

Surfside Beach City Council Meeting

Tuesday November 12, 2024

Village of Surfside Beach

1304 Monument Drive

Surfside Beach, TX 77541

An agenda information packet is available for public inspection on the website at www.surfsidetx.org

NOTICE IS HEREBY GIVEN that the City Council of the Village of Surfside Beach will conduct a Council meeting scheduled for **7:00 p.m. on Tuesday November 12, 2024**. To view the meeting electronically please use the following website:

<https://us02web.zoom.us/j/84253545017?pwd=VHFGMXRoZmJHNG5lcDBSIjZMldjUT09>

Meeting ID: 842 5354 5017 Passcode: 1304

The City Council reserves the right to meet in closed session on any agenda item, should the need arise and if applicable, pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

COUNCIL MEETING:

- 1) CALL TO ORDER, QUORUM IN ATTENDANCE
- 2) INVOCATION, PLEDGE OF ALLEGIANCE
- 3) Mayor/council/department head reports
- 4) Business of visitors not on the agenda.
- 5) ALL ITEMS UNDER THE CONSENT AGENDA ARE CONSIDERED TO BE SELF-EXPLANATORY, AND THE COUNCIL WILL ENACT THEM WITH ONE MOTION. UNLESS A COUNCIL MEMBER SO REQUESTS, NO SEPARATE DISCUSSION OF THESE ITEMS WILL OCCUR.

CONSENT AGENDA:

A. Consider approval of minutes from the Council meeting on October 8, 14 & 17, 2024.

B. Consider approval of accounts payable from October 2024.

- 6) Discuss and take possible action to appoint Anthony Scharp as the Emergency Management Coordinator. *Gerber & Green-Prats*
- 7) Discuss and take possible action to increase the garbage rates by 3.80% due to the Waste Connections rate increase. *Parsch*
- 8) Discuss and take possible action on a City organizational chart to reflect current chain of command and post to the website. *Green-Prats*
- 9) Discuss and take possible action on a Resolution designating Mayor Parsch to act for and on behalf of the village of Surfside Beach in dealing with the Texas General Land Office. *Davenport*
- 10) Discuss and take possible action to enter into an agreement with KM&L for the FY 2024 financial audit. *Truly*

- 11) Discuss and take possible action authorizing Mayor Parsch to sign a Proclamation and letter of support for the Village of Surfside Beach to be recognized as a Tourism Friendly Texas Certified Community. *Davenport*
- 12) Discuss and take possible action to increase the HOT taxes from 5% to 7% as allowed in the Tx Tax Code 351.105. *Parsch*
- 13) Discuss and take possible action to increase the Stahlman Park deposit fee. *Green-Prats*
- 14) Discuss and take possible action to pay the Mammoth Dive Academy for services rendered in good faith. *Gerber*
- 15) Discuss the need to hire a City Administrator for the future and continuity of government services in Surfside. *Gerber*
- 16) Discuss and take possible action on an update regarding the comparison of HOT revenues collected by the Village to those reported to the State Comptroller. *Gerber*
- 17) Discuss and take possible action to approve a policy on prohibited technology on city owned devices. *Ritter*
- 18) **Executive Session:** The City Council may convene into closed executive session pursuant to Texas Government Code, Sec. 551.074 PERSONNEL MATTERS, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee unless the officer or employee who is subject of the deliberations or hearing request a public hearing, specifically to discuss appointment to the Council vacant position.
- 19) Action, if any, out of executive session.
- 20) Adjourn

I hereby certify that a true and correct copy of the above and foregoing "Notice of Meeting" by the City Council was posted on the front bulletin board of the City Hall of the Village of Surfside Beach, Texas. Said notice was posted Thursday, October 7, 2024 at or before 6:00 PM and remained so posted continuously for at least 72 hours before the scheduled time and date of the aforementioned meeting.


City Secretary

Minutes of Regular Meeting of the City Council

Tuesday, October 8, 2024 – 7:00 PM

Village of Surfside Beach

1304 Monument Drive

Surfside Beach, TX 77541

1) CALL TO ORDER, QUORUM IN ATTENDANCE

Meeting was called to order by Mayor Pro Tem Green-Prats at 7:40 p.m.

2) INVOCATION, PLEDGE OF ALLEGIANCE

Alderman Jalifi gave the invocation and Mayor Pro Tem led the pledge.

