



AGENDA
CITY COUNCIL
WORKSESSION
MONDAY, MARCH 18, 2013
6:00 PM
502 ELM STREET

1. Call Meeting to Order.
2. Overview of Audit for Fiscal Year End 2011/2012 by Weaver and Tidwell, L.L.P.
3. Update and Discussion on Proposed Amendments to Sanger's Architectural Standards for the Historical Core, Allowing Additional Exterior Materials and Requiring Architectural Character.
4. Overview of Items on Regular Agenda.
5. Adjourn.

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the bulletin board, at the City Hall of the City of Sanger, Texas, a place convenient and readily accessible to the general public at all times, and said notice was posted on the following date and time: March 14, 2013 at 3:00 P.m. and shall remain posted until meeting is adjourned.

Tami Taber
Tami Taber, City Secretary
City of Sanger, Texas



This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (940) 458-7930 for further information.



February 21, 2013

To the City Council and Management
City of Sanger, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sanger for the year ended September 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 3, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City's financial statements was management's estimate of the allowance for doubtful accounts, which is based on historical loss levels, the aging of the accounts, and an analysis of collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

To the City Council and Management
City of Sanger, Texas
February 21, 2013

Page 2

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material misstatements detected as a result of the audit procedures were corrected by management:

- To record the current year amortization on capitalized bond issue costs, capitalized premiums/discounts, and deferred gain/loss on the refunding bond totaling \$22,908 on the government-wide statements and \$10,798 in the enterprise fund.
- To correct amounts recorded as outstanding checks to an accrual totaling \$39,397 related to accrued wages in the general fund and \$17,636 related to accrued interest in the debt service fund.
- To write-off a lease that was fully paid in the current year and record a new lease for a net effect on government-wide liabilities of \$316,357, and general fund capital outlay and other financing sources of \$340,119.
- To adjust inventory to actual based on the "list price" totaling \$21,179 in the enterprise fund.
- To record retainage payable related to capital projects totaling \$47,239 in the capital projects fund.
- To record rental income from the 4A warehouse on a straight-line basis for the government-wide financial statements including an additional asset for tenant improvements totaling a net \$65,333 which includes \$4,667 of depreciation expense, a deferred rent of \$40,008, and additional rental income in the current fiscal year of \$29,992.
- To record a transfer from the general fund to the capital projects fund that wasn't completed before year-end totaling \$89,091.
- To move to the enterprise fund construction in process totaling \$291,414 including retainage payable of \$27,603 that was incorrectly recorded in the capital projects fund.

To the City Council and Management
City of Sanger, Texas
February 21, 2013

Page 3

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 21, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Yours truly,

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

JRF:kel

GENERAL FUND

3002) To move one months expense for animal care to PY

Animal Care Expense

Fund Balance - Unrestricted

3003) To record accrual for franchise fees related to the Enterprise

Franchise Fee Receivable

Franchise Fees - EF

3004) To write off difference in Emergicon revenue to PY

Emergicon Revenue - Ambulance

Fund Balance - Unrestricted

3006) To record difference in accrued payroll

Salaries Expense

Accrued Payroll

3009) To move expense that should have been accrued in PY into

Fund Balance - Unrestricted

Electric Expense

FROM PRIOR YEAR

Total PY differences

TOTAL DIFFERENCES

POST TO EQUITY

TOTAL EFFECT

TOTAL PER AUDIT

AS A PERCENT

	Assets	Liabilities	Fund Balance	Revenue	Expense
			2,400		(2,400)
	15,443			(15,443)	
			(14,255)	14,255	
		(6,094)			6,094
			2,194		(2,194)
	15,443	(6,094)	(9,661)	(1,188)	1,500
FROM PRIOR YEAR	-	-	21,207	-	(21,207)
Total PY differences	-	-	21,207	-	(21,207)
TOTAL DIFFERENCES	15,443	(6,094)	11,546	(1,188)	(19,707)
POST TO EQUITY			(20,895)		
TOTAL EFFECT	15,443	(6,094)	(9,349)	(1,188)	(19,707)
TOTAL PER AUDIT	1,174,080	(400,683)	(773,397)	(4,873,195)	4,900,021
AS A PERCENT	1.32%	1.52%	1.21%	0.02%	-0.40%

