeds of an anticipation note.

(d) For the purposes of Subsection (c), an amount equal to one month's anticipated expenditures is presumed to be reasonably required as a cash reserve.

(e) An issuer, other than an eligible school district, may use the proceeds of an anticipation note or other obligation issued under Section 1431.015:

(1) for purposes described by Subsection (a); or

(2) **to pay for:**

(A) **employee salaries;**

(B) the lease of materials, supplies, equipment, machinery, buildings, lands, and rights-of-way for the issuer's authorized needs and purposes;

(C) the demolition of dangerous structures or the restoration of historic structures;

(D) economic development grants made under Chapter 380, Local Government Code; or

(E) the accomplishment of any other purpose the issuer considers necessary in relation to preserving or protecting the public health and safety.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Amended by Acts 2001, 77th Leg., ch. 1183, Sec. 4, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 929 (H.B. 3270), Sec. 1, eff. June 15, 2007.

## Resolution

A RESOLUTION OF THE TERRELL COUNTY COMMISSIONERS COURT, TERRELL COUNTY, TEXAS AUTHORIZING THE COURT TO APPLY FOR A TAX ANTICIPATIO NOTE LINE OF CREDIT FROM Pecos County State Bank with a term not to exceed 364 days from the date of approval by the Texas Attorney General was passed at a meeting of the Terrell County Commissioners Court held on September, 2023, will affect the Budget Year 10/1/2023-9/30/2024 and reads as follows:

## RESOLVED

WHEREAS, the County will pledge its 2023/2024 ad valorem tax roll for taxes billed and received between October 1, 2023 and September 30, 2024, and anticipated sales tax revenue, to Pecos County State Bank, as collateral or security for the repayment of the funds loaned by the Bank.

WHEREAS, the County requests the Tax Anticipation Note line of credit to assist the County in funding a short-term cash flow imbalance, to pay for the County's operating or current expenses. The Tax Anticipation Note requested by Terrell County is in the amount of

\$750,000.00, at an interest rate not to exceed Wall Street Journal Prime percent per annum.

Now, therefore, be it resolved: That any and all loan documents, contracts or commitments made on behalf of Terrell County are Read, Passed, and approved on this the 18<sup>th</sup> day of September 2023.

Approval of the Tax Anticipation Note shall be promptly requested by Terrell County from the Texas Attorney General.

Further, the County Judge of Terrell County, Texas is authorized to execute any and all documents required to finalize the line of credit, provided the documents are consistent with this Resolution.



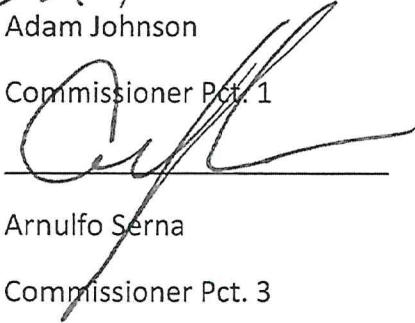
Dale Carruthers

Terrell County Judge



Adam Johnson

Commissioner Pct. 1



Arnulfo Serna

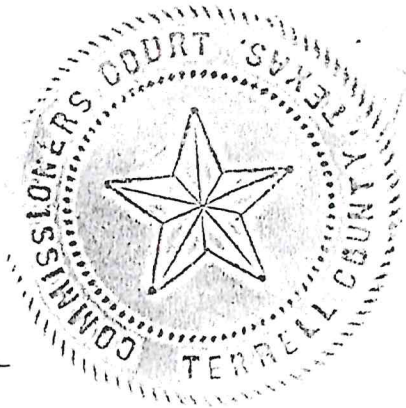
Commissioner Pct. 3


Attest:



Raeline Thompson

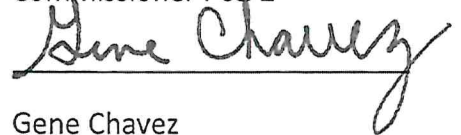
County Clerk





Lupe Garza

Commissioner Pct. 2



Gene Chavez

Commissioner Pct. 4



SINGLETON, CLARK  
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

September 18, 2023

To the Honorable Judge and Commissioners  
Of Terrell County, Texas

I would like to thank Judge Carruthers, the current Terrell County Commissioners, and all of the predecessor officials of the Terrell County Commissioners Court since 2015 for allowing Singleton, Clark & Company - CPAs to serve as the independent auditing firm of Terrell County. It has been an honor to work with everyone at the County each year completing the last eight annual financial audits.

It is with great regret however that I send this letter of resignation to notify you that effective September 18, 2023, Singleton Clark will cease our services as your auditors. We have reached this decision reluctantly and after much deliberation, but believe it is the best course of action at this time. This decision is based on review of our last four audits of Terrell County, and the related communications arising from those audits regarding reported issues of deficient accounting and financial reporting practices.

The County should begin taking steps soon to retain a new auditing firm for your Fiscal Year 2023 audit. We will of course cooperate fully with your new auditors during the transition and provide them access to our workpapers and files at your request.

Thank you again for your trust in our firm over the last eight years.

Sincerely,  
*Preston K. Singleton, CPA*

Preston K. Singleton, CPA  
Singleton, Clark & Company, PC

**Adjourn** - Commissioner Serna motioned to adjourn. Commissioner Johnson seconded the motion calling for a vote; all members answered "aye," and the motion carried.

/s/ Raeline Thompson  
Raeline Thompson, County Clerk, and Ex-officio Clerk  
Terrell County Commissioners Court

**ORDER TO APPROVE MINUTES OF SPECIAL SESSION**

The above and preceding minutes of the meeting held on September 18<sup>th</sup>, 2023, are now approved (as amended this \_\_\_\_\_ day of \_\_\_\_\_ 2023) as presented IN OPEN COURT this 10<sup>TH</sup> day of October, AD, 2023.

*Dale Carruth* Presiding Officer

Attest: *Raeline Thompson* County Clerk