3) Presentation of Appreciation to former Surfside Tourism Director, Michelle Booth

Mrs. Booth wasn't able to make this meeting and will be presented her plaque at a later time.

4) Mayor/council/department head reports

John Foster – Public works daily reports; reduced the consumption of water from Freeport;

Kelly Marsh – hiring officers;

Maribel Hill – planning committee is looking at usage of City owned properties;

Oscar Jalifi – Tourism committee will be meeting in November;

Gerber – Thank you for letting me serve you;

Kedlarchuk – Research on road repair;

5) Business of visitors not on the agenda. Richard Sublett commented about the condition of the street at the intersection with Bluewater Highway.

6) ALL ITEMS UNDER THE CONSENT AGENDA ARE CONSIDERED TO BE SELF-EXPLANATORY, AND THE COUNCIL WILL ENACT THEM WITH ONE MOTION. UNLESS A COUNCIL MEMBER SO REQUESTS, NO SEPARATE DISCUSSION OF THESE ITEMS WILL OCCUR.

CONSENT AGENDA:

A. Consider approval of minutes from the Council meeting on September 10 & 24, 2024.

B. Consider approval of accounts payable from September 2024.

C. Consider approval of the 2025 City Holiday list.

Motion was made by Jalifi to approve the consent agenda as presented.

Motion was seconded by Parsch and approved with 1 against (Green-Prats)

7) Discuss and take possible action on Resolution designating and updating the authorized representatives for the TexPool accounts, effectively adding Toni Truly.

Motion was made by Gerber to approve Toni Truly on the TexPool Accounts. Motion was seconded by Kedlarchuk and passed unanimously.

- 8) Discuss and take possible action creating a Surfside Beach office of Emergency Management as well as the official position of an Emergency Management Coordinator.**

Motion was made by Gerber to appoint Tony Scharp. Motion was seconded by Parsch.

Motion was amended by Gerber to create the office and the position of Emergency Management. Motion was seconded by Zach Parsch and approved unanimously.

- 9) Discuss and take possible action on a rate adjustment by Waste Connections, Inc.**

Motion was made by Jalifi to table. Motion was seconded by Zach and passed unanimously.

- 10) To discuss and take possible action on a proposal to amend Chapter 2 of the Ordinances of the Village of Surfside Beach, TX requiring Commission Chairs those current and those who seek appointment to be a full-time resident within the Village.**

This item dies for lack of motion.

- 11) Discuss and take possible action to appoint an H-GAC representative.**

Motion was made by Green-Prats to appoint Jalifi as representative and Green-Prats as alternate. Motion was seconded by Kedlarchuk and passed unanimously.

- 12) Discuss and take possible action to amend the City organizational chart to reflect current chain of command and post to the website.**

Item was tabled.

- 13) Discuss and take possible action to compare Hotel Occupancy Tax revenues collected by the Village to those reported to the State Comptroller.**

Motion was made by Gerber to work with Financial Director Toni Truly on this item. Motion was seconded by Green-Prats and passed unanimously.

- 14) Discuss and take possible action to approve the FY 24-25 Hotel Fund and FY 24-25 Beach Fund budgets.**

Motion was made by Gerber to approve the FY 24-25 Hotel and Beach Fund Budgets. Motion was seconded by Jalifi and passed unanimously.

- 15) Adjourn at 8:40 p.m.**

Passed and approved this 12th day of November 2024.

Zach Parsch
Mayor

Amanda Davenport,
City Secretary

Village of Surfside Beach
1304 Monument Drive
Surfside Beach, TX 77541

MINUTES OF SPECIAL EMERGENCY
CITY COUNCIL MEETING
TUESDAY, OCTOBER 8, 2024 7:00 P.M.

- 1) **CALL TO ORDER, QUORUM IN ATTENDANCE**
Mayor Pro-Tem Green-Prats called the meeting to order at 7:00 p.m. announcing that a Quorum was in attendance.

- 2) **The City Council may convene into closed executive session pursuant to Texas Government Code, Sec. 551.074 PERSONNEL MATTERS, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee unless the officer or employee who is subject of the deliberations or hearing request a public hearing namely SPECIFICALLY MAYOR GREGG BISSO RESIGNATION.**

Council immediately recessed into executive session. Executive session ended at 7:38 p.m. and council reconvened the open meeting at 7:39 p.m.