ENTERPRISE FUND

3001) To pass an entry to record UB accrual in PY

AR - Utility Billing

Electric Income

Net Assets - Unrestricted

3003) To record accrual for franchise fees related to the Enterprise Fund for September billings

Franchise Fee Expense

Franchise Fees - EF

3005) To record FICA and Retirement related to accrued vacation

FICA Expense

Accrued FICA

Retirement Expense

Accrued Retirement

3006) To record difference in accrued payroll

Salaries Expense

Accrued Payroll

3007) To record inventory error in PY

System Maintenance

Net Assets - Unrestricted

	Assets	Liabilities	Net Assets	Revenue	Expense
	32,306			417,764	
			(450,070)		
					15,443
		(15,443)			
					5,200
		(5,200)			
					4,588
		(4,588)			
					9,230
		(9,230)			
					72,280
			(72,280)		

ENTERPRISE FUND - Continued

3008) To reverse PY error of double booking water accrual

Water Expense

Fund Balance - Unrestricted

3009) To move expense that should have been accrued in PY into fund balance

Fund Balance - Unrestricted

Electric Expense

FROM PRIOR YEAR

Total PY differences

TOTAL DIFFERENCES

POST TO EQUITY

TOTAL EFFECT

TOTAL PER AUDIT

AS A PERCENT

	Assets	Liabilities	Net Assets	Revenue	Expense
			(20,784)		20,784
			12,569		(12,569)
	32,306	(34,461)	(530,565)	417,764	114,956
	59,496	-	(44,983)	-	(14,513)
	59,496	-	(44,983)	-	(14,513)
	91,802	(34,461)	(575,548)	417,764	100,443
			518,207		
	91,802	(34,461)	(57,341)	417,764	100,443
	20,085,449	(6,891,509)	(13,193,940)	(10,773,056)	9,067,596
	0.46%	0.50%	0.43%	-3.88%	1.11%

GOVERNMENT-WIDE

General Fund

3002) To move one months expense for animal care to PY

Animal Care Expense

Fund Balance - Unrestricted

3003) To record accrual for franchise fees related to the Enterprise

Fund for September billings

Franchise Fee Receivable

Franchise Fees - EF

3004) To write off difference in Emergicon revenue to PY

Emergicon Revenue - Ambulance

Fund Balance - Unrestricted

3006) To record difference in accrued payroll

Salaries Expense

Accrued Payroll

3009) To move expense that should have been accrued in PY into
fund balance

Fund Balance - Unrestricted

Electric Expense

	Assets	Liabilities	Net Assets	Revenue	Expense
			2,400		(2,400)
	15,443			(15,443)	
			(14,255)	14,255	
		(6,094)			6,094
			2,194		(2,194)

GOVERNMENT-WIDE- Continued**Government-Wide Only**

4005) To record payroll taxes for vacation and sick accruals

FICA Expense

Accrued FICA

Retirement Expense

Accrued Retirement

Total current year

FROM PRIOR YEAR

Total prior year differences

TOTAL DIFFERENCES

POST TO EQUITY

TOTAL EFFECT

TOTAL PER AUDIT

AS A PERCENT

	Assets	Liabilities	Net Assets	Revenue	Expense
					8,446
		(8,446)			
					7,452
		(7,452)			
Total current year	15,443	(21,992)	(9,661)	(1,188)	17,398
FROM PRIOR YEAR	(109,397)	-	143,263	-	(33,866)
Total prior year differences	(109,397)	-	143,263	-	(33,866)
TOTAL DIFFERENCES	(93,954)	(21,992)	133,602	(1,188)	(16,468)
POST TO EQUITY			(17,656)		
TOTAL EFFECT	(93,954)	(21,992)	115,946	(1,188)	(16,468)
TOTAL PER AUDIT	18,489,452	(8,175,703)	(10,313,749)	(6,479,752)	5,508,539
AS A PERCENT	-0.51%	0.27%	-1.12%	0.02%	-0.30%