- 3) **ACTION, IF ANY OUT OF EXECUTIVE SESSION. - none**

- 4) **ADJOURN 7:40 pm.**

Passed and approved this 12th day of November, 2024.

Mayor Zach Parsch

Amanda Davenport,
City Secretary



WASTE CONNECTIONS INC.
Connect with the Future®

July 29, 2024
City of Surfside
Attn: Mayor Bisso
1304 Monument Drive
Surfside Beach, TX 77541

RE: Annual Rate Adjustment

Dear Mayor,

Waste Connections would like to sincerely thank you for the great opportunity we have had to serve the citizens and community of Surfside. We thoroughly enjoy and appreciate the relationship between Waste Connections and the City of Surfside.

Each year we evaluate the CPI-U, costs per our contract with the city. This year the CPI-U adjustment is 3.80. I have enclosed further details of this adjustment with this letter.

We would like to adjust these rates on the October billing cycle.

Should you have any questions or concerns regarding this adjustment or anything else, please feel free to contact me at the office at 281-331-0810.

Best Regards,

Zachary Ryan
District Manager
Waste Connections of TX
Zachary.ryan@wasteconnections.com

Rate Adjustment	Percentage Increase
CPI-U	3.80% **See tab CPI-U for supporting documentation
Total Surfside Rate Adjustment	3.80%

Village of Surfside

Residential Rate
Additional Cart Rate

\$20.31
\$5.85

7.75% Tax

Rates for Section 9C - Regular Commercial and Industrial

Front Load Container

	1 time	2 times	3 times
Two Yard Container	\$52.31	\$104.63	\$156.94
Three Yard Container	\$85.07	\$170.14	\$255.20
Four Yard Container	\$113.42	\$226.85	\$340.27
Six Yard Container	\$139.22	\$278.45	\$417.67
Eight Yard Container	\$184.28	\$369.76	\$554.63

Casters and Locking Devices \$5.19 per item per month

Front Load Compactor Service

	1 time	2 times	3 times	4 times	Rental
Two Yard Container	\$124.60	\$219.07	\$316.29	\$410.73	\$419.07
Three Yard Container	\$169.07	\$277.39	\$385.73	\$494.07	\$419.07
Four Yard Container	\$196.72	\$319.07	\$438.52	\$560.74	\$419.07
Six Yard Container	\$257.95	\$416.29	\$588.53	\$760.77	\$419.07
Eight Yard Container	\$302.39	\$530.19	\$760.77	\$988.57	\$419.07

Casters and Locking Devices \$8.14 per item per month

Rates for Section 9D - Intermittent Commercial and Industrial

Front Load Container

	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
Each Extra Pick Up	\$57.95	\$60.72	\$63.50	\$69.05	\$78.78

Delivery Charges and discontinued removals \$77.85

Commercial Roll Off Container

	Delivery	Day Rental	Haul	Deposit
20 Yard	\$103.80	\$2.60	\$303.18	\$368.49
30 Yard	\$103.80	\$2.60	\$350.73	\$410.01
40 Yard	\$103.80	\$2.60	\$398.29	\$451.53

Additional \$23 per ton for over 6 tons for all sizes

Compactor Service

	Delivery	Day Rental	Haul	Install	Deposit
28 Yard	\$123.35	\$16.23	\$412.13	\$729.68	none
30 Yard	\$123.35	\$16.23	\$432.97	\$729.68	none
35 Yard	\$123.35	\$16.23	\$467.68	\$729.68	none
40 Yard	\$123.35	\$16.23	\$432.97	\$729.68	none
42 Yard	\$123.35	\$22.08	\$467.68	\$729.68	none

RESOLUTION No. FY2025BMP(2)

A RESOLUTION OF THE CITY COUNCIL OF THE VILLAGE OF SURFSIDE BEACH, TEXAS, DESIGNATING THE MAYOR TO ACT FOR AND ON BEHALF OF THE VILLAGE OF SURFSIDE BEACH IN DEALING WITH THE TEXAS GENERAL LAND OFFICE FOR THE PURPOSE OF APPLYING FOR STATE ASSISTANCE TO CLEAN AND MAINTAIN THE PUBLIC BEACH.

ON THIS 12th day of November 2024, the City Council of Surfside Beach, Brazoria County, Texas, convened in a public meeting when among other business the City adopted the following resolution.

A resolution in connection with application of Surfside Beach for State assistance in cleaning and maintaining public beaches for the period of September 1, 2024, to August 31, 2025; and

WHEREAS, each city shall enter a resolution directing the Mayor to make application for funds and vesting that Official with full authority to act for purposes of the program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE VILLAGE OF SURFSIDE BEACH, BRAZORIA COUNTY, TEXAS;

That Surfside Beach apply for state assistance in cleaning and maintaining the public beach under Section 61.076, Natural Resource Code; and

That the Mayor shall be vested with full authority to act for purposes of the program.

READ, PASSED AND APPROVED this 12th day November, 2024.

Zach Parsch, Mayor

ATTEST:

Amanda Davenport, City Secretary



Engagement Letter

November 4, 2024

To the Honorable Mayor, Members of Village Council and Management
Village of Surfside Beach
Surfside Beach, Texas

We are pleased to confirm our understanding of the services we are to provide the Village of Surfside Beach (the "Village") for the year ended September 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Village as of and for the year ended September 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Village's 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. As part of our engagement, we will apply certain limited procedures to the Village's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Information
- 3) Required Pension Schedules
- 4) Required OPEB Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the Village's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

8 W Way Ct.
Lake Jackson, TX 77566
979-297-4075

Lake Jackson
201 W. Webb St.
El Campo, TX 77437
979-543-6836

El Campo Angleton
2801 N. Velasco, Suite C
Angleton, TX 77515
979-849-8297

Bay City
2245 Avenue G
Bay City, TX 77414
979-245-9236



Audit Scope and Objectives - Continued

1) Combining and Individual Fund Financial Statements

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the Village and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Improper Revenue Recognition
- Management Override of Controls

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion.

Audit Procedures—Internal Control - Continued

However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Village's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

Responsibilities of Management for the Financial Statements - Continued

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements and related notes and maintain the fixed asset schedules of the Village in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and maintenance of the fixed asset schedules and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation

Other Services - Continued

of the financial statements and related notes and maintenance of the fixed asset schedules and that you have reviewed and approved the financial statements and related notes and fixed asset schedules prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Village; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of KM&L, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an external agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of KM&L, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the external agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Wade Whitlow, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately December 10, 2024 and to issue our reports no later than April 30, 2025.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses, will not exceed \$33,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

To the Honorable Mayor and
Members of Village Council
Engagement Letter
November 4, 2024
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Engagement Administration, Fees, and Other - Continued

If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the Village's financial statements. Our report will be addressed to the Honorable Mayor and Members of Village Council of the Village. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Village is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to the Village and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

KM&L, LLC

To the Honorable Mayor and
Members of Village Council
Engagement Letter
November 4, 2024
Page 8

RESPONSE:

This letter correctly sets forth the understanding of the Village.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



November 5, 2024

Dear Travel Texas,

I am writing to express my enthusiastic support for the Village of Surfside Beach to be recognized as a Tourism Friendly Texas Certified Community. This initiative aligns perfectly with our region's ongoing dedication to leveraging tourism as a vital component of economic growth and community development. Surfside Beach has long been a destination for travelers, offering a diverse range of attractions, from our pristine beaches along the Gulf Coast to rich cultural and historical sites. The community has worked diligently to promote the Brazosport Area as a tourism hub, and these efforts have significantly contributed to job creation, local business growth, and overall economic development.

The goals of the Tourism Friendly Texas program resonate strongly with our local values and strategic objectives:

- **Strengthening Relationships with Community Partners:** The Village of Surfside Beach has built a strong network of partnerships throughout the Brazosport Area involving local businesses, community organizations, and government entities. The Tourism Friendly Texas designation would further bolster these collaborations, providing a unified direction for future tourism initiatives.
- **Educating Leaders on Tourism's Economic Impact:** Our local leadership understands that tourism is more than a leisure activity, it drives economic growth. Certification would provide additional resources and opportunities to further educate stakeholders on tourism's role in job creation, business development, and community well-being.
- **Encouraging Participation in State Tourism Programs:** Surfside Beach and the Brazosport Area have consistently participated in state programs to develop tourism. The Tourism Friendly Texas certification would enhance our ability to take full advantage of state resources, fostering new initiatives and expanding our reach to a broader audience.

I am confident that Surfside Beach is prepared to meet the standards of the Tourism Friendly Texas program. We have demonstrated our commitment to tourism as a critical economic driver, and this certification will help amplify these efforts.

Thank you for considering this request.