**CITY OF SANGER
COUNCIL AGENDA ITEM**

AGENDA TYPE <input type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Workshop <input type="checkbox"/> Executive <input type="checkbox"/> Public Hearing	Reviewed by Finance <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable
	Reviewed by Legal <input type="checkbox"/> Yes <input type="checkbox"/> Not Applicable
Council Meeting Date: March 18, 2013	Submitted By: Joseph D. Iliff, AICP

City Manager Reviewed/Approval	Initials 	Date 3-11-13
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ACTION REQUESTED: ORDINANCE _____ RESOLUTION # _____ APPROVAL
 CHANGE ORDER AGREEMENT APPROVAL OF BID AWARD OF CONTRACT
 CONSENSUS OTHER DISCUSSION AND DIRECTION

AGENDA CAPTION

Discussion of Proposed Amendments to Sanger's Architectural Standards for the Historic Core, Allowing Additional Exterior Materials, and Requiring Architectural Character

FINANCIAL SUMMARY

N/A GRANT FUNDS OPERATING EXPENSE REVENUE CIP BUDGETED NON-BUDGETED

BACKGROUND/SUMMARY OF ITEM

The Historic Preservation Commission and Planning & Zoning Commission have recommended that the City Council consider amending the city's architectural standards to better reflect the existing architectural character of Sanger's central core. The central core has been roughly defined as the area between 1st Street and 10th Street, and Austin Street and Plum Street, excluding the downtown B-3 zoning district. Many of the existing houses in this area have non-masonry exteriors and feature architectural elements that create a ornamented neighborhood character.

The HPC and P&Z found that the combination of requiring a masonry exterior (usually brick) along with the absence of a requirement for any architectural character elements has resulted in the construction of "brick boxes". The new homes that have been built in the older parts of the community are strikingly different than their non-masonry, more ornamented neighbors. They found that continuing to apply the current standard would cause more visual discontinuity and a loss of neighbor character as new homes are constructed in the central core. They recommend amending the standards to create more cohesion, to allow and require new structures to strengthen, rather than weaken, the existing architectural character of the area.

City Staff also conducted a public hearing with residents and property owners of the central core. Most of those in attendance expressed support for modifying the standards to allow new houses to continue, rather than conflict with, the existing character.

STAFF OPTIONS & RECOMMENDATION

Based on the comments of the Historic Preservation Commission, the Planning & Zoning Commission, and the public, City Staff has prepared the following possible actions for the consideration by the City Council.

1. Create a Central Core Overlay District. The district would be the area where the modified architectural standards would apply. The balance of the city limits (all the area not within the CCOD) would be unaffected and the existing architectural standards would apply. The CCOD would have no affect on any covenants, codes, or restrictions applied by a homeowners association or deed restriction.
2. For new single-family houses within the CCOD, permit the use of non-masonry materials for exterior facades. This can be as simple as having no requirement (beyond the building code) or by expanding the list of allowed materials.
3. For new single-family homes within the CCOD, require their design to include a minimum number of architectural elements that create a more ornamented, complex character. This can be achieved by setting a minimum score that a house design must meet based on an objective criteria.
4. For new single-family homes within the CCOD, allow designs that do not meet the objective criteria described in #3 with the approval of the City Council. This allows a property owner to innovate and be creative in how they contribute to the neighborhood character. City Council would approve the design if they find it equal to or better than the objective standard.
5. For all other construction (multi-family, commercial, etc.), the CCOD would encourage the property owner seek Council's approval to use architectural alternatives, as already provided for in the existing standards.

Staff is requesting direction and feedback on the following questions:

1. Are the proposed boundaries of the CCOD appropriate?
2. How does Council want to expand the allowable materials?
3. Based on the attached scoring criteria, what would be the minimum score required for approval?

List of Supporting Documents/Exhibits Attached:

- Sanger Architectural Standards
- Proposed Objective Scoring Criteria
- House Photos

Prior Action/Review by Council, Boards, Commissions or Other Agencies:

The Historic Preservation Commission and the Planning & Zoning Commission have recommended amending the architectural standards.