Zach Parsch
Mayor



PROCLAMATION

WHEREAS, Travel and tourism provide significant financial and cultural benefits for the Village of Surfside Beach; and

WHEREAS, Events, and travel for leisure and recreational activities are all key components to Surfside Beach's economy; and

WHEREAS, Surfside Beach's hospitality and tourism businesses are made up of small businesses and are part of the foundation that makes Surfside Beach a unique and memorable travel destination; and

WHEREAS, Visitors relish the many tourism offerings of our beach, the Surfside Bird & Butterfly Trail, Stahlman Park, the Surfside Historical Museum, Fort Velasco, Jetty Park, and numerous events like the St. Patrick's Day Parade, Surfside Marathon, Surfing Santas, and the Food & Art Festival; and

WHEREAS, We acknowledge that all travel, whether related to leisure, or business is beneficial; and

WHEREAS, Welcoming visitors from near and far always has been, and always will be, the enduring ethos of the travel industry of Surfside Beach.

NOW, THEREFORE, I, Zach Parsch, Mayor of the Village of Surfside Beach, do hereby proclaim

"SURFSIDE BEACH A TOURISM FRIENDLY COMMUNITY"

I urge all citizens to join the City Council, City staff, and me in recognizing the positive effect travel has on the nation, Texas, and Surfside Beach's economic prosperity and image.

In testimony whereof, witness my hand and the Seal of the City of Surfside Beach this 8th day of November, 2024.

Zach Parsch, Mayor

Amanda Davenport

From: Parsch, Zach (ZM) <ZParsch@dow.com>
Sent: Monday, November 4, 2024 11:07 AM
To: Amanda Davenport
Subject: Agenda item - Discuss TX Tax Code 351.105 and benefits to move HOT from 5% to 7% for Surfside

Follow Up Flag: Follow up
Flag Status: Flagged

Amanda,
Please add this to the November agenda and include the following snip from the TX Tax Code.
Thanks,
Zach

Tax Code Section 351.105

Allocation of Revenue: Eligible Coastal Municipalities

- (a) An eligible coastal municipality that levies and collects an occupancy tax authorized by title 35, chapter 105, at a rate of seven percent shall pledge a portion of the revenue equal to at least one percent of the cost of a room to either or both of the following purposes:
- (1) the payment of the bonds that the municipality or a park board of trustees may issue under [Section 1504.002 \(Authority to Issue Revenue Bonds\)\(a\)](#), Government Code, or under [Section 306 \(Park Board and Park Bonds: Municipalities with Population of More than 40,000\)](#), Government Code, in order to provide all or part of the funds for the establishment, acquisition, purchase, construction, improvement, enlargement, equipment, or repair of public improvements, including parks, civic centers, civic center buildings, auditoriums, exhibition halls, coliseums, marinas, cruise ship terminal facilities, hotels, motels, parking facilities, golf courses, trolley or trolley transportation systems, and other facilities considered advisable in connection with these facilities that serve the purpose of attracting visitors and tourists to the municipality; **or**
 - (2) the maintenance, improvement, or operation of the parks, civic centers, civic center auditoriums, exhibition halls, coliseums, marinas, cruise ship terminal facilities, hotels, parking facilities, golf courses, trolley or trolley transportation systems, and other facilities that may be considered advisable in connection with these facilities that serve the purpose of attracting visitors and tourists to the municipality.



Village of Surfside Beach
Covered Applications and Prohibited
Technology Policy
November 2024

1.0 INTRODUCTION

On December 7, 2022, Governor Greg Abbott required all state agencies to ban the video-sharing application TikTok from all state-owned and state-issued devices and networks over the Chinese Communist Party's ability to use the application for surveilling Texans. Governor Abbott also directed the Texas Department of Public Safety (DPS) and the Texas Department of Information Resources (DIR) to develop a plan providing state agencies guidance on managing personal devices used to conduct state business. Following the issuance of the Governor's directive, the 88th Texas Legislature passed [Senate Bill 1893](#), which prohibits the use of covered applications on governmental entity devices.

As required by the Governor's directive and Senate Bill 1893, this model policy establishes a template that entities subject to the directive or bill may mimic to prohibit the installation or use of covered applications or prohibited technologies on applicable devices.

2.0 POLICY FOR THE COVERED APPLICATIONS VILLAGE OF SURFSIDE BEACH

2.1 SCOPE AND DEFINITIONS

Pursuant to Senate Bill 1893, any political subdivision of this state, including a municipality, county, or special purpose district, must establish a covered applications policy.