City of Sanger Architectural Standards

Commercial Buildings

ARTICLE 3.1700 EXTERIOR CONSTRUCTION OF BUILDINGS

Article 3.1701 Types of Exterior Construction Restricted

(a) This article establishes restrictions on the exterior construction elements of both new construction and additions to buildings in zoning districts B-1, B-2, B-3 and within all zoning districts where any portion of a proposed building is within 250 feet of the IH-35 Right-of-way and all specific uses which specify that the requirements of this article be met.

(b) The exterior facade of any new building meeting the criteria above shall be constructed of materials from the following list: stone, cast stone, stucco, brick, limestone, granite, or native stone with the exception of windows and doors.

(c) A maximum of ten (10) percent of the building facade may be comprised of "split face" concrete block.

(d) The City Council may approve an alternative to use a different material or design if they find that the material or design meets or exceeds the intent of this article after conducting a public hearing. Notice of the hearing must be published in a local newspaper at least fifteen (15) days prior, and notices mailed to all property owners within two hundred (200) feet at least ten (10) days prior, to the public hearing.

(e) For buildings within two hundred and fifty (250) feet of the IH-35 Right-of-way that are 50,000 square feet or larger, and are on tracts ten (10) acres or larger, and zoned 11 or 12, exterior walls may be constructed of smooth face concrete or block provided that one or more of the materials listed in (b) above is used as an accent on a minimum of 25% of any wall facing a street, thoroughfare or highway except for a dead end street only providing access to industrially zoned property.

(Originally adopted 2001, amended in 2009)

Residential Buildings

ARTICLE 3.2100 EXTERIOR CONSTRUCTION OF RESIDENTIAL DWELLINGS

(a) This article establishes the exterior facade requirements for single-family residences, duplexes and multi-family units in the City of Sanger.

(b) All exterior facades for the first story of a new single-family residence or duplex in any zoning district, except where specifically exempted, shall be constructed of a minimum of one hundred percent (100) percent masonry construction, including and limited to; brick, stone, granite, marble, cast stone or stucco. All other floors shall be constructed of a minimum of fifty (50) percent masonry.

(c) All exterior facades for the first story of a new apartment building or multi-family dwelling in any zoning district shall be constructed of a minimum of one hundred (100) percent masonry construction including brick, stone, cast stone, granite, marble or stucco. All floors shall be constructed of a minimum of fifty (50) percent masonry.

(d) Additions to, or reconstruction of, existing structures must have, at a minimum, the same ratio of masonry to other materials as does the existing structure.

(e) Detached garages, shops and storage buildings over two hundred (200) square feet must have, at a minimum, the same percentage of masonry facade as the first floor of the main structure. Buildings other than the primary residence on A-Agricultural zoned property are exempt from this requirement.

(f) The City Council may approve an alternative to use a different material or design if they find that the material or design meets or exceeds the intent of this article after conducting a public hearing. Notice of the hearing must be published in the local newspaper at least fifteen (15) days prior, and notices mailed to all property owners within two hundred (200) feet at least ten (10) days prior, to the public hearing.

(Originally adopted 2002, amended in 2009)

Proposed Objective Scoring Criteria

Large porch ($\geq 50\%$ of front façade) (See Photo #4)	4 Points
Roof Dormer	4 Points
Multiple Materials (each at least 20%) (See Photo #17)	4 Points
Stone or Brick accents (at least 5%) (See Photo #5)	4 Points

Major Offset (10 feet or greater) (See Photo #3)	3 Points
Hidden Garage (not visible from front) (See Photo #3)	3 Points
Steep Roof Pitch (7% or greater) (See Photo #19)	3 Points
Gabled Accent (See Photo #16)	3 Points
Small Porch (25% to 49% of front façade) (See Photo #11)	3 Points
Cross Gabled (See Photo #2, #3)	3 Points
Multi-Angled Roof (See Photos #1, #3 #4)	3 Points
Roof Accent (See Photo #2)	3 Points
Window Grids (permanent) (See Photo #12)	3 Points

Bay Window or Oriel Window (each)	2 Points
Portico (See Photo #2)	2 Points
Pent Roof Returns (See Photo #2)	2 Points