Therefore, this policy applies to all **the Village of Surfside Beach (the "City")** full- and part-time employees, contractors, paid or unpaid interns, and other users of City networks. All City employees are responsible for complying with this policy.

A covered application is:

- The social media service TikTok or any successor application or service developed or provided by ByteDance Limited, or an entity owned by ByteDance Limited.
- A social media application or service specified by proclamation of the Governor under Government Code Section 620.005.

2.2 COVERED APPLICATIONS ON CITY-OWNED OR LEASED DEVICES

Except where approved exceptions apply, the use or installation of covered applications is prohibited on all City-owned or -leased devices, including cell phones, tablets, desktop and laptop computers, and other internet-capable devices.

The City will identify, track, and manage all City-owned or -leased devices including mobile phones, tablets, laptops, desktop computers, or any other internet-capable devices to:

- a. Prohibit the installation of a covered application.
- b. Prohibit the use of a covered application.
- c. Remove a covered application from a City-owned or -leased device that was on the device prior to the passage of S.B. 1893 (88th Leg, R.S.).
- d. Remove an application from a City-owned or -leased device if the Governor issues a proclamation identifying it as a covered application.

The City will manage all City-owned or leased mobile devices by maintaining the ability to implement the security measures listed below as applicable:

- a. Restrict access to "app stores" or unauthorized software repositories to prevent the installation of unauthorized applications;
- b. Maintain the ability to remotely wipe non-compliant or compromised mobile devices;
- c. Maintain the ability to remotely uninstall unauthorized software from mobile devices; or
- d. Other City-implemented security measures as needed.

2.3 ONGOING AND EMERGING TECHNOLOGY THREATS

To provide protection against ongoing and emerging technological threats to the City's sensitive information and critical infrastructure, DPS and DIR will regularly monitor and evaluate additional social media applications or services that pose a risk to this state. DIR will annually submit to the Governor a list of social media applications and services identified as posing a risk to Texas. The Governor may proclaim items on this list as covered applications that are subject to this policy. If the Governor identifies an item on the DIR-posted list described by this section, then the City will remove and prohibit the covered application. The City may also prohibit social media applications or services in addition to those specified by proclamation of the Governor.

2.4 BRING YOUR OWN DEVICE POLICY

If the City adopts, or has adopted, a "Bring Your Own Device" (BYOD) program, then the City may consider prohibiting the installation or operation of covered applications on employee-owned devices that are used to conduct City business.

2.5 COVERED APPLICATION EXCEPTIONS

The City may permit exceptions authorizing the installation and use of a covered application on a City-owned or -leased device consistent with the authority provided by Government Code Chapter 620. Government Code Section 620.004 only allows the City to install and use a covered application on an applicable device to the extent necessary:

- (1) For providing law enforcement; or
- (2) For developing or implementing information security measures.

If the City authorizes an exception allowing for the installation and use of a covered application, then the City must use measures to mitigate the risks posed to the State during the application's use including any measures that the City deems appropriate and reasonable to support the purpose of this policy.

The City shall document whichever measures it took to mitigate the risks posed to the State during the use of the covered application. The City requires any employee or official to consult with its attorney prior to seeking an exception to installing an application covered by this policy.

2.6 BRING YOUR OWN DEVICE POLICY IF THE CITY IS NOT SUBJECT TO THE GOVERNOR'S PROHIBITED TECHNOLOGY DIRECTIVE

If the City is deemed to not be subject to the Governor's prohibited technology directive but is subject to Senate Bill 1893, then the City may prohibit the installation or operation of prohibited technologies and covered applications on employee-owned devices that are used to conduct City business. If the City adopts, or has adopted, a "Bring Your Own Device" (BYOD) program, then the City shall institute a "Bring Your Own Device" (BYOD) policy requiring the enrollment of these personal devices in the City's program before their continued use in conducting City business.

3.0 POLICY COMPLIANCE

The City will verify compliance with this policy through various methods, including but not limited to, IT/security system reports and feedback to leadership. An employee found to have violated this policy may be subject to disciplinary action, including termination of employment.

4.0 POLICY REVIEW

This policy will be reviewed annually and updated as necessary to reflect changes in state law, additions to applications identified under Government Code Section 620.006, updates to the prohibited technology list posted to DIR's website, or to suit the needs of the City.
